LETTER OF INTENT

State of Tennessee
Health Facilities Commission

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

LETTER OF INTENT

The Publication of Intent is to be published in The Tennessee Tribune which is a newspaper of general circulation in Davidson County., Tennessee, on or before 06/14/2024 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that The McKendree Post Acute & Rehabilitation, a/an Nursing Home owned by McKendree SNF Operations, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for an application for a Certificate of Need for the addition of thirty (30) skilled nursing facility (SNF) beds dually certified by Medicare and Medicaid to its existing 180 SNF beds for a total of 210 nursing home beds. The address of the project will be 4347 Lebanon Pike, Hermitage, Davidson County, Tennessee, 37076. The estimated project cost will be $2,984,701.

The anticipated date of filing the application is 06/28/2024

The contact person for this project is Mrs. Wells Trompeter who may be reached at Holland and Knight LLP - 511 Union Street, Suite 2700, Nashville, Tennessee, 37219 – Contact No. 615-850-8759.

Wells Trompeter	06/14/2024	wells.trompeter@hklaw.com
Signature of Contact	**Date**	**Contact's Email Address**

The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition.

Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

State of Tennessee
Health Facilities Commission

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PUBLICATION OF INTENT

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that The McKendree Post Acute & Rehabilitation, a/an Nursing Home owned by McKendree SNF Operations, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for an application for a Certificate of Need for the addition of thirty (30) skilled nursing facility (SNF) beds dually certified by Medicare and Medicaid to its existing 180 SNF beds for a total of 210 nursing home beds. The address of the project will be 4347 Lebanon Pike, Hermitage, Davidson County, Tennessee, 37076. The estimated project cost will be $2,984,701.

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CRITERIA AND STANDARDS

STANDARDS AND CRITERIA

1. Determination of Need.

The need for nursing home beds for each county in the state should be determined by applying the following population-based statistical methodology:

Need = .0005 x population 65 and under, plus
.012 x population 65-74, plus
.060 x population 75-84, plus
.150 x population 85 +

Rationale: The Division has analyzed the existing Guidelines for Growth compared with the statewide utilization percentages as well as occupancy rates from the nursing home Joint Annual Reports (JARs) for 2012 and has determined that grounds to update the percentages are not sufficient to justify revision of the formula. While input from stakeholders supports that the existing formula is adequate to address statewide nursing home need at present, stakeholder input further suggests that this formula may require re-evaluation based on the impact of factors such as patient participation in the TennCare CHOICES program authorized by the Long Term Care Community Choices Act of 2008, the change in Nursing Facility Level of Care Criteria for TennCare recipients in 2012, and other reimbursement and policy changes. The Division will assess the adequacy of the formula as circumstances concerning nursing homes develop.

County utilization does, of course, differ among the counties' age cohorts, and depends largely upon the availability of nursing home services as well as the availability of reimbursement for those services. The Division believes the criterion regarding the Average Daily Census of existing nursing homes in a Service Area, set forth in No. 4 will help balance any need "overstatements" that the formula might calculate.

Research published by the Henry J. Kaiser Family Foundation in 2013 shows that a majority of people over the age of 65 will need long-term care services for an average of three years, and 20 percent of people will need more than five years of services. The percentage of the population over the age of 65 is expected to increase as the "baby boom" generation ages, and specifically the number of people 85 and older is expected to grow significantly. Tennessee's population projections are in-line with those reported nationally, if not slightly higher, for these age groups. How best to determine sufficient capacity to accommodate long-term care user choice in both institutional and community-based settings will continue to be a challenge for policy makers.

The Division recognizes that, increasingly, nursing homes are impacted by the decreases in reimbursement rates, the focus on shorter stays, and the encouragement by policies for nursing care to be provided elsewhere in the community or in the home. The result has been an overall

decline in occupancy rates and an increase in the level of care required by nursing home patients.

As requested by stakeholders, the Division commits to making available to applicants a standard chart of the results of the need formula for each county as data are verified, finalized, and made available by the TDH.

RESPONSE: This information has been attached in the document "Need Criteria."

2. **Planning Horizon:** The need for nursing home beds shall be projected two years into the future from the current year.

   Rationale: The current Guidelines for Growth use a two year planning horizon; after consideration of the impact of a three year planning horizon, the Division believes a three year planning horizon has the potential to overstate need.

   RESPONSE: The data for projection is two years in the future and shown in the attachment "Need Criteria."

3. **Establishment of Service Area:** A majority of the population of the proposed Service Area for any nursing home should reside within 30 minutes travel time from that facility. Applicants may supplement their applications with sub-county level data that are available to the general public to better inform the HSDA of granular details and trends; however, the need formula established by these Standards will use the latest available final JAR data from the Department of Health. The HSDA additionally may consider geographic, cultural, social, and other aspects that may impact the establishment of a Service Area.

   Rationale: The current Guidelines for Growth also state that a majority of the population of a service area should reside within 30 minutes travel time. In many cases it is likely that a proposed nursing home's service area could draw much more significantly from a specific area of a county. However, utilization data—which are critical to the need formula—are available from the Department of Health only at the county level. When available, the Division would encourage the use of sub-county level data that are available to the general public (including utilization, demographics, etc.) to better inform the HSDA in making its decisions. Because nursing home patients often select a facility based on the proximity of caregivers and family members, as well as the proximity of the facility, factors other than travel time may be considered by the HSDA.

   RESPONSE: The Service Area is Davidson County. With over 75% of the patient population residing in Davidson County in 2023, the majority of the majority of population and Applicant's patient population is within 30 minutes of travel time.

4. **Existing Nursing Home Capacity:** In general, the Occupancy Rate for each nursing home currently and actively providing services within the applicant's proposed Service Area should be at or above 90% to support the need for any project seeking to add new nursing home beds

within the Service Area and to ensure that the financial viability of existing facilities is not negatively impacted.

When considering replacement facility or renovation applications that do not alter the bed component within the Service Area, the HSDA should consider as the primary factor whether a replacement facility's own occupancy rate could support its economic feasibility, instead of the occupancy rates of other facilities in the Service Area.

Rationale: The words "In general" are specifically included in this Standard because several factors contribute to the ability of existing nursing homes to meet need, including in particular the designation of beds by payer mix and the specific services provided. Private insurance, Medicaid (TennCare), and Medicare reimburse services at different rates and for different purposes and lengths of stay. An applicant may be able to make a case for licensed beds if, for example, specific ancillary services or bed types are lacking in a proposed Service Area, whether or not all nursing homes in a Service Area have Occupancy Rates at or above 90%. A preference should be provided to an applicant wishing to provide Medicaid (TennCare) beds. The Division is of the opinion that the following types of applications seek to increase/alter the number of nursing home beds within a Service Area:

a. An applicant seeks to add new nursing home beds;
b. An applicant seeks to relocate an existing facility to a new Service Area;
c. An applicant seeks to establish a new facility not currently operating (i.e., does not seek a replacement of an existing, operating facility); and
d. An applicant seeks to take a single existing licensed facility and divide its bed component into more than one licensed facility (this last application type should not be viewed as merely a replacement of an existing facility, and usually requires legislation authorizing this division of beds).

RESPONSE: This information has been attached in document "Need Criteria." We note that Signature Healthcare of Madison is no longer a licensed nursing home and has ceased operations. They have data for 2022, but this should not be taken into consideration since the facility is no longer operating.

5. **Outstanding Certificates of Need:** Outstanding CONs should be factored into the decision whether to grant an additional CON in a given Service Area or county until an outstanding CON's beds are licensed.

Rationale: This Standard is designed to ensure that the impact of a previously approved CON for the provision of nursing home services in a given service area is taken into consideration by the HSDA.

RESPONSE: Please see the Applicant's response to 5N in the Application.

6. **Data:** The Department of Health data on the current supply and utilization of licensed and CON-approved nursing home beds should be the data source employed hereunder, unless otherwise noted.

   Rationale: Using one source for data is the best way to ensure consistency across the evaluation of all applications. The Division believes the TDH's data should be relied upon as the primary source of data for CON nursing home services applications.

   RESPONSE: Whenever available and as instructed by the Health Facilities Commission, Department of Health data has been utilized in preparing this application.

7. **Minimum Number of Beds:** A newly established free-standing nursing home should have a sufficient number of beds to provide revenues to make the project economically feasible and thus is encouraged to have a capacity of least 30 beds. However, the HSDA should consider exceptions to this standard if a proposed applicant can demonstrate that economic feasibility can be achieved with a smaller facility in a particular situation.

   Rationale: Quality of care is impacted by the relationship between facility size and the appropriate staffing of the facility. Assuming appropriate staffing exists, the HSDA should consider each applicant's circumstances individually regarding facility size. The Division's research in Tennessee indicates that 90-120 licensed beds may be an optimal range for ensuring both economic feasibility and the delivery of quality care. However, exceptions to this general range are certain to arise.

   Two examples of such circumstances could be: 1) When a newly proposed facility is planned in conjunction with an existing continuum of services, such as the development of a continuing care campus or other type of multiple service provider, in which case a smaller number of beds may be justified; and 2) If the existing resources in a sparsely populated rural area are not sufficient and new nursing homes are needed, a smaller facility may be justified as compared to a larger facility. The State Health Plan encourages the HSDA to evaluate such applications carefully to ensure that they propose to provide services adequately to a broad population.

   RESPONSE: With 180 licensed beds, the facility currently has the minimum number of beds.

8. **Encouraging Facility Modernization:** The HSDA may give preference to an application that:
   a. Proposes a replacement facility to modernize an existing facility.
   b. Seeks a certificate of need for a replacement facility on or near its existing facility operating location. The HSDA should evaluate whether the replacement facility is being located as closely as possible to the location of the existing facility and, if not, whether the need for a new, modernized facility is being impacted by any shift in the applicant's market due to its new location within the Service Area.
   c. Does not increase its number of operating beds.

   In particular, the HSDA should give preference to replacement facility applications that are consistent with the standards described in TCA §68-11-1627, such as facilities that seek to

replace physical plants that have building and/or life safety problems, and/or facilities that seek to improve the patient-centered nature of their facility by adding home-like features such as private rooms and/or home-like amenities.

Rationale: The aging of nursing home facilities is an increasing concern within the industry. This standard seeks to provide support for an existing nursing home to modernize/update its facilities.

RESPONSE: 15 beds will be private, and 15 will be semi-private.

9. **Adequate Staffing:** An applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed Service Area. However, when considering applications for replacement facilities or renovations of existing facilities, the HSDA may determine the existing facility's staff would continue without significant change and thus would be sufficient to meet this Standard without a demonstration of efforts to recruit new staff.

   RESPONSE: The applicant plans to hire an additional 20 staff for the expansion. The applicant has sufficient staff now and has a great relationship with contracting agencies to fill any emergency staffing needs.

10. **Community Linkage Plan:** The applicant should describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services to assure continuity of care. If they are provided, letters from providers (including, e.g., hospitals, hospice services agencies, physicians) in support of an application should detail specific instances of unmet need for nursing home services.

    Rationale: Coordinated, integrated systems of care may not be in place in much of rural Tennessee, and therefore this language has been deleted. Additionally, the Division recognizes that nursing homes may not be the primary drivers of community linkage plans, and the Division does not mean to suggest that an applicant should develop one itself; instead it should provide information on its participation in a community linkage plan, if any. However, the Division recognizes that hospitals, particularly rural ones, often encounter difficulties in discharge planning to nursing homes due to a lack of available beds. CON applications for new nursing home beds should therefore also provide letters from hospitals, hospice service agencies, physicians, or any other appropriate providers, to provide evidence of unmet need and the intent to meet that need.

    RESPONSE: The Applicant has a great relationship with area Hospital case managers to ensure patients receive continuity of care after Hospital discharge. Further, the Applicant has relationships with home health care agencies for patients upon discharge from the nursing home.

11. **Access:** The applicant should demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area. However, an applicant should address why Service Area residents cannot be served in a less restrictive and less costly environment and whether the applicant provides or will provide other services to residents that will enable them to remain in their homes.

    RESPONSE: The applicant is able and willing to serve equally all of the Service Area in which it seeks certification.

12. **Quality Control and Monitoring:** The applicant should identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems, including in particular details on its Quality Assurance and Performance Improvement program as required by the Affordable Care Act. As an alternative to the provision of third party accreditation information, applicants may provide information on any other state, federal, or national quality improvement initiatives. An applicant that owns or administers other nursing homes should provide detailed information on their surveys and their quality control programs at those facilities, regardless of whether they are located in Tennessee.

    Rationale: This section supports the State Health Plan's Principle No. 4 for Achieving Better Health regarding quality of care. Typically, nursing homes are not accredited by the Joint Commission or other accrediting bodies; applicants instead are asked and encouraged to provide information on other quality initiatives. The intent of this alternative is to permit the applicant to show its commitment to, as well as its performance regarding, quality control and improvement. Surveys and quality control programs at sister facilities may provide an indication of future quality performance at the applicant's proposed facility and are relevant to the HSDA's assessment of the application.

    RESPONSE: The facility is certified for participation in Medicare and Medicaid in lieu of accreditation. The facility has in place a Quality Assurance and Performance Improvement program and is dedicated to taking steps to improve quality of care provided. Additionally, the facility will submit annual Quality Measure reports as required by PC 1043, Acts of 2016, if this application is approved.

13. **Data Requirements:** Applicants should agree to provide the TDH and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

    RESPONSE: The Applicant agrees to provide all statistical data through the submission of its annual Joint Annual Reports.

14. Additional Occupancy Rate Standards:

a. An applicant that is seeking to add or change bed component within a Service Area should show how it projects to maintain an average occupancy rate for all licensed beds of at least 90 percent after two years of operation.

b. There should be no additional nursing home beds approved for a Service Area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 90 percent. In determining the Service Area's occupancy rate, the HSDA may choose not to consider the occupancy rate of any nursing home in the proposed Service Area that has been identified by the TDH Regional Administrator as consistently noncomplying with quality assurance regulations, based on factors such as deficiency numbers outside of an average range or standards of the Medicare 5 Star program.

c. A nursing home seeking approval to expand its bed capacity should have maintained an occupancy rate of 90 percent for the previous year.

Rationale: The Division believes reducing the occupancy rates from 95 to 90 percent in numbers 14b and 14c more accurately reflects overall occupancy in the state, and also would take into consideration some increasing vacancy rates that current nursing homes may be experiencing due to decreasing admissions overall and increasing patient turnover due to short-stay patients.

RESPONSE: This information has been attached in document "Need Criteria."

Criteria #1. Determination of Need

The need for nursing home beds for each county in the state should be determined by applying the following population-based statistical methodology:

Need = .0005 x population 65 and under
+ .012 x population 65-74
+ 0.60 x population 75-84
+ .150 x population 85 and older

Service Area County	Total Population (2 Years Forward)*	Bed Need**	Total Licensed Beds***	Need/Surplus
Davidson	737,505^	4,861	2,426	2435
Add Rows as Necessary				
TOTAL	737,505	4,861	2,426	2435

*Source: Tennessee Department of Health, Division of Policy Planning and Assessment, https://www.tn.gov/health/health-program-areas/statistics/health-data/population.html

**Source: Tennessee Department of Health, Division of Policy, Planning and Assessement - Nursing Home Bed Need Projections (The above table should be populated based on the most current available report based on the project service area)

***Source: Joint Annual Report for Nursing Homes

^The Department's 2026 total population projection appears to be off by 1. The total is listed as 737,504, but the numbers add up to 737,505. We have used 737,505.

Criteria #3. Establishment of Service Area

Service Area County	Distance to Proposed Nursing Home Facility	Projected Number of Cases Year 1	% of Projected Cases Year 1
Davidson	**0 Miles**		
Add Rows as Necessary			
TOTAL			

Source: Joint Annual Report for Nursing Homes

Criteria #4. Existing Nursing Home Capacity

Historical Utilization Service Area Nursing Homes (2022)								Skilled
Year (Most Recent Reported)	Facility ID	License Number	State ID	Facility Name	County	Admissions	Licensed Beds	Discharges (including deaths)
2022	570	54	190842	Signature Healthcare of Madison	Davidson	70	102	133
2022	571	53	190942	Creekside Health and Rehabilitation Center	Davidson	714	139	715
2022	572	58	191042	McKendree Village	Davidson	591	180	580
2022	573	309	191642	The Health Center at Richland Place	Davidson	809	107	804
2022	574	66	191842	Trevecca Center for Rehabilitation and Healing, LLC	Davidson	1204	240	1194
2022	575	67	191942	Vanco Health and Rehabilitation, Inc.	Davidson	248	90	247
2022	576	215	192042	Stoneridge Health Care, LLC	Davidson	96	38	100
2022	577	44	192142	Bethany Center for Rehabilitation and Healling, LLC	Davidson	605	180	616
2022	578	51	192542	Good Samaritan Health and Rehab Center	Davidson	253	110	202
2022	579	48	192742	AHC Cumberland	Davidson	172	124	169
2022	580	45	192842	West Meade Place, LLP	Davidson	462	120	463
2022	581	410	192843	NHC Place at the Trace	Davidson	480	90	480
2022	583	69	193142	Grace Healthcare of Whites Creek	Davidson	178	127	148
2022	584	56	193542	Lakeshore Heartland	Davidson	167	66	188
2022	585	59	193842	The Meadows	Davidson	438	113	436
2022	586	52	193942	Greenhills Health and Rehabilitation Center	Davidson	562	150	504
2022	587	343	194542	Woodcrest at Blakeford	Davidson	330	83	325
2022	588	392	194642	Life Care Center of Hickory Woods	Davidson	777	124	789
2022	589	393	194742	Life Care Center of Old Hickory Village	Davidson	990	124	999
2022	590	394	194842	Nashville Center for Rehabilitation and Healing, LLC	Davidson	492	119	566
					TOTAL	**9638**		

Historical Utilization Service Area Nursing Homes (2021)								Skilled
Year (Most Recent Reported)	Facility ID	License Number	State ID	Facility Name	County	Admissions	Licensed Beds	Discharges (including deaths)
2021	570	54	190842	Signature Healthcare of Madison	Davidson	193	102	196
2021	571	53	190942	Creekside Health and Rehabilitation Center	Davidson	523	139	513
2021	572	58	191042	McKendree Village	Davidson	523	180	449
2021	573	309	191642	The Health Center at Richland Place	Davidson	857	107	856
2021	574	66	191842	Trevecca Center for Rehabilitation and Healing, LLC	Davidson	1196	240	586

Care, Level II & Level I Totals			
Deaths	**Discharge Resident Days (including deaths)**	**Average Length of Stay**	**Licensed Occupancy Rate**
4	13310	100.08	35.8
41	36600	51.19	95.9
76	45821	79	84.5
55	32888	40.91	94.7
61	39552	33.13	92
46	16809	68.05	80.61
9	10818	108.18	70.1
62	62059	100.75	91.9
24	7000	34.65	64.9
14	12966	76.72	77.6
35	17324	37.42	74.7
44	27518	57.33	81.6
6	35289	238.44	79.6
38	29265	155.66	83.4
62	32327	74.14	78.4
25	36541	72.5	66.3
26	17389	53.5	98.4
28	18627	23.61	52.6
2	26050	26.08	71
9	29769	52.6	83.8

Care, Level II & Level I Totals			
Deaths	**Discharge Resident Days (including deaths)**	**Average Length of Stay**	**Licensed Occupancy Rate**
12	51808	264.33	72.1
51	26507	51.67	88.1
27	68847	153.33	76.5
67	38693	45.2	91.5
61	170156	290.37	90.1

2021	575	67	191942	Vanco Health and Rehabilitation, Inc.	Davidson	304	90	303
2021	576	215	192042	Stoneridge Health Care, LLC	Davidson	120	38	111
2021	577	44	192142	Bethany Center for Rehabilitation and Healling, LLC	Davidson	751	180	795
2021	578	51	192542	Good Samaritan Health and Rehab Center	Davidson	233	110	255
2021	579	48	192742	AHC Cumberland	Davidson	260	124	258
2021	580	45	192842	West Meade Place, LLP	Davidson	455	120	440
2021	581	410	192843	NHC Place at the Trace	Davidson	676	90	689
2021	582	63	192942	Nashville Community Care and Rehab at Bordeaux	Davidson			
2021	583	69	193142	Grace Healthcare of Whites Creek	Davidson	178	127	148
2021	584	56	193542	Lakeshore Heartland	Davidson	251	66	235
2021	585	59	193842	The Meadows	Davidson	416	113	395
2021	586	52	193942	Greenhills Health and Rehabilitation Center	Davidson	482	150	271
2021	587	343	194542	Woodcrest at Blakeford	Davidson	310	83	276
2021	588	392	194642	Life Care Center of Hickory Woods	Davidson	825	124	793
2021	589	393	194742	Life Care Center of Old Hickory Village	Davidson	990	124	1046
2021	590	394	194842	Nashville Center for Rehabilitation and Healing, LLC	Davidson	477	119	354
					TOTAL	**10020**		

Historical Utilization Service Area Nursing Homes (2020) **Skilled**

Year (Most Recent Reported)	Facility ID	License Number	State ID	Facility Name	County	Admissions	Licensed Beds	Discharges (including deaths)
2020	570	54	190842	Signature Healthcare of Madison	Davidson	117	102	121
2020	571	53	190942	Creekside Health and Rehabilitation Center	Davidson	385	139	380
2020	572	58	191042	McKendree Village	Davidson	439	180	453
2020	573	309	191642	The Health Center at Richland Place	Davidson	768	107	789
2020	574	66	191842	Trevecca Center for Rehabilitation and Healing, LLC	Davidson	1283	240	1259
2020	575	67	191942	Vanco Health and Rehabilitation, Inc.	Davidson	362	90	369
2020	576	215	192042	Stoneridge Health Care, LLC	Davidson	142	38	147
2020	577	44	192142	Bethany Center for Rehabilitation and Healling, LLC	Davidson	572	180	624
2020	578	51	192542	Good Samaritan Health and Rehab Center	Davidson	273	110	283
2020	579	48	192742	AHC Cumberland	Davidson	188	124	179
2020	580	45	192842	West Meade Place, LLP	Davidson	261	120	270
2020	581	410	192843	NHC Place at the Trace	Davidson	913	90	889
2020	582	63	192942	Nashville Community Care and Rehab at Bordeaux	Davidson	127	419	258
2020	583	69	193142	Grace Healthcare of Whites Creek	Davidson	255	127	151

25	29443	97.17	73.9
10	15412	138.85	79.5
60	57783	72.68	65.6
14	27775	108.92	69.2
10	30732	119.12	74
37	23945	54.42	68.3
13	27919	40.52	85
6	35289	238.44	79.6
40	25572	108.82	80.6
26	29226	73.99	75.2
17	22295	82.27	56.8
21	14302	51.82	63.5
24	24836	31.32	60.8
14	23188	22.17	56.9
33	30269	85.51	83.8

Care, Level II & Level I Totals

Deaths	Discharge Resident Days (including deaths)	Average Length of Stay	Licensed Occupancy Rate
15	19171	158.44	58
52	43976	115.73	86.7
80	40954	90.41	79.7
52	28258	35.81	89.5
64	75802	60.21	86.5
30	41823	113.34	81.5
14	11122	75.66	70.1
72	41544	66.58	75.8
40	38928	137.55	78.2
40	14855	82.99	69.7
22	28368	105.07	56.8
57	23622	26.57	72.9
17	252930	980.35	29.1
20	40107	265.61	85

2020	584	56	193542	Lakeshore Heartland	Davidson	140	66	139
2020	585	59	193842	The Meadows	Davidson	185	113	209
2020	586	52	193942	Greenhills Health and Rehabilitation Center	Davidson	197	150	180
2020	587	343	194542	Woodcrest at Blakeford	Davidson	240	83	256
2020	588	392	194642	Life Care Center of Hickory Woods	Davidson	714	124	754
2020	589	393	194742	Life Care Center of Old Hickory Village	Davidson	1018	124	1085
2020	590	394	194842	Nashville Center for Rehabilitation and Healing, LLC	Davidson	759	119	747
					TOTAL	**9338**		

Source: Joint Annual Report for Nursing Homes - Schedule FP1

27	21702	156.13	90.1
78	53918	257.98	75.3
29	18633	103.52	34
41	36329	141.91	63.7
27	19692	26.12	51.5
2	32570	30.02	69
23	43301	57.97	80.8

Criteria #8.c. Encouraging Facility Modernization

Bed Mix	Private Beds	%Total	Semi-Private Beds	% Total	Ward Beds	% Total
Current	128		52		0	
Proposed						

Criteria #14.b. Additional Occupancy Rate Standards

Nursing Home	2027 Licensed Beds	Overall	Health Inspections	Staffing	Quality Measures	2027 Occupancy %
McKendree	*210*					*97%*

ORIGINAL APPLICATION

State of Tennessee
Health Facilities Commission
502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

The McKendree Post Acute & Rehabilitation
Name

4347 Lebanon Pike — Davidson County
Street or Route — **County**

Hermitage — Tennessee — 37076
City — **State** — **Zip**

https://www.themckendree.com/
Website Address

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2A. Contact Person Available for Responses to Questions

Wells Trompeter — Mrs.
Name — **Title**

Holland and Knight LLP — wells.trompeter@hklaw.com
Company Name — **Email Address**

511 Union Street, Suite 2700
Street or Route

Nashville — Tennessee — 37219
City — **State** — **Zip**

Legal Counsel — 615-850-8759
Association with Owner — **Phone Number**

3A. Proof of Publication

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

Date LOI was Submitted: 06/14/24

Date LOI was Published: 06/14/24

RESPONSE: The publisher's affidavit is attached as Attachment 3A.

4A. Purpose of Review *(Check appropriate box(es) – more than one response may apply)*

- ☐ Establish New Health Care Institution
- ☐ Relocation
- ☑ Change in Bed Complement
- ☐ Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- ☐ Initiation of MRI Service
- ☐ MRI Unit Increase
- ☐ Satellite Emergency Department
- ☐ Addition of Therapeutic Catheterization
- ☐ Positron Emission Tomography (PET) Service
- ☐ Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

5A. Type of Institution *(Check all appropriate boxes – more than one response may apply)*

- ☐ Hospital
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- ☐ Home Health
- ☐ Hospice
- ☐ Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- ☑ Nursing Home
- ☐ Outpatient Diagnostic Center
- ☐ Rehabilitation Facility
- ☐ Residential Hospice
- ☐ Nonresidential Substitution Based Treatment Center of Opiate Addiction
- ☐ Other

Other -

Hospital -

6A. Name of Owner of the Facility, Agency, or Institution

McKendree SNF Operations, LLC

Name

4347 Lebanon Pike		615-871-8200
Street or Route		**Phone Number**
Hermitage	Tennessee	37076
City	**State**	**Zip**

7A. Type of Ownership of Control *(Check One)*

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Corporation (For Profit)
- ☐ Corporation (Not-for-Profit)
- ☐ Government (State of TN or Political Subdivision)
- ☐ Joint Venture
- ☑ Limited Liability Company
- ☐ Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at https://tnbear.tn.gov/ECommerce/FilingSearch.aspx If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

RESPONSE: A certificate of corporate existence and ownership chart will be attached.

8A. Name of Management/Operating Entity *(If Applicable)*

Name

Street or Route		**County**
City	**State**	**Zip**

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- ☐ Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
- ☑ Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☐ Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
- ☐ Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- ☐ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
- ☐ Other

RESPONSE: A lease will be attached.

10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

RESPONSE: A Floor Plan will be attached.

11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

RESPONSE: The McKendree Post Acute & Rehabilitation is located on U.S. Highway 70, just north of Interstate 40 in Hermitage, Davidson County, Tennessee. It is accessible from 1-40 via Old Hickory Boulevard. The Metropolitan Transit Authority offers bus service to The McKendree Post Acute & Rehabilitation site on Lebanon Pike. Patients have public transit access via Bus Route #6 at the corner of Lebanon Pike and Monaco Drive. This accessibility is critical to all types of retirement community residents at The McKendree Post Acute & Rehabilitation.

12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

RESPONSE: A Plot Plan will be attached.

13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that "... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested." Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☑ Not Applicable

- TCA §68-11-1607(c)(9)(A) states that "... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.

  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☐ Not Applicable

EXECUTIVE SUMMARY

1E. Overview

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.
  RESPONSE:

  The McKendree Post Acute & Rehabilitation (the "McKendree"), a 180 bed nursing home is seeking approval for the addition of thirty (30) Medicare and Medicaid certified beds, resulting in a total of 210 nursing home beds. Mckendree SNF Operations, LLC ("Operator") recently acquired the assets of McKendree from Nashville Senior Care, LLC, the prior operator.

  In connection with its acquisition of McKendree, Operator is committing to improving McKendree's current operations to improve patient care and better serve Davidson County.

  As part of these improvement efforts, the Applicant plans to renovate an existing building that will house the additional thirty beds. The additional beds will be located in a building connected to McKendree, which was previously licensed as a nursing home.

  This additional capacity will enable the Applicant to further its mission of providing high-quality care to residents of the service area and meet the need for more beds in Davidson county in the future as reflected in the need calculation in the application.

- Ownership structure
  RESPONSE: The facility is owned by McKendree SNF Operations, LLC.

- Service Area
  RESPONSE: The service area is Davidson County.

- Existing similar service providers
  RESPONSE: There are nineteen existing skilled nursing facilities in Davidson County: Signature Healthcare of Madison, Creekside Health and Rehabilitation Center, The Health Center at Richland Place, Trevecca Center for Rehabilitation and Healing, LLC, Vanco Health and Rehabilitation, Inc., Stoneridge Health Care, LLC, Bethany Center for Rehabilitation and Healing, LLC, Good Samaritan Health and Rehab Center, AHC Cumberland, West Meade Place, LLP, NHC Place at the Trace, Grace Healthcare of Whites Creek, Lakeshore Heartland, The Meadows, Greenhills Health and Rehabilitation Center, Woodcrest at Blakeford, Life Care Center of Hickory Woods, Life Care Center of Old Hickory Village, and Nashville Center for Rehabilitation and Healing, LLC.

- Project Cost
  RESPONSE: The total estimated project cost is $2,994,723, including the CON filing fee.

- Staffing

RESPONSE: The proposed bed addition will have adequate human resources to meet licensing rules.

2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed ONE PAGE (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need

  RESPONSE: The Applicant's request for 30 additional beds is to renovate a previously licensed nursing home location. The prior operator did not utilize the space, and the Applicant wishes to meet the growing target patient population and Davidson County's need for 2,435 more beds in 2026.

- Quality Standards

  RESPONSE: The SNF will be licensed by the Tennessee Health Facilities Commission and will maintain compliance with all applicable quality-of-care rules and regulations. The Applicant is Medicare and Medicaid certified and maintains compliance with all quality requirements. The facility has in place a Quality Assurance and Performance Improvement program and is dedicated to taking steps to improve the quality of care provided. Additionally, the facility will submit annual Quality Measure reports as required by PC 1043, Acts of 2016, if this application is approved.

- Consumer Advantage
  - Choice

    RESPONSE: Patients in need of skilled nursing services will have access to a high-quality, properly designed, properly equipped, and properly staffed facility that is already known in their community.

  - Improved access/availability to health care service(s)

    RESPONSE: Currently, a building that was previously licensed with nursing home beds sits abandoned. The Applicant proposes renovating the building and placing it back in service, providing more access to and availability for health care services.

  - Affordability

    RESPONSE: The Applicant is committed to promoting economic efficiencies within the healthcare system and understands that the proposed charges should align with those of other similar facilities.

3E. Consent Calendar Justification

- ☐ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- ☑ Consent Calender NOT Requested

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency’s Executive Director at the time the application is filed.

4E. PROJECT COST CHART

A. Construction and equipment acquired by purchase:	
1. Architectural and Engineering Fees	$108,000
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$50,000
3. Acquisition of Site	
4. Preparation of Site	
5. Total Construction Costs	$1,990,000
6. Contingency Fund	
7. Fixed Equipment (Not included in Construction Contract)	
8. Moveable Equipment (List all equipment over $50,000 as separate attachments)	$90,000
9. Other (Specify): Lease	$750,000
B. Acquisition by gift, donation, or lease:	
1. Facility (inclusive of building and land)	
2. Building only	
3. Land only	
4. Equipment (Specify):	
5. Other (Specify):	
C. Financing Costs and Fees:	
1. Interim Financing	
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify):	
D. Estimated Project Cost (A+B+C)	$2,988,000
E. CON Filing Fee	$6,723
F. Total Estimated Project Cost (D+E) **TOTAL**	$2,994,723

GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers." In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

1N. Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. https://www.tn.gov/hsda/hsda-criteria-and-standards.html (Attachment 1N)

RESPONSE:

Responses to the Criteria and Standards for Nursing Home Services are attached.

2N. Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

RESPONSE:

The proposed service area is Davidson County. A map of the proposed service area is attached.

Complete the following utilization tables for each county in the service area, if applicable.

HISTORICAL UTILIZATION

Unit Type:

- ☐ Procedures
- ☐ Cases
- ☑ Patients
- ☐ Other

Service Area Counties	Historical Utilization Most Recent Year (Year =)	% of Total
Davidson	399	76.88%
Smith	3	0.58%
Wilson	80	15.41%
Rutherford	3	0.58%
Dickson	1	0.19%
Warren	2	0.39%
Bedford	1	0.19%
Cheatham	1	0.19%
Hamilton	2	0.39%
Knox	2	0.39%
Macon	1	0.19%
Robertson	2	0.39%
Obion	2	0.39%
Other State	4	0.77%
Putnam	1	0.19%
Sumner	8	1.54%
Shelby	1	0.19%
Williamson	6	1.16%
Total	519	100%

PROJECTED UTILIZATION

Unit Type:

- ☐ Procedures
- ☐ Cases
- ☑ Patients
- ☐ Other

Service Area Counties	Projected Utilization Recent Year 1 (Year =)	% of Total
Davidson	420	80.00%
Wilson	90	17.14%
Sumner	8	1.52%
Williamson	7	1.33%
Total	525	100%

3N. **A.** Describe the demographics of the population to be served by the proposal.

RESPONSE:

The Applicant has responded in Attachment 3N.

B. Provide the following data for each county in the service area:

- Using current and projected population data from the Department of Health. (www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
- the most recent enrollee data from the Division of TennCare (https://www.tn.gov/tenncare/information-statistics/enrollment-data.html),
- and US Census Bureau demographic information (https://www.census.gov/quickfacts/fact/table/US/PST045219).

RESPONSE:

The Applicant has responded in Attachment 3N.

4N. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, parti needs of the service area population.

RESPONSE:

The Applicant will treat all patients who need nursing home services. The nursing home patient population is heavily Med

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5N. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Inclu Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most approp

RESPONSE:

1. The Health Center of Hermitage has an outstanding CON for the hange of site/relocation of 90 beds to be Medicare
2. Nashville Center for Rehabilitation and Healing has an outstanding CON for the addition of 28 Medicare certified

Utilization data for Davidson County nursing homes is attached.

Historical Utilization Service Area Nursing Homes (2022)

Year (Most Recent Reported)	Facility ID	License Number	State ID	Facility Name
2022	570	54	190842	Signature Healthcare of Mac
2022	571	53	190942	Creekside Health and Rehab
2022	572	58	191042	McKendree Village
2022	573	309	191642	The Health Center at Richlar
2022	574	66	191842	Trevecca Center for Rehabil
2022	575	67	191942	Vanco Health and Rehabilita
2022	576	215	192042	Stoneridge Health Care, LL(
2022	577	44	192142	Bethany Center for Rehabili
2022	578	51	192542	Good Samaritan Health and
2022	579	48	192742	AHC Cumberland
2022	580	45	192842	West Meade Place, LLP
2022	581	410	192843	NHC Place at the Trace
2022	583	69	193142	Grace Healthcare of Whites
2022	584	56	193542	Lakeshore Heartland
2022	585	59	193842	The Meadows
2022	586	52	193942	Greenhills Health and Rehab
2022	587	343	194542	Woodcrest at Blakeford
2022	588	392	194642	Life Care Center of Hickory
2022	589	393	194742	Life Care Center of Old Hic
2022	590	394	194842	Nashville Center for Rehabil
TOTAL				

Historical Utilization Service Area Nursing Homes (2021)

Year (Most Recent Reported)	Facility ID	License Number	State ID	Facility Name
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2021	581	410	192843	NHC Place at the Trace
2021	582	63	192942	Nashville Community Care a
2021	583	69	193142	Grace Healthcare of Whites
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TOTAL

Historical Utilization Service Area Nursing Homes (2020)

Year (Most Recent Reported)	Facility ID	License Number	State ID	Facility Name
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2020	586	52	193942	Greenhills Health and Rehab
2020	587	343	194542	Woodcrest at Blakeford
2020	588	392	194642	Life Care Center of Hickory
2020	589	393	194742	Life Care Center of Old Hick
2020	590	394	194842	Nashville Center for Rehabil
TOTAL				

6N. Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years a documentation from referral sources, and identification of all assumptions.

RESPONSE:

Applicable Historical & Projected Utilization is attached.

Nursing Home	2020 Licensed Beds	2020 % Occupancy.	Nursing Home
The McKendree Post Acute & Rehabilitation	180	79.7	The McKendree Post Acute

7N. Complete the chart below by entering information for each applicable outstanding CON by applicant or share common ownership; and describe the current progress and status of each applicable outstanding CON and how the project relates to the applicant, and the percentage of ownership that is shared with the applicant's owners.

RESPONSE:

There are no outstanding Certificate of Need applications for the facility or its owner.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

1C. List all transfer agreements relevant to the proposed project.

RESPONSE: The applicant is currently seeking to obtain transfer agreements with surrounding Hospitals.

2C. List all commercial private insurance plans contracted or plan to be contracted by the applicant.

- ☐ Aetna Health Insurance Company
- ☑ Ambetter of Tennessee Ambetter
- ☑ Blue Cross Blue Shield of Tennessee
- ☐ Blue Cross Blue Shield of Tennessee Network S
- ☐ Blue Cross Blue Shiled of Tennessee Network P
- ☑ BlueAdvantage
- ☐ Bright HealthCare
- ☐ Cigna PPO
- ☐ Cigna Local Plus
- ☐ Cigna HMO - Nashville Network
- ☐ Cigna HMO - Tennessee Select
- ☐ Cigna HMO - Nashville HMO
- ☐ Cigna HMO - Tennessee POS
- ☐ Cigna HMO - Tennessee Network
- ☐ Golden Rule Insurance Company
- ☑ HealthSpring Life and Health Insurance Company, Inc.
- ☑ Humana Health Plan, Inc.
- ☑ Humana Insurance Company
- ☐ John Hancock Life & Health Insurance Company
- ☐ Omaha Health Insurance Company
- ☐ Omaha Supplemental Insurance Company
- ☐ State Farm Health Insurance Company
- ☑ United Healthcare UHC
- ☐ UnitedHealthcare Community Plan East Tennessee
- ☑ UnitedHealthcare Community Plan Middle Tennessee

☐ UnitedHealthcare Community Plan West Tennessee

☐ WellCare Health Insurance of Tennessee, Inc.

☐ Others

3C. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

RESPONSE:

The addition of the 30 beds at the facility will not even increase the number of licensed beds in Davidson County by 1%, which the applicant believes definitely will not have a material impact on duplication and/or the provision of nursing home services by other providers in the service area. As to the impact upon consumer charges and choice, the applicant believes adding 30 beds at the facility will allow improved access and availability to all consumers in the area, especially Medicare, Medicaid, and dually certified consumers and their families.

4C. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

RESPONSE:

The facility is an existing provider and does not anticipate issues obtaining appropriate staff and filling needed positions for the additional 30 beds. The facility is currently fully staffed for all positions and will begin recruiting for additional positions once construction is complete. As indicated in our staffing summary, the applicant anticipated adding approximately 20 positions to meet the need for the additional beds. The applicant currently complies with and will continue to comply with the staffing requirements of the Tennessee Health Facilities Commission and CMS.

5C. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

RESPONSE:

The applicant is already certified by Medicare and TennCare. No additional licensure is required because the project will only increase the number of beds. The Applicant will properly notify the Licensing Board of the expanded beds and obtain approval.

HISTORICAL DATA CHART

☑ Total Facility
☐ Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year 1	Year 2	Year 3
	2023	2022	2021
A. Utilization Data			
Specify Unit of Measure Other : Patient Days	53058	55531	50286
B. Revenue from Services to Patients			
1. Inpatient Services	$15,595,202.00	$18,461,004.00	$15,260,175.00
2. Outpatient Services	$0.00	$0.00	$0.00
3. Emergency Services	$0.00	$0.00	$0.00
4. Other Operating Revenue (Specify) stimulus	$0.00	$0.00	$924,610.00
Gross Operating Revenue	$15,595,202.00	$18,461,004.00	$16,184,785.00
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$0.00	$0.00	$0.00
2. Provision for Charity Care	$0.00	$0.00	$0.00
3. Provisions for Bad Debt	$327,001.00	$0.00	$0.00
Total Deductions	$327,001.00	$0.00	$0.00
NET OPERATING REVENUE	$15,268,201.00	$18,461,004.00	$16,184,785.00

PROJECTED DATA CHART

☑ Project Only
☐ Total Facility

Give information for the *two (2)* years following the completion of this proposal.

	Year 1	Year 2
	2026	2027
A. Utilization Data		
Specify Unit of Measure Other : Patient Days	4422	7369
B. Revenue from Services to Patients		
1. Inpatient Services	$1,564,659.00	$2,686,016.62
2. Outpatient Services	$0.00	$0.00
3. Emergency Services	$0.00	$0.00
4. Other Operating Revenue (Specify)	$0.00	$0.00
Gross Operating Revenue	$1,564,659.00	$2,686,016.62
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	$391,694.00	$652,273.00
2. Provision for Charity Care	$3,129.31	$5,320.31
3. Provisions for Bad Debt	$15,646.59	$26,601.55
Total Deductions	$410,469.90	$684,194.86

NET OPERATING REVENUE	$1,154,189.10	$2,001,821.76

PROJECTED DATA CHART

☑ Total Facility
☐ Project Only

Give information for the *two (2)* years following the completion of this proposal.

	Year 1	**Year 2**
	2026	2027
A. Utilization Data		
Specify Unit of Measure Other : Patient Days	57479	60426
B. Revenue from Services to Patients		
1. Inpatient Services	$20,340,561.00	$33,037,766.40
2. Outpatient Services	$0.00	$0.00
3. Emergency Services	$0.00	$0.00
4. Other Operating Revenue (Specify) _____	$0.00	$0.00
Gross Operating Revenue	$20,340,561.00	$33,037,766.40
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	$2,847,678.54	$4,625,287.30
2. Provision for Charity Care	$50,851.40	$66,075.53
3. Provisions for Bad Debt	$203,405.61	$330,377.66
Total Deductions	$3,101,935.55	$5,021,740.49
NET OPERATING REVENUE	$17,238,625.45	$28,016,025.91

7C. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

Project Only Chart

	Previous Year to Most Recent Year	Most Recent Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge *(Gross Operating Revenue/Utilization Data)*	$0.00	$0.00	$353.84	$364.50	0.00
Deduction from Revenue *(Total Deductions/Utilization Data)*	$0.00	$0.00	$92.82	$92.85	0.00
Average Net Charge *(Net Operating Revenue/Utilization Data)*	$0.00	$0.00	$261.01	$271.65	0.00

8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

RESPONSE:

The Applicant does not expect charges to change, but revenue will increase simply due to the addition of beds. However, due to contract negotiations with payors, the applicant anticipates nominal charge increases in Year 2 of the project.

9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE:

The proposed project charges are the same as the currently licensed beds at the Applicant's facility.

10C. Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Applicant's Projected Payor Mix

Project Only Chart

Payor Source	Year-2026		Year-2027	
	Gross Operating Revenue	**% of Total**	**Gross Operating Revenue**	**% of Total**
Medicare/Medicare Managed Care	$132,996.02	8.50	$228,311.42	8.50
TennCare/Medicaid	$877,773.70	56.10	$1,506,855.32	56.10
Commercial/Other Managed Care	$50,069.09	3.20	$85,952.53	3.20
Self-Pay	$363,000.89	23.20	$623,155.86	23.20
Other(Specify)	$140,819.30	9.00	$241,741.49	9.00
Total	$1,564,659.00	100%	$2,686,016.62	100%
Charity Care	$3,129.31		$5,320.31	

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project.

RESPONSE: All of the facility's currently licensed beds are dually certified by Medicare and Medicaid, and if approved, the new bed additions will become dually certified.

QUALITY STANDARDS

1Q. Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

- [x] Yes
- [ ] No

2Q. The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?
  - [x] Yes
  - [ ] No
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good 3tanding?
  - [x] Yes
  - [ ]

- [ ] No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?
  - [x] Yes
  - [ ] No

3Q. Please complete the chart below on accreditation, certification, and licensure plans. Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	☑ Health Facilities Commission/Licensure Division ☐ Intellectual & Developmental Disabilities ☐ Mental Health & Substance Abuse Services	Active	58
Certification	☑ Medicare ☑ TennCare/Medicaid ☐ Other _____	Active Active	44-5491 744-0609
Accreditation(s)			

4Q. If checked "TennCare/Medicaid" box, please list all Managed Care Organization's currently or will be contracted.

- ☐ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☑ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☐ BLUECARE - East Tennessee
- ☑ BLUECARE - Middle Tennessee
- ☐ BLUECARE - West Tennessee
- ☐ UnitedHealthcare Community Plan - East Tennessee
- ☑ UnitedHealthcare Community Plan - Middle Tennessee
- ☐ UnitedHealthcare Community Plan - West Tennessee
- ☑ TENNCARE SELECT HIGH - All
- ☑ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☐ Others

5Q. Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

- ☑ Yes
- ☐ No

6Q. For an existing healthcare institution applying for a CON:

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

  - ☑ Yes
  - ☐ No
  - ☐ N/A

- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

  - ☐ Yes
  - ☑ No
  - ☐ N/A

7Q. Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Has any of the following:

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or.

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;
  - ☐ Yes
  - ☑ No
- Criminal fines in cases involving a Federal or State health care offense;
  - ☐ Yes
  - ☑ No
- Civil monetary penalties in cases involving a Federal or State health care offense;
  - ☐ Yes
  - ☑ No
- Administrative monetary penalties in cases involving a Federal or State health care offense;
  - ☐ Yes
  - ☑ No
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
  - ☐ Yes
  - ☑ No
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
  - ☐ Yes
  - ☑ No
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.
  - ☐ Yes
  - ☑ No

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

☐ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
Licensed Practical Nurse	8.00	11.00
Registered Nurse	9.00	12.00
Certified Nurse's Aides	36.00	40.00
Other Direct Patient Care Positions	8.00	10.00
Total Direct Patient Care Positions	61	73

B. Non-Patient Care Positions		
Housekeeping	21.00	24.00
Administrator	1.00	1.00
Activity Coordinator	5.00	6.00
Maintenance	14.00	15.00
Other Non-Health	17.00	18.00
Total Non-Patient Care Positions	58	64
Total Employees *(A+B)*	119	137

C. Contractual Staff		
Contractual Staff Position	26.00	28.00
Total Staff *(A+B+C)*	145	165

DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Commission, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

Phase	**Days Required**	**Anticipated Date (Month/Year)**
1. Initial HFC Decision Date		08/28/24
2. Building Construction Commenced	200	03/15/25
3. Construction 100% Complete (Approval for Occupancy)	565	03/15/26
4. Issuance of License	600	04/19/26
5. Issuance of Service	620	05/09/26
6. Final Project Report Form Submitted (Form HR0055)	620	05/09/26

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

The Tennessee Tribune
Middle Tennessee's Leading Black Newspaper
1501 Jefferson Street Nashville, TN 37208 615-321-3268

Affidavit of Publication
State of Tennessee
County of Davidson

The Tennessee Tribune, A weekly newspaper published and distributed in the aforementioned county and state, hereby certify that the attached advertisement appeared in The Tennessee Tribune.

Date of Publication:

June 13th, 20th

Russell Rivers/ Tennessee Tribune

This 13th day of June. 2024 Subscribed and sworn before me, Wanda Miller Sawyers

Notary Signature

WANDA MILLER-SAWYERS
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
MY COMMISSION EXPIRES 5-5-2025

TENNESSEE HEALTH FACILITIES COMMISION
NOTICE OF INTENT

Legals/Classifieds

CONTINUED FROM PAGE B9

the express reservation that it is subject to confirmation by the lender or Substitute Trustee. This sale may be rescinded at any time. The right is reserved to adjourn the day of this sale to another day, time, and place certain without further publication, upon announcement at the time and place for the sale set forth above. All right and equity of redemption, statutory or otherwise, homestead and dower are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee. The Property is sold as is, where is, without representations or warranties of any kind, including fitness for a particular use or purpose. THIS LAW FIRM IS ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. Rubin Lublin TN, PLLC, Substitute Trustee 3145 Avalon Ridge Place, Suite 100 Peachtree Corners, GA 30071 (888)ew.com/ property-listing Tax ID(T) 813-0902 Fax: (470) 508-9407 Ad #2223334 2024-06-13 2024-06-20 2024-06-27

SUBSTITUTE TRUSTEE'S SALE Sale at public auction will be on July 25, 2024 on or about 12:00PM local time, at the Davidson County Courthouse, South Main door, One Public Square, Nashville, Tennessee conducted by the Substitute Trustee as identified and set forth herein below, pursuant to Deed of Trust executed by BRADLEY'S HOME HEALTH CARE CENTER, INC. AND BRADLEY EXTENDED CARE, INC. AND PHILLIP W. BRADLEY AND BRADLEY PHARMACY AT METROCENTER, INC. AND RAVE L. BRADLEY, to David P. Dempsey, Trustee, on September 21, 2017, as Instrument No. 20170925-0099624 in the real property records of Davidson County Register's Office, Tennessee. Owner of Debt: Live Oak Banking Company. The following real estate located in Davidson County, Tennessee, will be sold to the highest cash bidder subject to all unpaid taxes, prior liens and encumbrances of record. Land in Davidson County, Tennessee, being Lot No.5 on the Plan of Woodward Hills, of record in Book 6700, page 900, Register's Office for Davidson County, Tennessee, as amended in Book 11766, page 32, said Register's Office, to which reference is hereby made for a more complete and accurate legal description. This being the same property conveyed to Phillip Wilson Bradley and wife, Ray Lonnie Bradley from Barry Zeitlin and Todd Zeitlin as shown by deed recorded on January 2, 2007 in the Office of the Clerk of Davidson County, Tennessee, in Instrument Number 20070102-0000541 Parcel No. 109 16 0 009.00 Known as 126 Woodward Hills Place, Brentwood, Tennessee 37027 Tax ID: 109-16-0-009.00 Current Owner(s) of Property BRADLEY'S HOME HEALTH CARE CENTER, INC. AND BRADLEY EXTENDED CARE, INC. AND PHILLIP W. BRADLEY AND BRADLEY PHARMACY AT METROCENTER, INC. AND RAVE L. BRADLEY The street address of the above described property is believed to be 126 Woodward Hills Place, Brentwood, TN 37027 but such address is not part of the legal description of the property sold herein and in the event of any discrepancy, the legal description referenced herein shall control. SALE IS SUBJECT TO OCCUPANTS' RIGHTS IN POSSESSION. THE RIGHT IS RESERVED TO ADJOURN THE DAY OF THE SALE TO ANOTHER DAY, TIME AND PLACE CERTAIN, WITHOUT FURTHER PUBLICATION, UPON ANNOUNCEMENT AT THE TIME AND PLACE FOR THE SALE SET FORTH ABOVE. THE TERMS OF SALE ARE CASH- ANY TAXES OR FEES WILL BE THE RESPONSIBILITY OF THE PURCHASER. IF THE SALE IS SET ASIDE FOR ANY REASON, THE PURCHASER AT THE SALE SHALL BE ENTITLED ONLY TO A RETURN OF THE PURCHASE PRICE. THE PURCHASER SHALL HAVE NO FURTHER RECOURSE AGAINST THE GRANTOR, THE GRANTEE, OR THE TRUSTEE. OTHER INTERESTED PARTIES: PINNACLE BANK THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. If applicable, the notice requirements of T.C.A. 35-5-101 have been met. All right of equity of redemption, statutory and otherwise, and homestead are expressly waived in said Deed of Trust, but the undersigned will sell and convey only as Substitute Trustee. If the U.S. Department of Treasury/IRS, the State of Tennessee Department of Revenue, or the State of Tennessee Department of Labor or Workforce Development are listed as Interested Parties in the advertisement, then the Notice of this foreclosure is being given to them and the Sale will be subject to the applicable governmental entities' right to redeem the property as required by 26 U.S.C. 7425 and T.C.A. §67-1-1433. This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. If the sale is set aside for any reason, the Purchaser at the sale shall be entitled only to a return of the purchase price. The Purchaser shall have no further recourse against the Mortgagor, the Mortgagee's attorney. MKDM File No. 24-000082-FST-1 Mackie Wolf Zientz & Mann, P.C. Substitute Trustee(s) Cool Springs Commons, Suite 273 7100 Commerce Way Brentwood, TN 37027 TN INVESTORS PAGE: http://mackiewolf.com/investors.php Ad #2233352 2024-06-13 2024-06-20 2024-06-27

SUBSTITUTE TRUSTEE'S SALE Sale at public auction will be on August 22, 2024 on or about 12:00PM local time, at the Davidson County Courthouse, South Main door One Public Square, Nashville, Tennessee conducted by the Substitute Trustee as identified and set forth herein below, pursuant to Deed of Trust executed by WILLIAM FOSTER SMITH, to PNC Title Services, LLC, Trustee, on January 26, 2017, as Instrument No. 20170125-0008632 in the real property records of Davidson County Register's Office, Tennessee. Owner of Debt: Carrington Mortgage Services, LLC. The following real estate located in Davidson County, Tennessee, will be sold to the highest cash bidder subject to all unpaid taxes, prior liens and encumbrances of record. All the following described parcel of land in Davidson County, Tennessee, to wit: Land in Davidson County, Tennessee, being Lot No. 54 on the Cumberland Gardens Subdivision, as of record in Book 2800, page 4, Register's Office for Davidson County, Tennessee. Said Lot No. 54 fronts 81.28 feet on the Southerly margin of Deerfield Drive and extends back 127.0 feet on the East line and 130.4 feet on the West line to a dead line measuring 69.1 feet thereon. Tax ID: 081 06 0 068.00 Current Owner(s) of Property WILLIAM FOSTER SMITH The street address of the above described property is believed to be 3705 Deerfield Dr Nashville TN 37208, but such address is not part of the legal description of the property sold herein and in the event of any discrepancy, the legal description referenced herein shall control. SALE IS SUBJECT TO OCCUPANTS' RIGHTS IN POSSESSION. THE RIGHT IS RESERVED TO ADJOURN THE DAY OF THE SALE TO ANOTHER DAY, TIME AND PLACE CERTAIN, WITHOUT FURTHER PUBLICATION, UPON ANNOUNCEMENT AT THE TIME AND PLACE FOR THE SALE SET FORTH ABOVE. THE TERMS OF SALE ARE CASH- ANY TAXES OR FEES WILL BE THE RESPONSIBILITY OF THE PURCHASER. IF THE SALE IS SET ASIDE FOR ANY REASON, THE PURCHASER AT THE SALE SHALL BE ENTITLED ONLY TO A RETURN OF THE PURCHASE PRICE. THE PURCHASER SHALL HAVE NO FURTHER RECOURSE AGAINST THE GRANTOR, THE GRANTEE, OR THE TRUSTEE. OTHER INTERESTED PARTIES: FINANCE OF AMERICA REVERSE, LLC THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. If applicable, the notice requirements of T.C.A. 35-5-101 have been met. All right of equity of redemption, statutory and otherwise, and homestead are expressly waived in said Deed of Trust, but the undersigned will sell and convey only as Substitute Trustee. If the U.S. Department of Treasury/IRS, the State of Tennessee Department of Revenue, or the State of Tennessee Department of Labor or Workforce Development are listed as Interested Parties in the advertisement, then the Notice of this foreclosure is being given to them and the Sale will be subject to the applicable governmental entities' right to redeem the property as required by 26 U.S.C. 7425 and T.C.A. §67-1-1433. This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. If the sale is set aside for any reason, the Purchaser at the sale shall be entitled only to a return of the purchase price. The Purchaser shall have no further recourse against the Mortgagor, the Mortgagee's attorney. MKDM File No. 24-000082-FST-2 Mackie Wolf Zientz & Mann, P.C. Substitute Trustee(s) Cool Springs Commons, Suite 273 7100 Commerce Way Brentwood, TN 37027 TN INVESTORS PAGE: http://mackiewolf.com/investors.php Ad #2233352 2024-06-13 2024-06-20 2024-06-27

NOTICE TO CREDITORS #24P940
ESTATE OF CHRISTOPHER M LIPMAN Notice is hereby given that on the 29th day of May, Letters of Authority in respect to the estate of, CHRISTOPHER M LIPMAN who died on 01/05/2024 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above named court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 29th day of JANUARY 2024. Personal Representative(s): MICHAEL H LIPMAN 116 SUMMIT RUN PLACE HERMITAGE, TN 37076 Attorney for Personal Representative(s): MANSON, RICHARD 1720 WEST END AVENUE SUITE 300 NASHVILLE, TN 37203 Publish dates June 6 and June 13, 2024

NOTICE TO CREDITORS #24P851
ESTATE OF ANNA WALLENE PRICE JOHNSON. Notice is hereby given that on the 22th day of May, Letters of Authority in respect to the estate of ANNA WALLENE PRICE JOHNSON, who died on 12/01/2023 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above name court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 22th day of MAY 2024. Personal Representative(s): MARY ANN JOHNSON 4221 STAMMER PLACE NASHVILLE, TN 37215 Attorney for Personal Representative(s): MORGAN, TERESA MARIE PO BOX 60711 NASHVILLE, TN 37206 Publish dates June 13 and June 20, 2024

NOTICE TO CREDITORS #24P1066
ESTATE OF THADDEUS MITCHELL SLEDZ. Notice is hereby given that on the 28th day of May, Letters of Authority in respect to the estate of THADDEUS MITCHELL SLEDZ, who died on 03/15/2024 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above named court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 15th day of JANUARY 2024. Personal Representative(s): KAREN SLEDZ MILLER 468 CIRCLE LN LAKE FOREST, IL 60045, Attorney for Personal Representative(s): FAUGHT JOHNATHAN SPENCER 5110 MARYLAND WAY SUITE 120 BRENTWOOD, TN 37027. Publish dates June 6 and June 13, 2024

NOTICE TO CREDITORS #24P1060
ESTATE OF BARBARA LYDIA BURTON. Notice is hereby given that on the 31st day of May, Letters of Authority in respect to the estate of BARBARA LYDIA BURTON, who died on 04/13/2024 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above name court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 28th day of DECEMBER 2023. Personal Representative(s): ELLEN GATES 281 BECKLEA DR MADISON, TN 37115. Attorney for Personal Representative(s): BARANYI, RICHARD EDWARD 394 W MAIN ST PO BOX 2183 HEDERSONVILLE, TN 37077. Publish dates June 13 and June 20, 2024

NOTICE TO CREDITORS #24P1030
ESTATE OF ROY D ALLEN. Notice is hereby given that on the 07th day of June, Letters of Authority in respect to the estate of, ROY D ALLEN who died on 02/19/2024 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above name court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 12th day of APRIL 2024. Personal Representative(s): SEAN MCMINN 4501 SHYS HILL ROAD NASHVILLE, TN 37215 Attorney for Personal Representative(s): SCHLITZ, STACEY LINN 4235 HILLSBORO PIKE STE 300 NASHVILLE, TN 37215. Publish dates: June 6 and June 13, 2024

NOTICE TO CREDITORS #24P1084
ESTATE OF MARK OWEN Notice is hereby given that on the 04th day of June, Letters of Authority in respect to the estate of MARK OWEN, who died on 05/19/2024 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above name court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 19th day of MAY 2024. Personal Representative(s): MATTHEW OWEN 4221 STAMMER PLACE NASHVILLE, TN 37215; Attorney for Personal Representative(s): MORGAN, TERESA MARIE PO BOX 60711 NASHVILLE, TN 37206; Publish dates: June 13 and June 20, 2024

NOTICE TO CREDITORS #24P803
ESTATE OF RAYMOND DEAN GATES. Notice is hereby given that on the 31st day of May, Letters of Authority in respect to the estate of RAYMOND DEAN GATES, who died on 12/25/2023 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above name court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 26th day of DECEMBER 2023. Personal Representative(s): ELLEN GATES 281 BECKLEA DR MADISON, TN 37115. Attorney for Personal Representative(s): BARANYI, RICHARD EDWARD 394 W MAIN ST PO BOX 2183 HEDERSONVILLE, TN 37077. Publish dates: June 13 and June 20, 2024

NOTICE TO CREDITORS #24P1054
ESTATE OF SUSAN WOODRUFF Notice is hereby given that on the 04th day of June, Letters of Authority in respect to the estate of SUSAN WOODRUFF who died on 06/20/2016 were issued to the undersigned by the Circuit Court of Davidson County Tennessee Probate Division. All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above name court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 12th day of APRIL 2024. Personal Representative(s): SEAN MCMINN 4501 SHYS HILL ROAD NASHVILLE, TN 37215 Attorney for Personal Representative(s): SCHLITZ, STACEY LINN 4235 HILLSBORO PIKE STE 300 NASHVILLE, TN 37215. Publish dates: June 6 and June 13, 2024

NOTICE TO CREDITORS #24P800
ESTATE OF CONNIE GATES Notice is hereby given that on the 31st day of June, Letters of Authority in respect to the estate of CONNIE GATES, who died on 08/14/2023 were issued to the undersigned by the Circuit Court of Davidson County, Tennessee Probate Divison All persons, resident and non-resident, having claims, matured, or un-matured, against the estate are required to file same with the clerk of the above name court on or before the earlier of the dates prescribed in (1) or (2) otherwise their claims will be forever barred: (1) (A) Four (4) months from the date of the first publication (or posting, as the case may be) of this Notice if the creditor received an actual copy of the Notice to Creditors at least sixty(60) days before the date that is four (4) months from the date of the first publication (or posting), or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors, if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (A); or Twelve (12) months from the decedent's date of death this 14th day of AUGUST 2023. Personal Representative(s): ELLEN GATES 281 BECKLEA DR MADISON, TN 37115. Attorney for Personal Representative(s): BARANYI, RICHARD EDWARD 394 W MAIN ST PO BOX HENDERSONVILLE, TN 37077 Publish dates: June 13 and June 20, 2024

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED
This is to provide official notice to the Health Facilities Commission and all interested parties in accordance with T.C.A. § 68-11-1601, et seq., and the Rules of the Health Facilities Commission, that The McKendree Post Acute & Rehabilitation, a Nursing Home owned by McKendree SNF Operations, LLC, with an ownership type of Limited Liability Company and to be managed by itself, intends to file an application for a Certificate of Need for the addition of thirty (30) skilled nursing facility (SNF) beds dually certified by Medicare and Medicaid to its existing 180 SNF beds for a total of 210 nursing home beds. The address of the project will be 4347 Lebanon Pike, Hermitage, TN 37076. The estimated project cost will be $2,994,723.00.
The anticipated date for filing the application is 06/28/2024.
The contact person for this project is Attorney Wells Trompeter, who may be reached at Holland & Knight LLP – 511 Union Street, Suite 2700, Nashville, TN 37219 – Contact No: 615-850-8759.
The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1): (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled, and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 503 Deaderick Street, Nashville, TN 37243 or email at hrida.staff@tn.gov Publish Dates June 13, 20, 2024

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PHONE: 615-321-3268

Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

JOHN WILLIAMSON
2700
511 UNION STREET
NASHVILLE, TN 37219

June 25, 2024

Request Type: Certificate of Existence/Authorization
Request #: 0589517

Issuance Date: 06/25/2024
Copies Requested: 1

Document Receipt

Receipt # : 009089642	Filing Fee:	$20.00
Payment-Credit Card - State Payment Center - CC #: 3876696497		$20.00

Regarding:	Mckendree SNF Operations LLC		
Filing Type:	Limited Liability Company - Foreign	Control # :	1529530
Formation/Qualification Date:	04/05/2024	Date Formed:	02/16/2024
Status:	Active	Formation Locale:	NEVADA
Duration Term:	Perpetual	Inactive Date:	

CERTIFICATE OF AUTHORIZATION

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

Mckendree SNF Operations LLC

* is a Limited Liability Company formed in the jurisdiction set forth above and is authorized to transact business in this State;

* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

* has appointed a registered agent and registered office in this State;

* has not filed an Application for Certificate of Withdrawal.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 068317831

Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: Mckendree SNF Operations LLC

General Information

SOS Control #	001529530	Formation Locale:	NEVADA
Filing Type:	Limited Liability Company - Foreign	Date Formed:	02/16/2024
	04/05/2024 3:42 PM	Fiscal Year Close	12
Status:	Active	Member Count:	1
Duration Term:	Perpetual		
Managed By:	Member Managed		

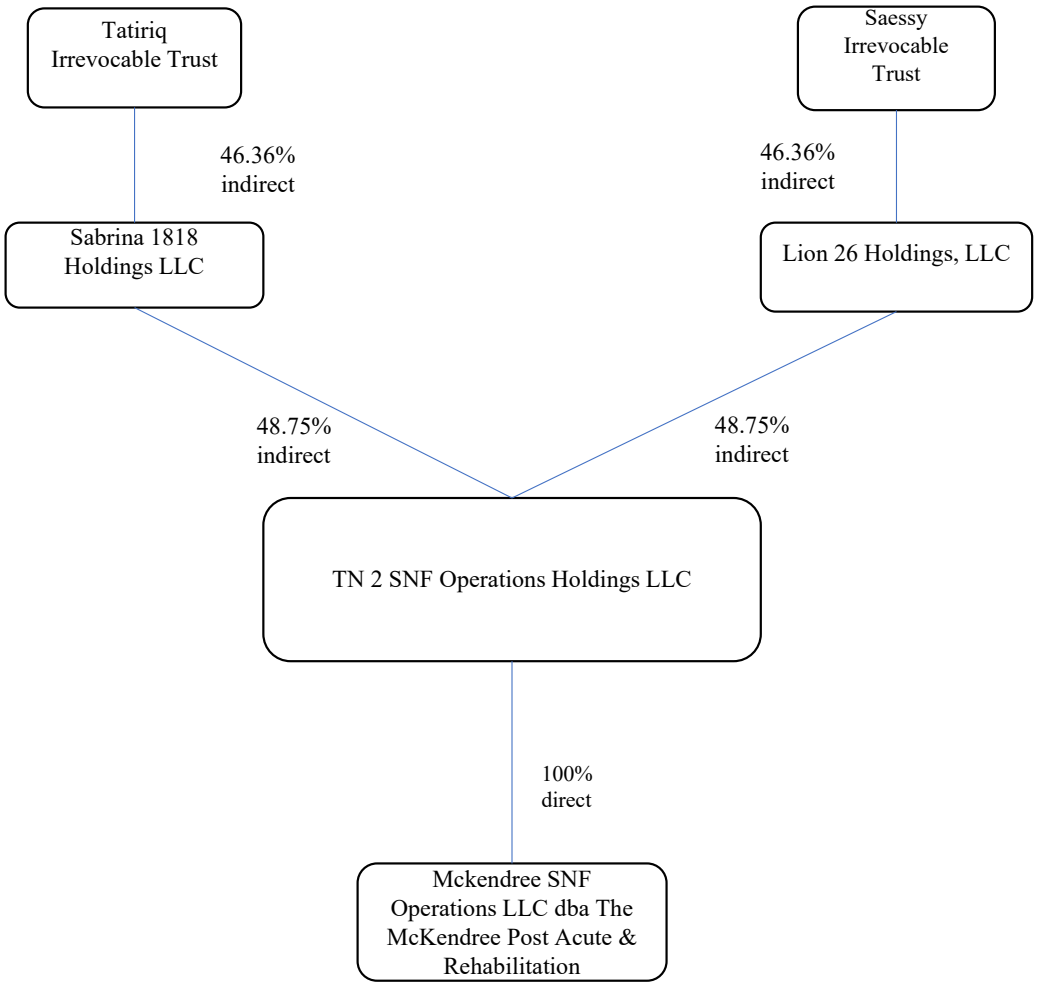
Registered Agent Address
REGISTERED AGENTS INC
STE 200
116 AGNES RD
KNOXVILLE, TN 37919

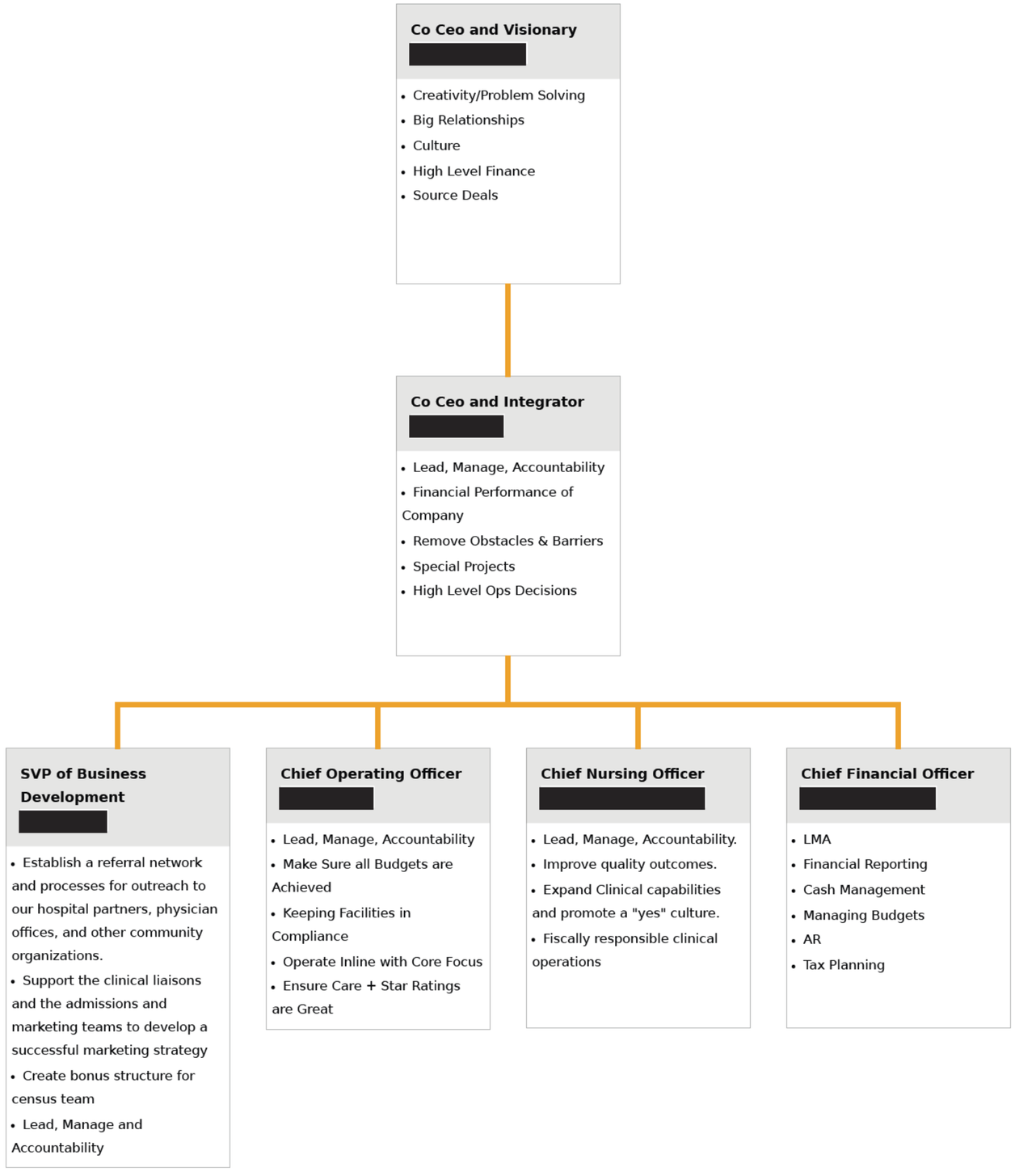
Principal Address
4347 LEBANON PIKE
HERMITAGE, TN 37076

The following document(s) was/were filed in this office on the date(s) indicated below:

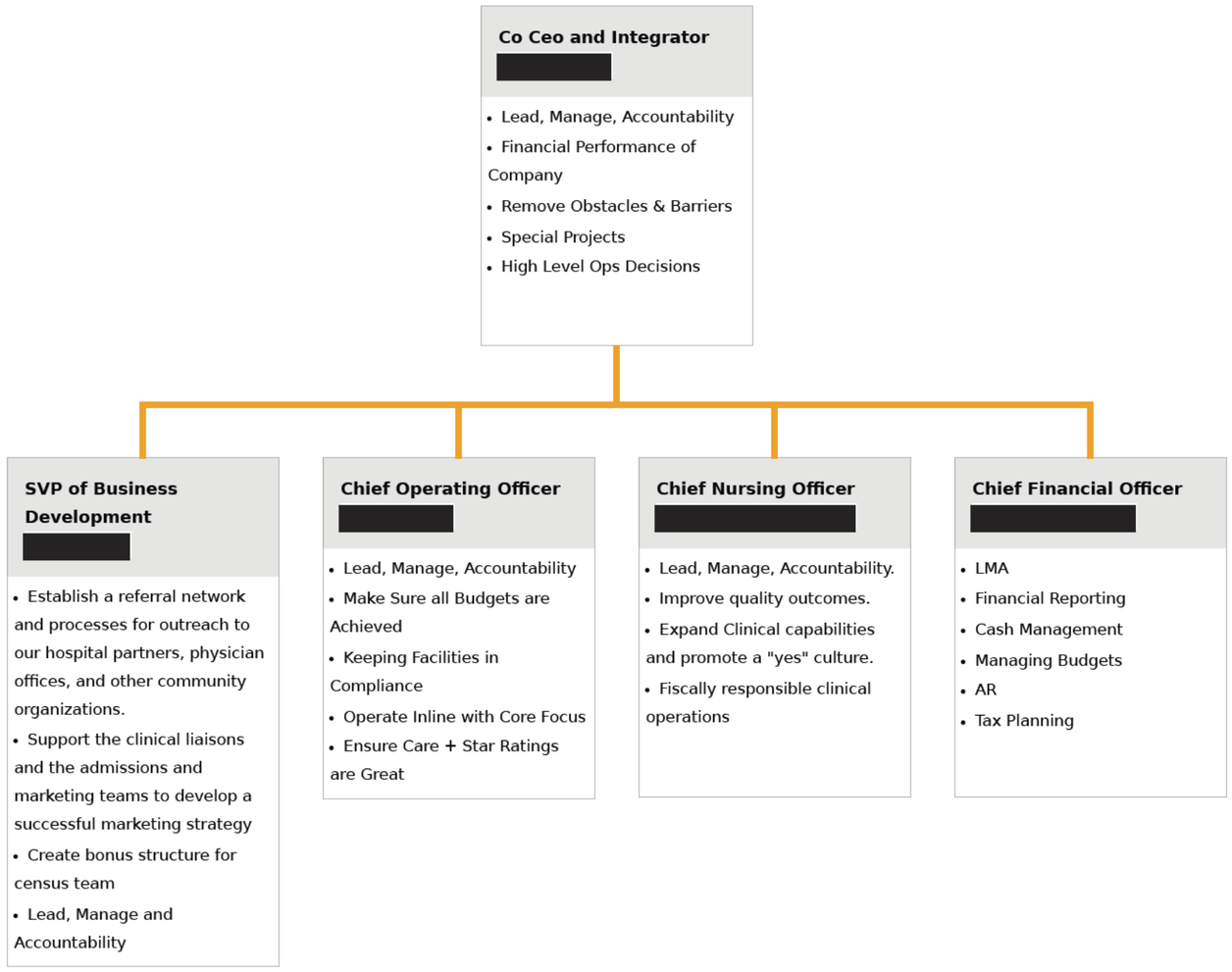
Date Filed	Filing Description	Image #
04/10/2024	Assumed Name	B1547-3229
	New Assumed Name Changed From: No Value To: The McKendree Post Acute & Rehabilitation	
04/05/2024	Initial Filing	B1516-2634

Active Assumed Names (if any)	Date	Expires
The McKendree Post Acute & Rehabilitation	04/10/2024	04/10/2029

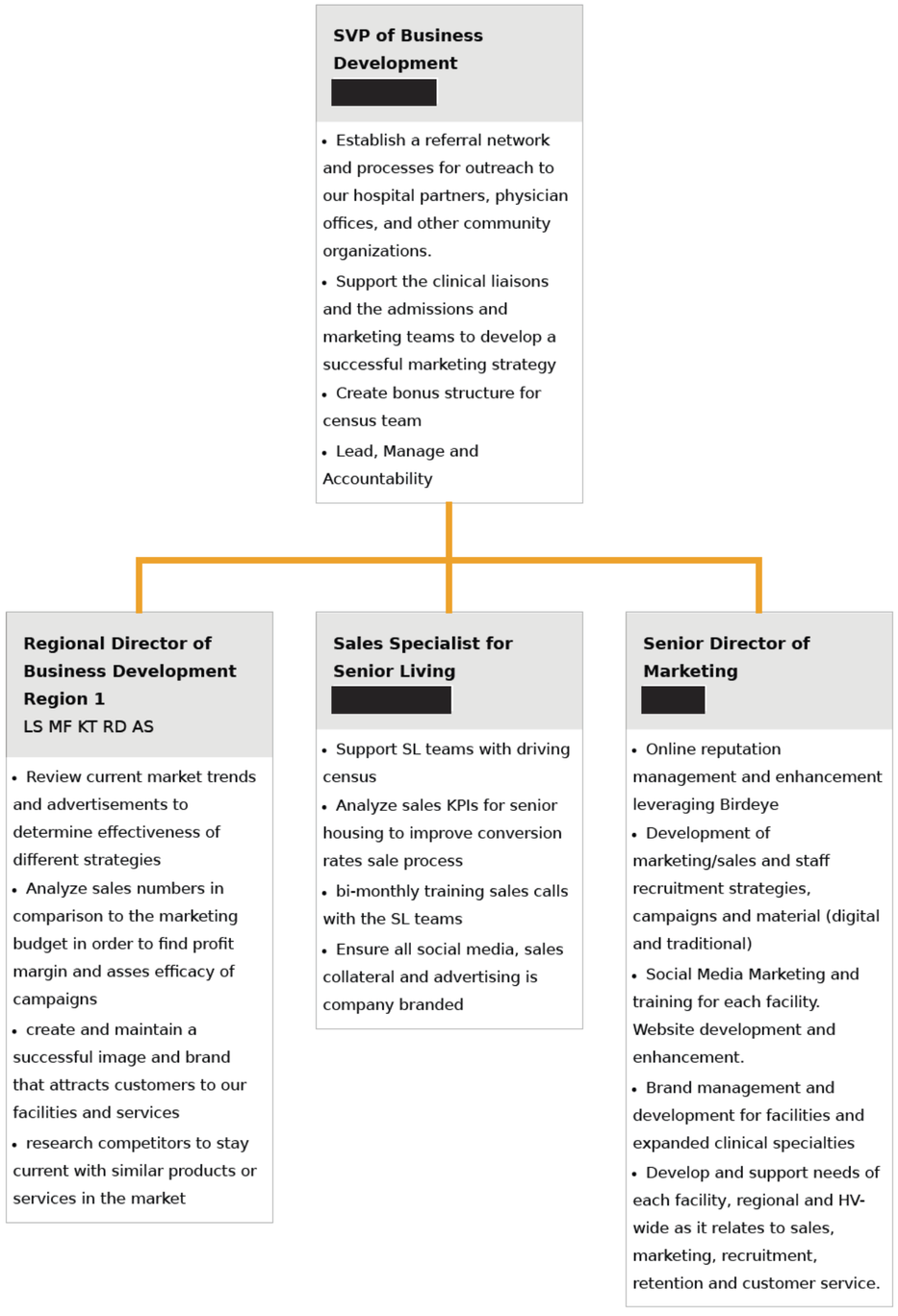

Tatiriq Irrevocable Trust
Saessy Irrevocable Trust
46.36% indirect
46.36% indirect
Sabrina 1818 Holdings LLC
Lion 26 Holdings, LLC
48.75% indirect
48.75% indirect
TN 2 SNF Operations Holdings LLC
100% direct
Mckendree SNF Operations LLC dba The McKendree Post Acute & Rehabilitation



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Chief Operating Officer
[redacted]

- Lead, Manage, Accountability
- Make Sure all Budgets are Achieved
- Keeping Facilities in Compliance
- Operate Inline with Core Focus
- Ensure Care + Star Ratings are Great

RDO Region 5
[redacted]

- Lead, Manage, Accountability
- Assure Region Operates Within Budget
- Assure Positive Regulatory Outcomes
- Build and Retain Strong Facility Leadership Teams
- Develop Culture of Unity and Accountability at the Region and Facility levels

Director of Facility Integration
[redacted]

- Lead, Manage, Accountability
- Assure Region Operates Within Budget
- Develop Culture of Unity and Accountability at the Region and Facility levels

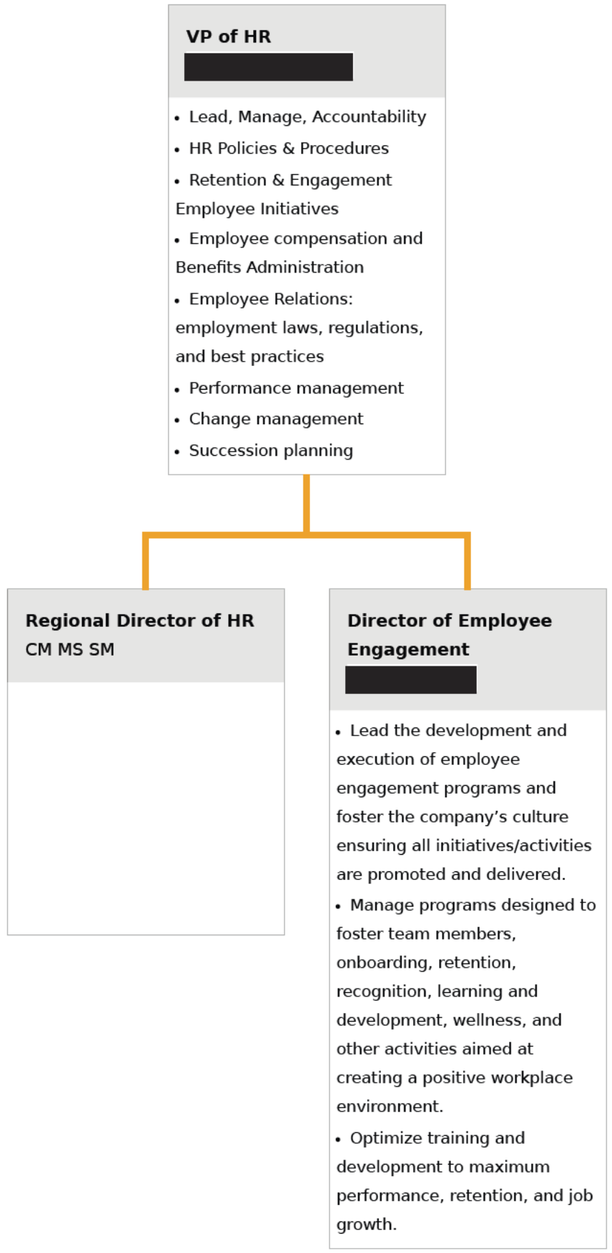
Director of Special Projects
[redacted]

VP of HR
[redacted]

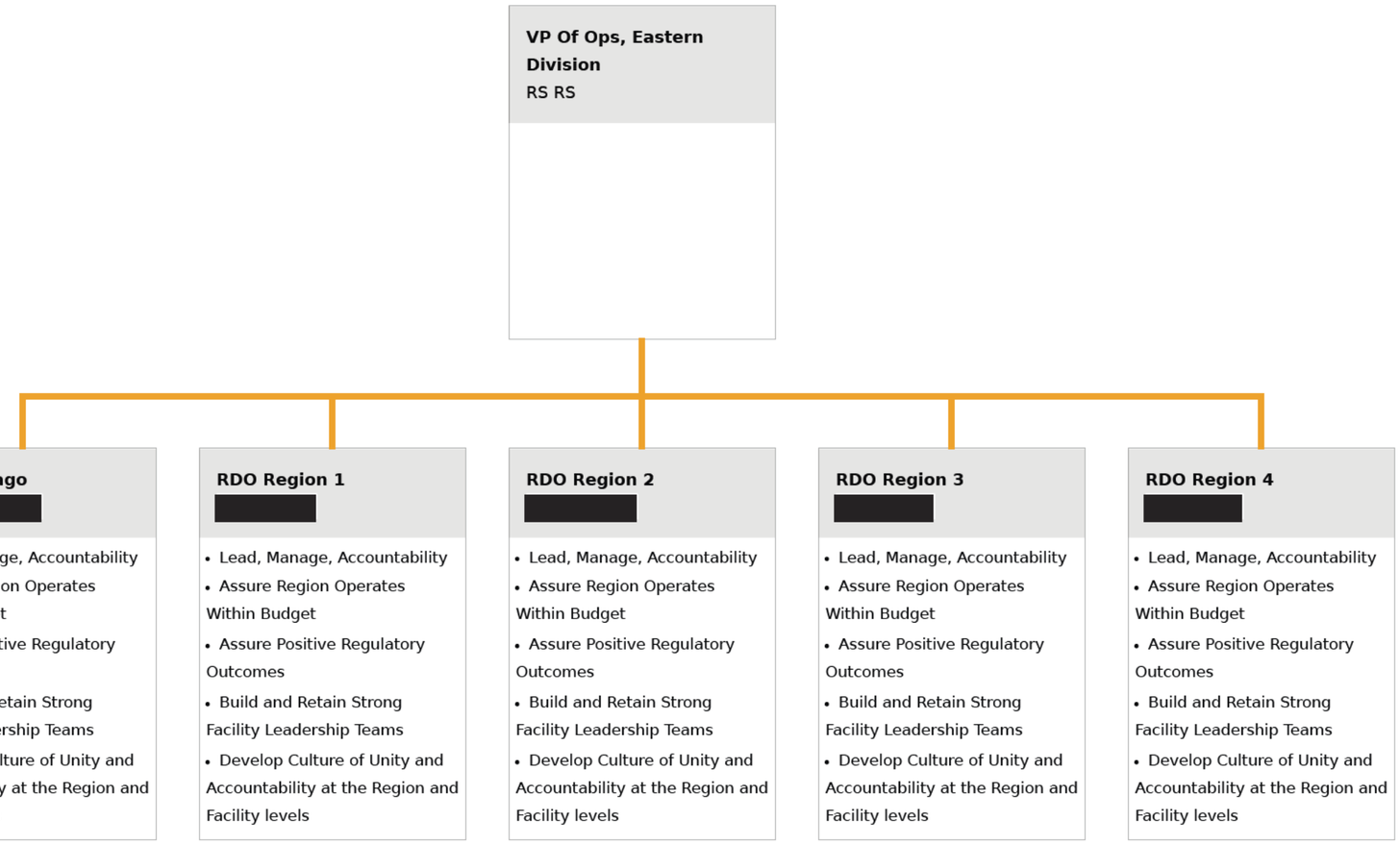
- Lead, Manage, Accountability
- HR Policies & Procedures
- Retention & Engagement Employee Initiatives
- Employee compensation and Benefits Administration
- Employee Relations: employment laws, regulations, and best practices
- Performance management
- Change management
- Succession planning

VP Of Ops, Eastern Division
RS RS

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VP of Care Management
[redacted]

- Lead, Manage, Accountability
- Reimbursement Accuracy
- Medical Records
- Auditing
- Quality Measure accuracy and improvement

Revenue Integrity Specialist
[redacted]

- Lead, Manage, Accountability
- Support and Oversee MDS Coordinators
- Audit Accuracy of the MDS
- ARD Strategy for Reimbursement
- Collaboration for Managing QMs
- Understand Payer Variances for Optimal Reimbursement

Regional Revenue Integrity Specialist
[redacted]

- Lead, Manage, Accountability
- Support and Oversee MDS Coordinators
- Audit Accuracy of the MDS
- ARD Strategy for Reimbursement
- Collaboration for Managing QMs
- Understand Payer Variances for Optimal Reimbursement

Regional Revenue Integrity Specialist
[redacted]

- Lead, Manage, Accountability
- Support and Oversee MDS Coordinators
- Audit Accuracy of the MDS
- ARD Strategy for Reimbursement
- Collaboration for Managing QMs
- Understand Payer Variances for Optimal Reimbursement

ADR specialist
[redacted]

- ADR Requests Compliance Audits
- Audit Accuracy of the MDS
- ARD Strategy for Reimbursement
- Collaboration for Managing QMs
- Understand Payer Variances for Optimal Reimbursement

ADR Manager
[redacted]

- ADR Requests
- Compliance Audits

Regional Revenue Integrity Specialist
[redacted]

- Regional Revenue Integrity Specialist

Director of Managed Care
[redacted]

- Contract Negotiation and Management
- Financial Analysis and Modeling
- Relationship Management
- Cross-functional Collaboration
- Performance Monitoring
- Patient Access and Care Coordination
- Analysis and Reporting

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Director of Managed Care
[redacted]

- Contract Negotiation and Management
- Financial Analysis and Modeling
- Relationship Management
- Cross-functional Collaboration
- Performance Monitoring
- Patient Access and Care Coordination
- Analysis and Reporting

Case Manager
AB AG DS

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VP of Risk and Regulatory Compliance
[redacted]

- LMA
- Clinical Compliance
- Quality Of Care to our Residents
- Risk and Regulatory compliance and improvement

Regional Nurse Consultant
[redacted]

- State Survey Activity
- Reportable Events
- Focus on Quality Measures
- Review of QMS & Casper Reports with DNS Routinely
- Monitoring/Oversight of POC

Regional Nurse Consultant
[redacted]

- State Survey Activity
- Reportable Events
- Focus on Quality Measures
- Review of QMS & Casper Reports with DNS Routinely
- Monitoring/Oversight of POC

Regional Nurse Consultant
[redacted]

- State Survey Activity
- Reportable Events
- Focus on Quality Measures
- Review of QMS & Casper Reports with DNS Routinely
- Monitoring/Oversight of POC

Regional Nurse Consultant
[redacted]

- State Survey Activity
- Reportable Events
- Focus on Quality Measures
- Review of QMS & Casper Reports with DNS Routinely
- Monitoring/Oversight of POC

Regional Nurse Consultant
[redacted]

- State Survey Activity Reportable Events Focus on Quality Measures Review of QMS & Casper Reports with DNS Routinely Monitoring/Oversight of POC

Regional Nurse Consultant
[redacted]

- State Survey Activity Reportable Events Focus on Quality Measures Review of QMS & Casper Reports with DNS Routinely Monitoring/Oversight of POC

Risk Nurse
[redacted]

- State Survey Activity Reportable Events Focus on Quality Measures Review of QMS & Casper Reports with DNS Routinely Monitoring/Oversight of POC

Regional Nurse Consultant
[redacted]

- State Survey Activity Reportable Events Focus on Quality Measures Review of QMS & Casper Reports with DNS Routinely Monitoring/Oversight of POC

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Senior Director of Health Informatics

- PCC subject matter expert
- Lead, Manage, Accountability
- Maximize EMHR

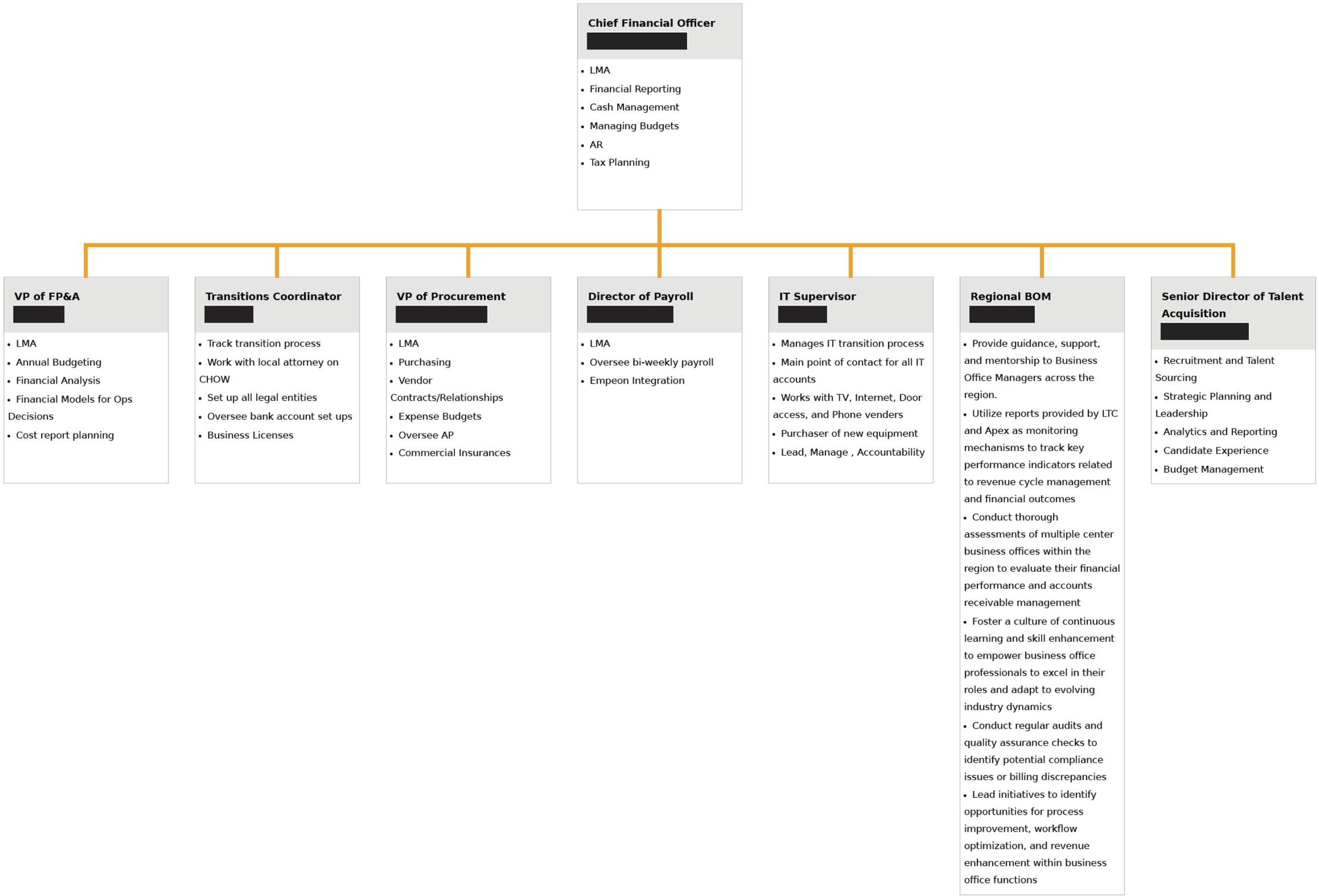
Director of Health Informatics
[redacted]

- PCC subject matter expert

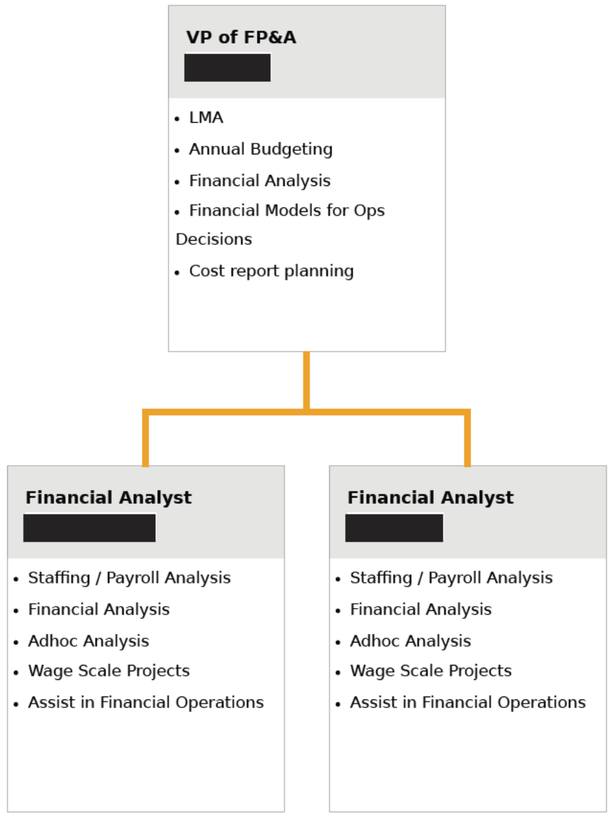
Lead, Manage, Accountability

Maximize EMHR

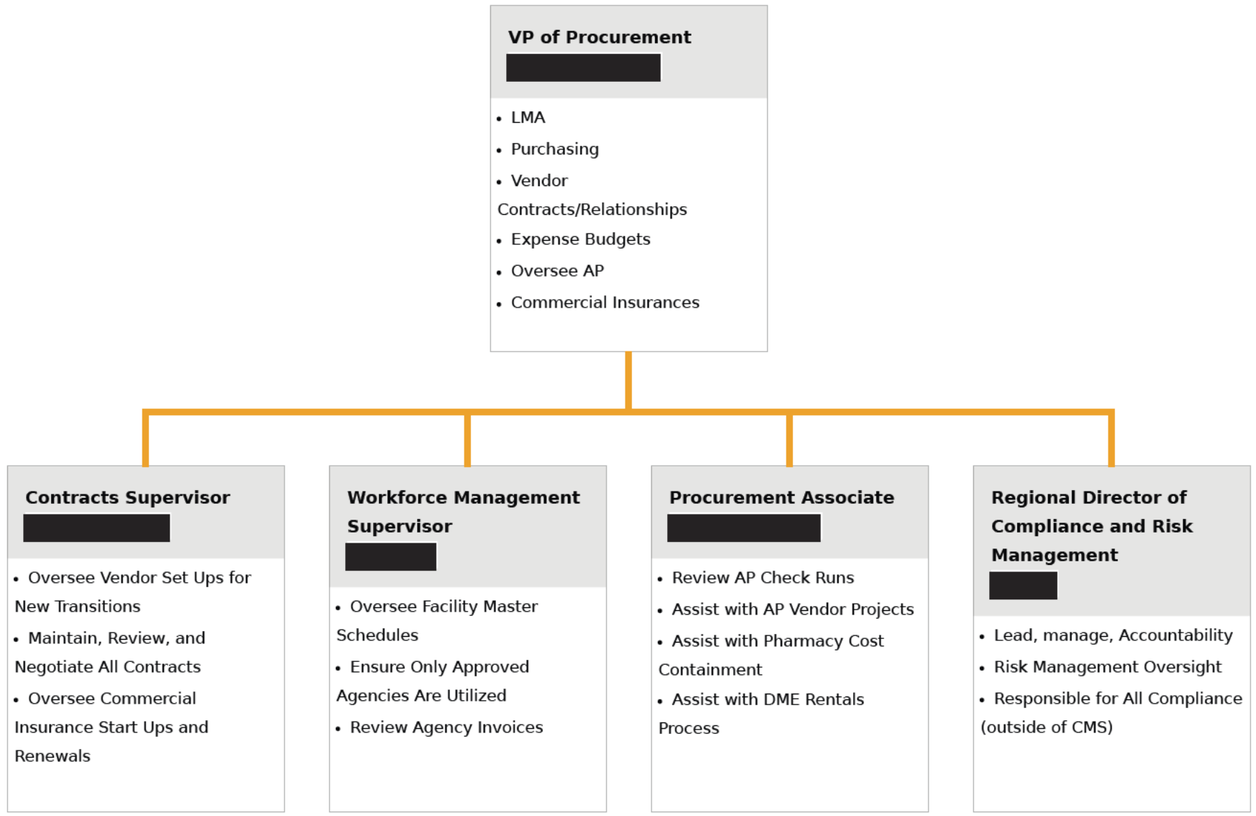
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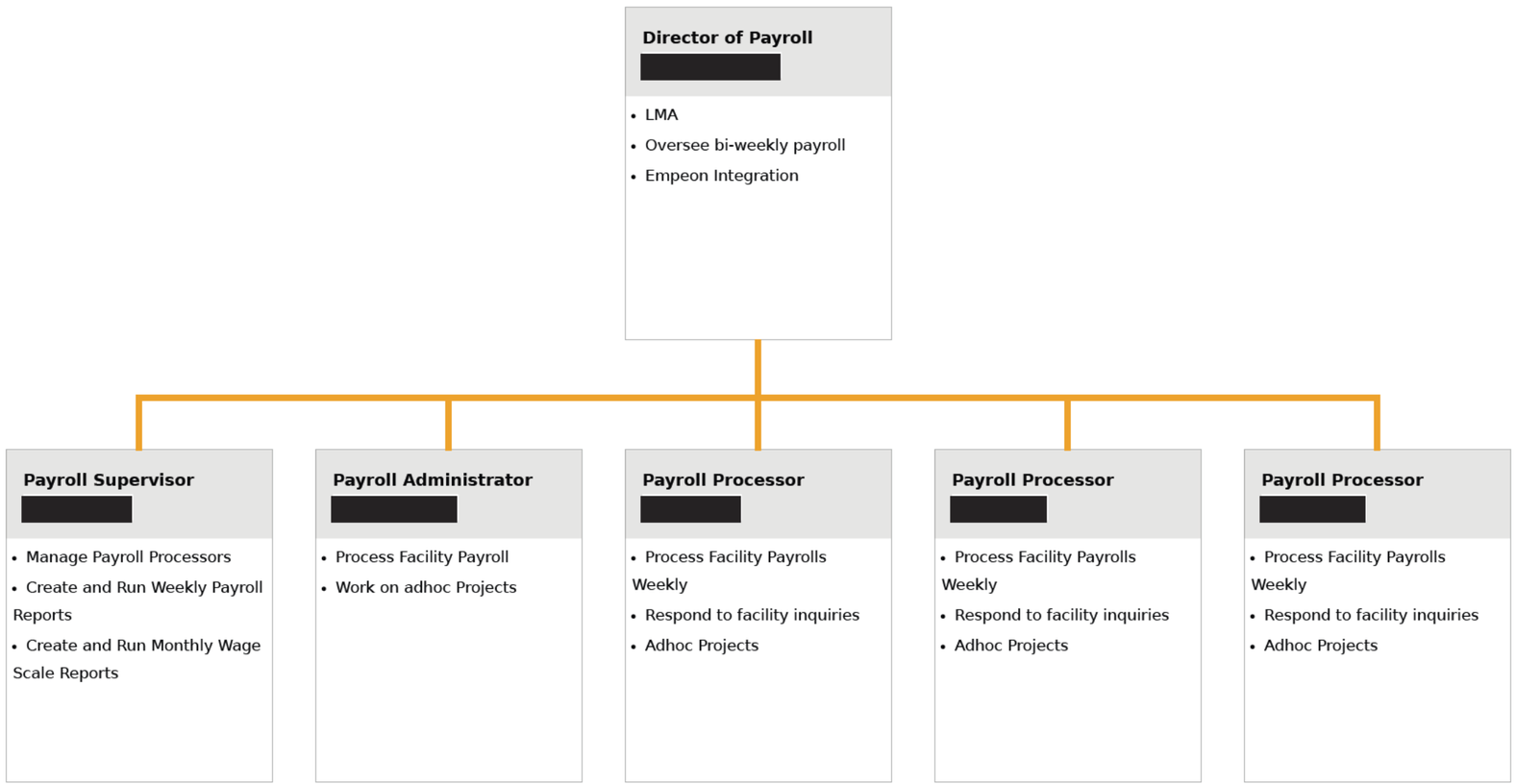
Workforce Management Supervisor
[redacted]

- Oversee Facility Master Schedules
- Ensure Only Approved Agencies Are Utilized
- Review Agency Invoices

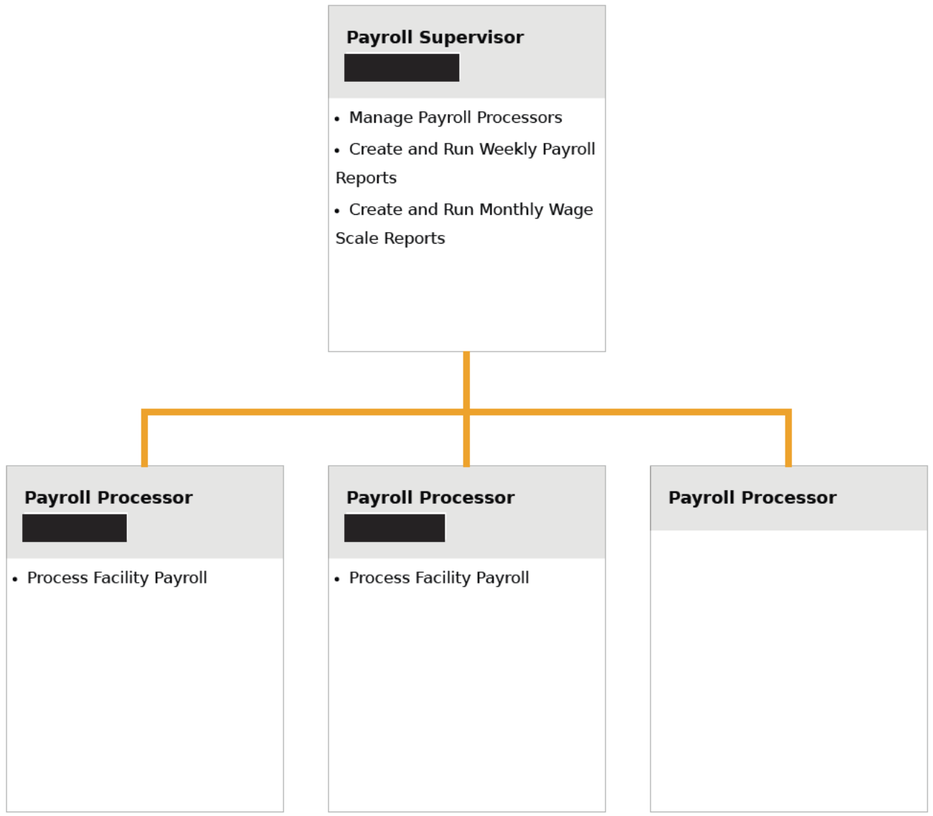
Procurement Associate

- Review new contracts
- Track all Vendors
- Assist Insurance process
- Work with Supervisor on AP review

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Senior Director of Talent Acquisition
[redacted]

- Recruitment and Talent Sourcing
- Strategic Planning and Leadership
- Analytics and Reporting
- Candidate Experience
- Budget Management

Talent Acquisition Specialist
CR JB WB MM JK

- Candidate Sourcing
- Screening and Initial Interviews
- Interview Coordination
- Candidate Experience Management
- Collaboration with Hiring Managers
- Offer Process Management
- Market Intelligence
- Compliance and Reporting

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LEASE AGREEMENT

by and among

MCKENDREE SNF PROPERTY HOLDINGS, LLC, and
WAYNESBORO PROPERTY HOLDINGS, LLC,
each a Delaware limited liability company.

as Lessor

and

MCKENDREE SNF OPERATIONS, LLC,
MCKENDREE ALF OPERATIONS, LLC,
MCKENDREE ILF OPERATIONS, LLC, and
WAYNESBORO SNF OPERATIONS, LLC,
each a Nevada limited liability company;

as Lessee

Effective Date: June 18, 2024

LEASE AGREEMENT

by and among

MCKENDREE SNF PROPERTY HOLDINGS, LLC, and
WAYNESBORO PROPERTY HOLDINGS, LLC,
each a Delaware limited liability company.

as Lessor

and

MCKENDREE SNF OPERATIONS, LLC,
MCKENDREE ALF OPERATIONS, LLC,
MCKENDREE ILF OPERATIONS, LLC, and
WAYNESBORO SNF OPERATIONS, LLC,
each a Nevada limited liability company;

as Lessee

Effective Date: June 18, 2024

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made and entered into as of this 17th date of June, 2024 ("**Execution Date**") and is effective as of 18th day of June, 2024 (the "**Effective Date**") by and among McKendree SNF Property Holdings, LLC, a Delaware limited liability company; Waynesboro Property Holdings, LLC, a Delaware limited liability company (collectively, the "**Lessor**"), and McKendree SNF Operations LLC, a Nevada limited liability company; McKendree ALF Operations LLC, a Nevada limited liability company; McKendree ILF Operations LLC, a Nevada limited liability company; and Waynesboro SNF Operations LLC., a Nevada limited liability company (collectively, the "**Lessee**").

R E C I T A L S :

A. Lessor owns fee simple title in and to those certain parcels of real estate, which are more particularly described on **Exhibit A** attached hereto and made a part hereof (collectively, the "**Demised Premises**"), and the furnishings, furniture, equipment and fixtures used in or about the Demised Premises ("**Personal Property**").

B. Lessor desires to lease the Demised Premises and Personal Property to Lessee, and Lessee desires to lease the Demised Premises and Personal Property from Lessor.

C. Lessor will obtain financing pursuant to the terms of a loan agreement (the "**Loan Agreement**") entered into by Lessor and Metropolitan Commercial Bank, a New York State Chartered Bank (the "**Lender**"), and certain guarantors party thereto, providing a loan (the "**Loan**") with respect to Lessor's acquisition of the Facility. Such Loan Agreement, together with such other documents evidencing or securing Lender's Loan to Lessor, as the same may be amended, restated, modified, or extended from time to time, as well as any documents with respect to a loan obtained to refinance the Loan, are referred to herein, collectively, as the "**Loan Documents**".

D. The parties hereto have agreed to the terms and conditions of this Lease.

NOW THEREFORE, in consideration of the above Recitals which are incorporated herein by this reference and of the mutual covenants, agreements and undertakings hereinafter set forth, Lessor hereby leases the Demised Premises and Personal Property to the Lessee and it is agreed that the use and occupancy of the Demised Premises, and the use of the Personal Property shall be subject to and in accordance with the terms, conditions and provisions of this Lease.

ARTICLE I - DEFINITIONS

1.1 The terms defined in this Article shall, for all purposes of this Lease and all agreements supplemental hereto, have the meaning herein specified.

(a) "**Business Days**" shall mean any day other than Saturday, Sunday and any day which is a legal holiday in the State of Tennessee. For purposes of this Lease, the following Jewish holidays shall be considered legal holidays: Rosh Hashanah, Yom Kippur, Sukkos, Simchas Torah, Shemini Atzeres, Passover, and Shavuos. If the last day for taking any action

required by this Lease, or the last day of any period contemplated under this Lease, falls on a weekend or legal holiday, then the period during which such action may be taken or the end of such period, as the case may be, shall be automatically extended to the next Business Day.

(b) "**Facility**" shall mean each of the skilled nursing, assisted living or independent living facilities as more particularly described on **Schedule 8.3**.

(c) All other terms shall be as defined in other sections of this Lease.

ARTICLE II - DEMISED PREMISES AND PERSONAL PROPERTY

2.1 Lessor, for and in consideration of the rents, covenants and agreements hereinafter reserved, mentioned and contained on the part of the Lessee, its successors and assigns, to be paid, kept and performed, does hereby lease unto Lessee the Demised Premises together with the Personal Property to be used in and upon the Demised Premises for the term hereinafter specified, for use and operation therein and thereon of skilled nursing, assisted living and/or independent living facility, as applicable, in substantial compliance with all the rules and regulations and minimum standards applicable thereto, as prescribed by the State of Tennessee and such other governmental authorities having jurisdiction thereof.

ARTICLE III - TERM OF LEASE

3.1 The term of this Lease (the "**Term**") shall begin and be effective as of the date set forth on the Commencement Date Rider, attached hereto as **Exhibit B** and made a part hereof ("**Commencement Date**"), and shall expire on the day prior to the ten (10) year anniversary of the Commencement Date (the "**Initial Term**"), unless sooner terminated or extended as hereinafter provided. The parties agree to promptly execute the Commencement Date Rider following Lessor's acquisition of the Facility, reflecting the Commencement Date as the date of such acquisition. Under any and all circumstances, Lessor shall not be liable to Lessee, in damages or otherwise, for any delay in delivering the Leased Premises to Lessee and Lessee shall have no right to terminate or rescind this Lease on account thereof. As used herein with respect to the Term and the periods for payment of Rent from and after the Commencement Date (unless the context otherwise requires) the term "year" shall mean a three hundred sixty-five (365) day period (or three hundred sixty-six (366) day period in the case of a leap year).

3.2 Lessee shall have two (2) five (5) year options to extend the lease ("**Extension**") up to a total term of twenty (20) years from the Commencement Date. If Lessee exercises any such options, the "Term" shall include such Extension, and the expiration date shall be changed accordingly.

3.3 In order to exercise an Extension, Lessee must provide written notice (an "**Extension Notice**") to Lessor at least sixty (60) days prior to the expiration of the current Term, indicating an Extension shall occur, and there must be no Event of Default hereunder then existing at the time the Extension Notice is given and at the time that the Extension becomes effective.

ARTICLE IV - RENT

4.1 Lessee shall pay to Lessor, or as Lessor shall direct, without demand, deduction or offset for any reason whatsoever except as herein specifically provided, as fixed annual base rent ("**Base Rent**") for the Demised Premises and the Personal Property over and above all other and additional payments to be made by Lessee as provided in this Lease, as provided in **Schedule 4.1** attached hereto and made a part hereof, to be paid in equal monthly installments. All payments of Rent (as hereinafter defined), together with any and all tax and insurance deposits provided for in this Lease, shall be paid in advance on the first day of each month, provided that the first monthly payment, exclusively, during the Term may be made at any time during the first month so long as it is paid prior to the first payment due to Lender pursuant to the Loan Documents. Unless otherwise notified in writing Lessor directs Lessee to deliver all rental payments payable to Lessor, as directed by Lessor.

4.2 This Lease is and shall be deemed and construed to be a triple net lease and the Base Rent specified herein shall be net to Lessor in each year during the Term of this Lease. The Lessee shall pay all costs, expenses and obligations (ordinary and extraordinary) of every kind whatsoever relating to the Demised Premises and the Personal Property which may arise or become due during the Term of this Lease (the "**Additional Rent**"), including, but not limited to, the payment of property taxes as provided in Articles VI and VII of this Lease, the maintenance of insurance policies as provided in Article IX of this Lease, maintenance and repairs to the Demised Premises and Facility required by Lender or to maintain in the same condition as of the commencement of the Lease, excepting reasonable wear and tear, but subject to Lessee's obligation to maintain the Demised Premises pursuant to Section 11.1 of this Lease, funding any monthly repair reserves required by Lender, which shall be no less than the per bed amount provided in Section 7.3 of this Lease, and payment to any parties providing goods and/or services with respect to operation of the Facility, except for any principal and interest payments due with respect to any Loan Document and Lessor's general overhead and administrative expenses and its United States and state income taxes. Lessee does hereby agree to indemnify, defend and hold harmless Lessor against any such costs, expenses and obligations. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that Lessee shall not be responsible for payment of principal and interest, any prepayment fee, or exit fee payable to Lender under the terms of the Loan Documents.

4.3 All rental payments, together with all tax and insurance deposits provided for in this Lease (unless otherwise provided in this Lease), shall be paid on or prior to the first (1st) day of each month. Unless otherwise notified in writing all checks shall be made payable as directed by Lessor and shall be sent to Lessor at the place designated by Lessor or, at Lessee's election, shall be paid via wire pursuant to the wire instructions provided by the Lessor.

4.4 Except as otherwise specifically provided herein, no reduction in the number of licensed beds shall entitle Lessee to any reduction or adjustment of the Base Rent or Additional Rent (collectively, the "**Rent**") payable hereunder, which shall be and continue

to be payable by Lessee in the full amount set forth herein notwithstanding any such reduction in the number of licensed beds.

ARTICLE V - LATE CHARGES

5.1 If: (a) payment of any sums required to be paid or deposited by Lessee to Lessor under this Lease, or (b) payments made by Lessor under any provision hereof for which Lessor are entitled to reimbursement by Lessee, shall become overdue beyond five (5) calendar days after the date on which they are due and payable as set forth in this Lease, a late charge equal to the greater of two and one-half percent (2.5%) per month or the default rate charged by Lender on the sums so overdue shall be immediately due and payable to Lessor and said late charges shall be payable on the first (1st) day of the month next succeeding the month during which Lessor gives notice of the incurrence of a late charge to Lessee. In addition, Lessee shall be liable to Lessor for any late charges due under the Loan Documents, which accrue as a result of (a) payment of any sums required to be paid or deposited by Lessee to Lessor under this Lease; or (b) payments made by Lessor under any provision hereof for which Lessor is entitled to reimbursement by Lessee. Lessee agrees that any such late charges shall not be deemed to be a penalty, but shall be deemed to be liquidated damages because of the impossibility of computing the actual amount of damages in advance. If nonpayment of any late charges shall occur, Lessor shall have, in addition to all other rights and remedies, all the rights and remedies provided for herein and by law in the case of nonpayment of Rent. Except as otherwise provided in this Article V, no failure by Lessor to insist upon the strict performance by Lessee of Lessee's obligations to pay late charges shall constitute a waiver by Lessor of its rights to enforce the provisions of this Article in any instance thereafter occurring, and nothing contained herein shall be deemed to be a waiver of or limitation on the right of Lessor from declaring an Event of Default, as defined herein because of Lessee's failure to make any payment due hereunder when such payment was due.

ARTICLE VI - PAYMENT OF TAXES AND ASSESSMENTS

6.1 Lessee will pay as Additional Rent before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all taxes (except taxes for which Lessee shall make deposits with Lessor in accordance with the provisions of Article VII of this Lease), assessments, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which during the Term of this Lease may have been, or may be assessed, levied, confirmed, imposed upon or become due and payable out of or in respect of, or become a lien on the Demised Premises and/or Personal Property or any part thereof (collectively, "**Taxes and Assessments**"). Lessor shall provide to Lessee copies of any bills received by it for Taxes and Assessments. Except for taxes for which Lessee shall make deposits with Lessor or Lender in accordance with the provisions of Article VII, not later than ten (10) days prior to the due date for such Taxes and Assessments or five (5) days following its receipt of the bill therefore (whichever is later), Lessee shall pay to Lessor the amount of Taxes and Assessments due. At the request of Lessee, within five (5) days of any payment by Lessor of the Taxes and Assessments, a copy of the paid stamped bill or other evidence of payment shall be delivered to Lessee. To the extent the Taxes and Assessments are later determined to be

due in a lesser amount than Lessees previously paid to Lessor, Lessee shall be entitled to a refund of such overpayment within thirty (30) days of Lessee's written notice to Lessors of such overpayment.

6.2 Any Taxes and Assessments relating to a fiscal period of any authority, a part of which is included within the Term of this Lease and a part of which is included in a period of time before or after the Term of this Lease, shall be adjusted pro rata between Lessor and Lessee as of the commencement and termination of the Term and each party shall be responsible for its pro rata share of any such Taxes and Assessments.

6.3 Nothing herein contained shall require Lessee to pay income taxes assessed against Lessor or its beneficiary, or capital levy, franchise, estate, succession or inheritance taxes of Lessor or its beneficiary.

6.4 Lessee shall have the first option to contest the amount or validity, in whole or in part, of any Taxes and Assessments by appropriate proceedings diligently conducted in good faith, but only after payment of such Taxes and Assessments, unless such payment would operate as a bar to such contest or interfere materially with the prosecution thereof, in which event, Lessee may postpone or defer such payment only if all of the following conditions are met:

(a) Neither the Demised Premises, the Personal Property any material license or certification nor any part thereof would by reason of such postponement or deferment be in danger of being forfeited or lost, and

(b) Lessee shall have deposited with Lessor, to be held in trust, cash or securities in an amount (against which Lessee shall receive a credit equal to the amount pertaining to the period such Taxes and Assessments are being contested held by Lessor pursuant to the terms of Section 7.1 hereof) reasonably satisfactory to Lessor but in no event less than the amount required by Lender, or if there is then no Lender encumbering the Demised Premises, then one hundred five percent (105%) of the amount of such Taxes and Assessments, including the amount of any interest thereon and penalties in connection with the nonpayment thereof, which at such time shall be actually due and payable, and such additional amounts from time to time as may be necessary to keep on deposit at all times an amount equal to the amount required by Lender, or if there are no Loan Documents, then an amount equal to one hundred five percent (105%) of such Taxes and Assessments at any time actually due and payable, together with all interest, costs and penalties in connection therewith and all charges that are assessed against or become a charge on the Demised Premises or any part thereof in such proceedings.

(c) Lessee shall comply with Lender's requirements for a tax contest as if Lessee were the mortgagee or borrower under the Loan Documents.

Notwithstanding anything contained in this Article VI to the contrary, if Lessee has declined to contest, Lessor shall have the right to contest the amount or validity of any Taxes or Assessments.

If held by Lessor, the cash so deposited shall be deposited by Lessor in an interest bearing account and the cash or securities so deposited shall be held by Lessor until the final resolution of such contest and any lien filed against the Demised Premises shall have been released and discharged, and shall thereupon be returned to the Lessee, plus any accrued interest, less the amount of any loss, cost, damage and reasonable expense (including, without limitation, attorneys' fees and investment expenses) that Lender or Lessor may sustain in connection with the Taxes and Assessments so contested. In the event Lender holds the sum required to be deposited by this Section 6.4, Lessor shall only pay Lessee interest if Lender pays Lessor interest and such interest shall be paid to Lessee at the same interest rate and with the same deductions as paid to Lessor by Lender.

6.5 Upon the termination of any such proceedings, Lessee shall pay the amount of such Taxes and Assessments or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties, or other liabilities in connection therewith, and such payment, at Lessee's request, shall be made by Lessor out of the amount deposited with respect to such Taxes and Assessments and accrued interest as aforesaid. In the event such amount is insufficient, then the balance due shall be promptly paid by Lessee. In the event the amount of funds deposited by Lessee with respect to any such contested Taxes and Assessments plus any accrued interest thereon is in excess of such Taxes and Assessments due as finally determined in such proceeding (including any costs, fees, interest, penalties or other liabilities in connection therewith), then such excess funds shall be promptly returned to Lessee by Lessor.

6.6 Lessor shall not be required to join in any proceedings referred to in this Article, unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Lessor in which event Lessor shall join in such proceedings or permit the same to be brought in its name and Lessee shall pay for all costs in connection therewith. Lessor shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceedings, and Lessee will indemnify, defend and save harmless Lessor from any such costs and expenses, including, without limitation, reasonable attorneys' fees, as a result of such proceedings. Lessee shall be entitled to any refund of any real estate taxes and penalties or interest thereon received by Lessor to the extent such amounts were previously paid or deposited in full by Lessee. Lessor agrees that it will reasonably assist Lessee to provide any necessary information and execute any necessary documents in connection with proceedings referred to in this Article.

6.7 In the event that Lessor determines in its reasonable judgment, that it is not being adequately represented by Lessee's counsel in any proceedings referred to in this Article, Lessor may upon ten (10) days prior written notice to Lessee, obtain separate counsel to represent it in such action. In such event, the cost of such counsel shall be paid by Lessor. In the event that Lessor determines, in its reasonable judgment, that Lessee has abandoned any contest referred to in this Article or that Lessee is not pursuing any such contest with due diligence, Lessor may, upon ten (10) days' prior written notice to Lessee, if the Taxes and Assessments so contested by Lessee have not theretofore been paid, pay such Taxes and

Assessments from the amounts deposited by Lessee pursuant to the terms of Section 6.4 above.

6.8 If any income profits or revenue tax shall be levied, assessed or imposed upon the income, profits or revenue arising from the Rent payable hereunder, partially or totally in lieu of or as a substitute for real estate taxes imposed upon the Demised Premises or Personal Property, then Lessee shall be responsible for the payment of such tax.

6.9 On the Effective Date, Lessor received or paid (or was entitled to receive or pay) certain credits from (or to) the prior operator (or its affiliate) of each Facility relating to operations of such Facility prior to, on or after the Effective Date in amounts as set forth on Schedule 6.9 to this Lease (collectively, the net amount labeled being the "Operations Credits"). Lessee shall be entitled to offset amounts due to the Lessor (i) as Rent due on or prior to July 1,2024 in an amount equal to the Operations Credits and (ii) and an additional Five Hundred Fifty Thousand ($550,000.00) Dollars of the Security Deposit (collectively (i) and (ii) the "Offset Items"); provided, however, if the Operations Credits exceed all Offset Items due and owing on or before July 1, 2024, Lessor shall pay such excess amount above the Offset Items to Lessee on or prior to July 1, 2024.

ARTICLE VII - TAX, INSURANCE AND REPLACEMENT RESERVE DEPOSITS

7.1 Lessee will make an initial (on the Commencement Date) and monthly real estate tax deposits with Lessor, in an amount equal to one-twelfth ($1/12^{th}$) (or such greater amount as may be required by the Loan Documents, as applicable) of the annual real estate taxes levied against the Demised Premises. Said deposits shall be due and payable on the first (1st) day of each month as Additional Rent. The deposits shall be held by Lessor or Lender, as applicable to pay the real estate taxes as they become due and payable. Said deposits shall not be required to be kept separate and apart from any other funds of Lessor. If the amount of Lessee's payments as made under this Article shall be less than the total amount due of the real estate taxes, then Lessee shall pay to Lessor the amount necessary to make up the deficiency in its pro rata share in the initial year of the Term of this Lease and thereafter shall pay the full deficiency no later than ten (10) days prior to the due date of such tax bill. In the event that Lessee has paid all sums due under this Section 7.1 and Lessor and/or Lender fail to pay the real estate taxes when due, Lessor and/or Lender shall be solely responsible for any late charges or loss which is a result of its failure to make timely payment hereunder. Not later than five (5) days following its receipt thereof, Lessee shall provide to Lessor copies of any bills received by it for Taxes and Assessments. Within five (5) days of any direct payment by Lessee of the Taxes and Assessments, a copy of the paid tax bill shall be delivered to Lessor.

7.2 Notwithstanding anything to the contrary contained herein, if Lessor is required under a Loan Document to make, with Lender thereunder, monthly deposits for insurance premiums and, except for this Lease, Lessor would actually be making such payments, then Lessee will make monthly deposits for insurance premiums with Lessor, in an amount equal one twelfth ($1/12^{th}$) of the insurance premiums, or such applicable amount required by a Lender. Provided that Lessee at all times comply with the immediately

preceding sentence, Lessee shall suffer no liability hereunder in the event that the insurance premiums are not timely paid to the insurance company. The deposits, if applicable, for insurance deposits, shall be due and payable on the first (1st) day of each month as Additional Rent. Not later than five (5) days following its receipt thereof, Lessor shall provide to Lessee copies of any insurance bills received by it, if not paid by directly by Lessee. At the request of Lessee, within five (5) days of any payment by Lessor of insurance premiums, a copy of the paid insurance bill or evidence of payment of the insurance premiums shall be delivered to Lessee.

7.3 Lessee will make monthly deposits for replacement reserves ("**Replacement Reserves**") with Lessor, in an amount equal to at least $350 per bed, per year, or any greater amount Lessor is required to make under the Loan Documents. The deposits for replacement reserves, shall be due and payable on the first (1st) day of each month as Additional Rent. Notwithstanding the foregoing, in the event that a Lender does not require Replacement Reserves, Lessee shall spend at least Three Hundred and Fifty and No/100 Dollars ($350.00) per bed, per year. If Lessee fails to spend at least Three Hundred and Fifty and No/100 Dollars ($350.00) per bed, per year, Lessee shall deposit with Lessor the difference between Three Hundred and Fifty and No/100 Dollars ($350.00) per bed and Lessee's actual expenses, which shall be held by Lessor as a Replacement Reserve. Lessee shall also make any replacement reserve deposits required to be made by a Lender at the closing of its loan to Lessor.

7.4 All amounts required to be deposited pursuant to this Article VII shall be held for the benefit of Lessee for the purposes set forth herein; provided that upon the occurrence and continuation of an Event of Default hereunder, Lessor may elect in its discretion to apply such amounts to obligations of Lessee under this Lease, in Lessor's discretion.

ARTICLE VIII - OCCUPANCY

8.1 During the Term of this Lease, the Demised Premises shall be used and occupied by Lessee for and as a skilled nursing, assisted living or independent living facility, as applicable, and for no other purpose. Subject to the terms of Article XX hereof, Lessee shall at all times during the Term, maintain in good standing and full force a probationary or non-probationary license (the "**License**") issued by the Tennessee Dept. of Health and any other governmental agencies permitting the operation on the Demised Premises as a skilled nursing, assisted living or independent living facility, as applicable (collectively, "**DPH**").

8.2 Lessee will not suffer any act to be done or any condition to exist on the Demised Premises which may be dangerous or which may, in law, constitute a public or private nuisance or which may void or make voidable any insurance then in force on the Demised Premises.

8.3 Except upon the exercise of the Purchase Option or as otherwise specifically provided for in this Lease, upon termination of this Lease for any reason, Lessee will return to Lessor the Demised Premises in the same condition as existed on the Commencement Date,

reasonable wear and tear excepted, and licensed by the State of Tennessee and by any governmental agencies having jurisdiction over the Demised Premises as a skilled nursing, assisted living or independent living facility, as applicable, with unrestricted licenses in full force and good standing for no less than the number of skilled and/or intermediate beds as identified on **Schedule 8.3**. Except as otherwise specifically provided herein, no reduction in the number of licensed beds shall entitle Lessee to any reduction or adjustment of the Rent payable hereunder, which shall be and continue to be payable by Lessee in the full amount set forth herein notwithstanding any such reduction in the number of licensed beds. Lessee shall, within five (5) days following its receipt thereof, provide Lessor with a copy of any notice from DPH or any federal, state or municipal governmental agency or authority regarding any reduction in the number of licensed beds and Lessor shall have the right to contest, by appropriate legal or administrative proceedings, any such reduction.

8.4 During the Term of this Lease, Lessee shall only use the Demised Premises in accordance with Environmental Laws (as hereinafter defined) and shall not use nor permit the Demised Premises to be used for the treatment, storage or disposal of any Hazardous Substances (as hereinafter defined) nor for any purpose involving the use of the Hazardous Substances in violation of any applicable Environmental Laws; provided, however, that Lessee may use in and store at the Facility such materials and substances as are customarily used in nursing homes but only in such quantities as are reasonably necessary for the routine business operation of the Facility. For purposes hereof "**Hazardous Substances**" shall mean any toxic or hazardous waste or pollutants, or substances, including, without limitation, asbestos, PCB's, petroleum products and by products, substances defined or listed as: "Hazardous Substances" or "Toxic Substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*, "Hazardous Materials" in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, *et seq.*, "Hazardous Waste" in The Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2061, *et. seq.*, any "Toxic Pollutant" under the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, as amended, any "Hazardous Air Pollutant" under the Clean Air Act, 42 U.S.C. § 7401, *et seq.*, and any hazardous or toxic substance or pollutant regulated under any other applicable federal, state or local Environmental Laws. Notwithstanding anything contained in this Section 8.4 to the contrary, Lessee shall not have any liability to Lessor under this Section 8.4 resulting from any conditions existing, or events occurring, or any Hazardous Substances existing or generated, at, in, on, under or in connection with the Demised Premises prior to the Commencement Date of this Lease. "**Environmental Laws**" as used in this Lease means all federal, state and local environmental, health, or safety laws or regulations applicable to the Demised Premises or the Facility, now or hereafter enacted. Lessee hereby agrees to indemnify, defend and hold Lessor harmless from and against, and shall reimburse Lessor for, any loss, claim, liability, damages, injunctive relief, injuries to persons, property or natural resources, costs, expense, action and causes of action in connection with the use, generation, treatment, storage, release or disposal of Hazardous Substances at or from the Demised Premises during the Term hereof, including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required work to be performed, to the full extent that such

action is attributable, directly or indirectly, to the use, generation, treatment, storage, release or disposal of Hazardous Substances on the Demised Premises during the Term hereof.

8.5 In no event shall Lessee relocate any of the licensed bed, or certificate of need, rights at the Facility to another location, or otherwise reduce the number of licensed beds, without Lessor's express written consent which shall not be unreasonably withheld, conditioned or delayed. Any action taken by Lessee in connection with any of the foregoing matters without Lessor's express written consent shall be void and of no force and effect. Any and all license and beds rights with respect to the Facility, to the extent permitted under applicable law, shall be the property of Lessor and included in the Demised Premises hereunder. In the event the Facility adds any licensed beds during the Term, then to the extent permitted by applicable law such additional beds shall become part of the Demised Premises and all rights with respect thereto shall be the property of Lessor and may not be subsequently removed or transferred by Lessee.

ARTICLE IX - INSURANCE

9.1 Subject to any additional requirements of the Loan Documents, as applicable, Lessee shall, at its sole cost and expense, as of the Commencement Date and during the Term, maintain fire, and casualty insurance with extended coverage endorsement, which includes coverage for malicious mischief and vandalism both on the Demised Premises and the Personal Property on the Tennessee standard form with a responsible company or companies approved by Lessor, which approval will not be unreasonably withheld. Such insurance shall, at all times, be maintained (without any co-insurance clause, if possible) in an amount equal to the full replacement value of the Demised Premises and Personal Property, but not less than that required by Lender, but in any event in an amount sufficient to prevent Lessor and Lessee from becoming co-insurers under applicable provisions of the insurance policies. Such insurance shall at all times be payable to Lender, as applicable, Lessor and Lessee, as their interests may appear and shall contain a loss-payable clause to the Lender, as its interest may appear. Upon the reasonable request of Lessor, provided however no less frequently than such time as required by Lessee's insurance carrier, Lessee shall furnish at its sole cost and expense, to Lessor and such insurance carrier, insurance appraisals in form and substance as are regularly and ordinarily made by insurance companies, in order to determine the then replacement value of the Demised Premises and Personal Property, and if such appraisal shows that the amount of casualty insurance maintained by Lessee hereunder is insufficient, the amount of insurance required by this Section 9.1 shall be adjusted accordingly.

9.2 Lessee shall also, at Lessee's sole cost and expense, cause to be issued and shall maintain during the Term of this Lease, insurance from an insurance company with a "B++" rating or higher from A.M. Best Company, and in any case in accordance with the requirements set forth in the Loan Documents, provided in the absence of requirements in the Loan Documents or by Lender, no less than the following:

(a) A public liability policy naming Lessor, Lender, Lessee, as applicable, and Lessee, as insured, and insuring them against claims for bodily injury, or property damage

occurring upon, in or about the Demised Premises, or in or upon the adjoining streets, sidewalks, passageways and areas, and including professional malpractice insurance covering employees of the Facility, such insurance to afford protection to the limits reasonably established by Lessee in the operation of its business, but not less than $500,000 per each occurrence and $1,000,000 in the aggregate or any greater amount required by the Loan Documents.

(b) If there is a boiler, air conditioner or water heater located on the Demised Premises, boiler explosion insurance, in the amount of not less than $500,000, under the terms of which Lessor and Lessee will be indemnified, as their interests may appear, against any loss or damage which may result from any accident or casualty in connection with any boiler used in the Demised Premises, whereby any person or persons may be injured or killed or property damaged in or about the Demised Premises.

9.3 All policies of insurance shall provide, to the extent available at a commercially reasonable price, unless otherwise required by the Lender:

(a) They are carried in favor of Lessor, Lessee, and Lender, as their respective interests may appear, and any loss shall be payable as therein provided, notwithstanding any act or negligence of Lessor or Lessee, which might otherwise result in forfeiture of insurance; and

(b) They shall not be canceled, terminated, reduced or materially modified without at least thirty (30) days' prior written notice to Lessor; and

(c) A standard mortgagee clause in favor of Lender, and shall contain, if obtainable, a waiver of the insurer's right of subrogation against funds paid under the standard mortgagee endorsement which are to be used to pay the cost of any repairing, rebuilding, restoring or replacing.

9.4 Certificates of insurance policies required by this Article shall be delivered to Lessor and Lender prior to or on the Commencement Date. Upon receipt thereof, Lessee shall deliver copies of the actual policies to Lessor, which certificates and policies shall be updated annually not less than twenty (20) days prior to the expiration date thereof.

9.5 Lessee shall at all times keep in effect business interruption insurance with loss of rents endorsement naming Lessor as an insured in an amount at least sufficient to cover:

(a) The aggregate of the cost of all Taxes and Assessments due during the period of the next succeeding twelve (12) months following the occurrence of the business interruption;

(b) The cost of all insurance premiums for insurance required to be carried by Lessee for such twelve (12) month period; and

(c) The aggregate of the amount of the monthly Base Rent for the next succeeding twelve (12) month period.

All proceeds of any business interruption insurance or loss of rents coverage shall be applied, first, to the payment of any Base Rent payments for the next succeeding twelve (12) months to the extent that such payments are due and payable; second, to the payment of any Taxes and Assessments and insurance deposits required for the next succeeding twelve (12) months to the extent that such payments are due and payable; and, thereafter, after all necessary repairing, rebuilding, restoring or replacing has been completed as required by the pertinent Articles of this Lease and the pertinent sections of the Loan Documents, any remaining balance of such proceeds shall be paid over to the Lessee.

9.6 In the event the amount of insurance proceeds under Section 9.1 exceeds Two Hundred Fifty Thousand Dollars ($250,000), such insurance proceeds as may be paid to Lessee and Lessor, shall be governed by the Loan Documents or if no Loan Documents, then deposited with Lessor to be held and disbursed for the repairing, rebuilding, restoring or replacing of the Demised Premises or any portion thereof, or any improvements from time to time situated thereon or therein in accordance with Sections 9.7 and 9.8 hereof, or with the pertinent provisions of the Loan Documents.

9.7 Except as provided below, no sums shall be paid from such proceeds toward such repairing, rebuilding, restoring or replacing unless there shall not be in existence any uncured Event of Default and it shall be first demonstrated to the reasonable satisfaction of Lessor that the amount of money necessary to provide for any such repairing, rebuilding, restoring or replacing (according to any plans or specifications which may be adopted therefor) in excess of the amount received from any such insurance policies, has been expended or provided by Lessee for such repairing, rebuilding, restoring or replacing, or that Lessee has provided cash for such amount and that the amount received from such insurance policies is sufficient to complete such work. In the event there is any amount required from Lessee in excess of the amount received from such insurance policies, Lessee shall furnish such excess funds so that the funds will be sufficient to complete such repairing, rebuilding, restoring or replacing in accordance with the provisions of this Lease, and/or Loan Documents and any plans and specifications submitted in connection therewith, free from any liens or encumbrances of any kind whatsoever. Funds held by Lessor shall be disbursed only upon the presentment of architect's or general contractor's certificates, waivers of lien, contractor's sworn statements, owner's sworn statements and other evidence of cost and payments as may be reasonably required.

9.8 Prior to making any such repairs costing in excess of Two Hundred Fifty Thousand Dollars ($250,000), if so requested by Lessor, Lessee shall do the following or provide to Lessor the following documentation, as Lessor may reasonably require to protect its interest in the Demised Premises and Personal Property: (a) submit complete plans and specifications for such repairs prepared by an architect or general contractor whose qualifications shall be reasonably satisfactory to Lessor; (b) submit a stipulated sum construction contract made with a reputable and responsible builder or contractor, providing for the completion and payment for all work, labor and materials necessary to complete such repairs; and (c) disburse such funds as may be required to complete said repairs by a national title insurance company or other responsible escrowee at Lessee's sole cost and expense to the contractor or contractors making such repairs in installments as such work progresses and

upon presentment of such certificates, waivers of lien, sworn statements and other documents as may be required by such escrowee; and (d) take such other actions or provide such other documentation to Lessor as Lessor may reasonably require to protect its interest in the Demised Premises and Personal Property.

ARTICLE X - LESSOR'S RIGHT TO PERFORM

10.1 Should Lessee fail to perform any of its covenants herein agreed to be performed, Lessor may, upon providing ten (10) Business Days' prior notice specifying the work to be done or covenants to be performed and the approximate amount be expended, but shall not be required to, make such payment or perform such covenants (any of the foregoing, "Protective Advances"), and all sums so expended by Lessor, including Lessor's reasonable expenses in enforcing or performing such covenants, including reasonable attorneys' fees shall be payable by Lessee to Lessor upon demand with interest thereon at the Default Rate (as defined in Section 25.3 herein) within five (5) Business Days thereafter. In particular and without limiting the generality of the foregoing, following the occurrence of an Event of Default hereunder, Lessor shall be entitled to make Protective Advances pursuant to the terms hereof with respect to payments due to any parties providing goods and/or services for the Facility. Any of the foregoing costs or expenses incurred or payments made by Lessor shall be deemed to be Additional Rent payable by Lessee and collectible as such by Lessor.

10.2 Performance of or payment to discharge said Lessee's obligations shall be optional by Lessor and such performance and payment shall in no way constitute a waiver of, or a limitation upon, Lessor's other rights and remedies hereunder, including, without limitation, Lessor's right to declare an Event of Default for such failure.

ARTICLE XI - REPAIRS AND MAINTENANCE

11.1 Throughout the Term of this Lease, Lessee, at its sole cost and expense, will keep and maintain, or cause to be kept and maintained, the Demised Premises (including the grounds, sidewalks, roof, parking lots and curbs abutting the same) and the Personal Property in good order and condition without waste and in a suitable state of repair at least comparable to that which existed immediately prior to the Commencement Date (ordinary wear and tear excepted), and will make or cause to be made, as and when the same shall become necessary, all structural and nonstructural, ordinary and extraordinary, exterior and interior, replacing, repairing and restoring necessary and any additional repairs as may be required by the Lender. All replacing, repairing and restoring required of Lessee shall be (in the reasonable opinion of Lessor) of comparable quality equal to the original work and shall be in compliance with all standards and requirements of law, licenses and municipal ordinances necessary to operate the Demised Premises as a skilled nursing, assisted living or independent living facility, as applicable. Subject to the Loan Documents, any Replacement Reserves deposited with Lender by Lessee shall be made available to Lessee for completion of the work required under this Section 11.1.

11.2 In addition to the foregoing, Lessee shall cause the work described on **Schedule 11.2** attached hereto to be completed in a good, safe and workmanlike manner and

in accordance with all applicable laws, ordinances, rules and regulations at its expense and as required by the Lender. Promptly following completion thereof, Lessee shall provide Lessor with evidence thereof reasonably acceptable to Lessor and its Lender.

11.3 In the event that any part of the improvements located on the Demised Premises or the Personal Property shall be damaged or destroyed by fire or other casualty (any such event, being called a "**Casualty**"), Lessee shall promptly replace, repair and restore the same as nearly as possible to the condition it was in immediately prior to such Casualty, in accordance with all the terms, covenants and conditions and other requirements of this Lease and the Loan Documents applicable in the event of such Casualty. The Demised Premises and the Personal Property shall be so replaced, repaired and restored as to be of at least equal value and substantially the same character as on the Commencement Date. If the estimated cost of any such restoring, replacing or repairing is Two Hundred Fifty Thousand Dollars ($250,000) or more, the plans and specifications for same shall be first submitted to and approved by Lessor in writing, which approval shall not be unreasonably withheld or delayed, and Lessee shall select an independent architect or engineer approved by Lessor (which approval shall not be unreasonably withheld or delayed) who shall be in charge of such repairing, restoring or replacing. Upon the demand of Lessor, Lessee shall deposit with a nationally recognized title insurance company, prior to the commencement of any such repairing, restoring or replacing, the total estimated cost thereof less the insurance proceeds and amounts required to be contributed by Lessor, if any, and disbursements shall be made pursuant to the terms of Section 9.8 hereof. Lessee covenant that it will give to Lessor prompt written notice of any Casualty affecting the Demised Premises in excess of Two Hundred Fifty Thousand Dollars ($250,000). Any insurance proceeds with respect to a Casualty in excess of amounts required to repair the Facility, as well as any award with respect to a condemnation of any of portion of the Demised Premises, shall be the property of Lessor.

11.4 Provided that there is no uncured Event of Default by Lessee under this Lease, Lessee shall have the right, at any time and from time to time, to remove and dispose of any Personal Property which may have become obsolete or unfit for use, or which is no longer useful in the operation of the Demised Premises, provided Lessee promptly replaces any such Personal Property so removed or disposed of with other personal property free of any security interest, liens or encumbrances, and the replacement personal property shall be of the same character, and at least equal usefulness and quality to any such Personal Property so removed or disposed of and such replacement property shall automatically become the property of and shall belong to Lessor and Lessee shall execute and deliver such bills of sale or other documents reasonably requested by Lessor to vest ownership of such replacement personal property in Lessor.

11.5 Furthermore, Lessor shall provide Lessee with a loan for amounts to be used by Lessee for immediate repairs to the facilities in the first eighteen (18) months on the following terms: principal amount of Two Million Dollars ($2,000,000), the maturity date shall be the earlier of two (2) years or the date on which Lessee exercises the Purchase Option, ten percent (10%) interest with quarterly payments of interest and a balloon payment of all outstanding principal, at maturity, which, should the Purchase Option be exercised, shall be

added to the Purchase Price (as defined in the Purchase Option) under the Purchase Option in the form of **Exhibit G** (the "**CapEx Note**").

11.6 In the event of condemnation by eminent domain or similar law, including a sale in lieu thereof to an authority or other entity having the power of eminent domain (a "Taking"), of all or any portion of the Demised Premises, which is not due to any action or omission of Lessee and (i) involves a taking of any portion of any Facility or the utility facilities serving any Facility (unless such utility facilities are re-routed by the applicable authority) and such taking prevents or materially affects the operation of said Facility; (ii) materially and permanently reduces the number of operational beds by fifteen percent (15%) or more at any Facility; or (iii) materially and permanently affects ingress and egress to the Facility; then, in any of such events, Lessee may terminate this Lease as it relates to such affected Facility by giving notice to Lessors not more than thirty (30) days after the later of the date on which title vests in the condemning authority or the date when Lessee receives notice of such vesting. In the event that this Lease is not terminated as a result of any such Taking, Lessor shall promptly restore the Demised Premises to a condition reasonably equivalent to that existing prior to such Taking and shall apply the "Award" (as defined below) to the cost of such restoration. In such event, the Base Rent payable by Lessee under this Lease shall be equitably abated and appropriately rebated based on the effect of the Taking on the number of operational beds in the Facility and Lessee's ability to run the business operations at the Facility. In the event of a Taking pursuant to the provisions of this Lease, Lessor and Lessee agree that Lessee shall have no claims or rights in any award arising from or related to or proceeds of such Taking (collectively the "**Award**"), except that Lessee may apply for and receive an award separately for the taking of any improvements paid for by Lessee, including utility improvements and Lessee's trade fixtures, and for Lessee's moving expenses. In the event that this Lease is terminated as to one or more, but not all, of the Facilities pursuant to this Section 11.6, Base Rent and any Additional Rent shall be abated in proportion to the number of operational beds located at the Facility or Facilities for which the Lease is terminated.

ARTICLE XII - ALTERATIONS AND DEMOLITION

12.1 Lessee will not remove or demolish the Demised Premises or any portion thereof or allow it to be removed or demolished, without the prior written consent of Lessor and Lender. Subject to the Loan Documents, as applicable, Lessee further agrees that it will not make, authorize or permit to be made any changes or alterations in or to the Demised Premises, the cost of which in any twelve (12) month period exceeds One Hundred Fifty Thousand Dollars ($150,000) collectively, without first obtaining Lessor's written consent thereto, which will not be unreasonably withheld or delayed and, if required by the Loan Documents, without receiving Lender's written consent thereto. All alterations, improvements and additions to the Demised Premises shall be in quality and class at least equal to the original work and shall become the property of Lessor and shall comply with all building and fire codes, and all other applicable codes, rules, regulations, laws and ordinances. Not less than thirty (30) days prior to the commencement of any such changes or alterations, the cost of which in any twelve (12) month period may exceed One Hundred Fifty Thousand Dollars ($150,000) collectively, Lessee shall furnish to Lessor, at Lessee's sole cost and

expense, plans and specifications, prepared by a licensed architect, for such changes or alterations and any additional insurance reasonably required by Lessor or Lender. Such plans and drawings shall include detailed architectural, mechanical, electrical and plumbing working drawings. The plans and drawings will be subject to Lessor's approval with respect to design, aesthetics, building code compliance and such other matters as Lessor deems relevant, which approval shall not unreasonably be withheld or delayed. Notwithstanding the provisions of the preceding sentence to the contrary, (i) the review and approval by Lessor shall not be relied upon by Lessee that any such plans or drawings are in compliance with applicable laws or represent a sound design; and (ii) nothing herein shall be deemed or construed to require Lessee to obtain Lessor's consent to non-structural changes or alterations such as painting, the replacement of wall coverings or the replacement of floor coverings. . Notwithstanding anything to the contrary including, but not limited to anything contained hereinabove, Lessee shall not be required to engage any architect for any purpose unless required by applicable law or as may be required by Lender and/or the Loan Documents.

ARTICLE XIII - COMPLIANCE WITH LAWS AND ORDINANCES

13.1 Throughout the Term of this Lease, Lessee, at its sole cost and expense, will obey, observe and promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of any federal, state and municipal governmental agency or authority having jurisdiction over the Demised Premises and the operation thereof as a skilled nursing, assisted living or independent living facility, as applicable, which may be applicable to the Demised Premises, the Personal Property and the improvements located therein and including, but not limited to, the sidewalks, alleyways, passageways, vacant land, parking spaces, curb cuts, curbs adjoining the Demised Premises which are under Lessee's control, whether or not such law, ordinance, order, rules, regulation or requirement shall necessitate structural changes or improvements.

13.2 Lessee shall likewise observe and comply with the requirements of all policies of public liability and fire insurance and all other policies of insurance at any time in force with respect to the Demised Premises.

13.3 Prior to the Commencement Date, Lessee shall obtain, at its sole cost and expense, all necessary approvals, certifications and licenses from all appropriate governmental agencies necessary to permit Lessee to operate the Facility as a skilled nursing, assisted living or independent living facility, as applicable, including, without limitation, the receipt of the License to operate the Facility; provided however that with respect to the Licenses, Lessee need only receive indications satisfactory to Lender and Lessor that they will be issued after the Commencement Date, effective as of the Commencement Date. Lessee shall, subject to the terms of Article XX hereof, keep in good standing and in full force and effect all necessary licenses, permits and certifications required by any governmental authority for the purpose of maintaining and operating on the Demised Premises a skilled nursing, assisted living or independent living facility, as applicable, of not less than the number of skilled, assisted or independent living beds, as applicable, as identified on **Schedule 8.3**, and the Facility shall at all times, subject to the terms of Article XX hereof,

shall continue to be qualified to and shall participate in the Medicare and Medicaid reimbursement programs.

13.4 Lessee will deliver to Lessor within five (5) calendar days following receipt thereof, any notice of a deficiency of the level of "IJ" or worse, any Civil Monetary Penalty ("**CMP**"), and/or any failed re-revisit with respect to a survey deficiency, at the Facility. Lessee shall also deliver to Lessor, within two (2) Business Days after receipt any notice from any governmental agency terminating or suspending, or threatening termination or suspension, of any license or certification relating to the Facility. Lessee will deliver to Lessor within five (5) calendar days copies of all other adverse notices from any licensing, certifying, regulatory, reimbursing or other agency which has jurisdiction over the Facility or over any license, permit or approval under which the Facility operates, any notice from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services ("**CMS**"), DPH, or any governmental, quasi-governmental or other agency terminating, disqualifying or suspending, or threatening termination, disqualification or suspension, of the Medicaid or Medicare provider agreements (the "**Provider Agreements**"), the License or any other license or certification relating to the operations of the Facility or participation in any governmental or non-governmental reimbursement or third party payor program, including the Medicare or Medicaid reimbursement programs, and if Lessee becomes aware that any such notice likely to cause a material adverse effect is to be forthcoming before receipt thereof, it shall promptly inform Lessor thereof. Lessee will deliver to Lessor within five (5) Business Days after receipt all other notices, exit interviews, inspection reports and surveys (including re-visit) and notices of administrative hearing or court pleadings from all state, federal and local governmental bodies regarding the Demised Premises or the nursing home operated thereon.

13.5 In the event Lessee shall fail two (2) revisits for any survey deficiency, then in addition to and without limitation of any of the rights of Lessor hereunder, Lessor shall be permitted to engage a consultant in Lessor's sole discretion, at Lessee's expense (provided such expense shall be equal to market rates charged by third party consultants for such services), to remedy the deficiencies and bring the Facility back into compliance on all matters as the consultant shall determine. Lessee shall promptly implement all initiatives, changes, and plans as directed by the consultant until such time as the Facility is in good standing with all Governmental Agencies as determined by Lessor, in Lessor's sole discretion.

ARTICLE XIV - DISCHARGE OF LIENS

14.1 Subject to the right to contest provided in Section 14.2 hereof and the terms of the Loan Documents, as applicable Lessee will not create or permit to be created or to remain, and Lessee will discharge, any lien, encumbrance or charge levied on account of any mechanic's, laborer's or materialman's lien or any conditional sale, security agreement or chattel mortgage, or otherwise, which might be or become a lien, encumbrance or charge upon the Demised Premises or any part thereof or the income therefrom or the Personal Property, for work or materials or personal property furnished or supplied to, or claimed to have been supplied to or at the request of Lessee. Lessee shall have the right to purchase equipment,

furniture, or furnishings (other than as a replacement for any personal property owned by Lessor and leased to Lessee hereunder) which may be subject to a security agreement, lease financing arrangement, or chattel mortgage provided that all payments for any such equipment, furniture or furnishings shall be paid on or prior to the due dates thereof and Lessee shall indemnify Lessor against all charges, costs and expenses that may be incurred by Lessor with respect to such security agreement or chattel mortgage.

14.2 If any mechanic's, laborer's or materialman's lien caused or charged to Lessee shall at any time be filed against any portion of the Demised Premises or Personal Property, if allowed by the terms of the Loan Documents and the Lender, as applicable Lessee shall have the right to contest such lien or charge, provided Lessee, within sixty (60) days after notice of the filing thereof, will cause the same to be discharged of record or in lieu thereof to secure Lessor against said lien by deposit with Lessor or Lender of such security (not to exceed one hundred twenty five percent (125%) of the amount thereof plus any interest, cost and penalty thereon) as may be reasonably demanded by Lessor or Lender to protect against such lien. If Lessee shall fail to cause such lien to be discharged within the period aforesaid, or to otherwise secure Lessor as aforesaid, then in addition to any other right or remedy, Lessor may, upon ten (10) days prior notice, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by processing the discharge of such lien by deposit, title endorsement or by bonding proceedings. Any amount so paid by Lessor and all costs and expenses incurred by Lessor in connection therewith, shall constitute Additional Rent payable by Lessee under this Lease and shall be paid by Lessee to Lessor within five (5) days after written demand from Lessor. Except as herein provided, nothing contained herein shall in any way empower Lessee to do or suffer any act which can, may or shall cloud or encumber Lessor's or Lender's interest in the Demised Premises.

14.3 In the event that Lessor determines in its reasonable judgment, that it is not being adequately represented by counsel for Lessee in any contest referred to in Section 14.2 hereof, Lessor may, upon ten (10) days prior written notice to Lessee, obtain separate counsel to represent it in such contest. In such event, the cost of such counsel shall be paid by Lessee. In the event that Lessor determines, in its reasonable judgment, that Lessee has abandoned any contest referred to in Section 14.2 above, or that Lessee is not pursuing any such contest with due diligence, Lessor may, upon ten (10) days prior written notice to Lessee, discharge such lien by paying the amount claimed to be due from the security deposited by Lessee pursuant to the terms of said Section 14.2.

ARTICLE XV - INSPECTION OF PREMISES AND RECORDS BY LESSOR

15.1 At any time, during reasonable business hours and upon at least forty-eight (48) hours prior written notice (except upon the occurrence and during the continuation of an Event of Default) to Lessee, Lessor or its authorized representatives shall have the right to enter and inspect the Demised Premises and Personal Property.

15.2 At any time, but not more than one (1) time per fiscal year (except upon the occurrence and during the continuance of an Event of Default), during reasonable business hours and upon prior notice to Lessee, Lessor or its authorized representatives shall have the

right to inspect and/or audit, and, at Lessor expense, make copies of, the books and records relating to the Demised Premises, the Facility, Lessee any managing entity or any consulting entity, including, without limitation, to the extent permitted by applicable law, financial records, surveys and inspections reasonably required by Lessor, and, if required by Lender, all patient records and employment records.

15.3 Lessor agrees that upon entering and inspecting the Demised Premises, Personal Property and books and records, Lessor shall take all reasonable measures to avoid disruption to Lessee's routine business operation during any such entries and the person or persons will cause as little inconvenience to the Lessee, its employees and residents of the Facility as may reasonably be possible under the circumstances.

ARTICLE XVI - COVENANTS OF LESSEE

16.1 Distributions. Following the occurrence and continuation of any Event of Default beyond applicable notice and cure periods, Lessee shall not (i) declare, pay or make any Distribution (other than dividends or distributions payable in its stock, or split-ups or reclassifications of its stock), (ii) apply any of its funds, property or assets to the acquisition, redemption or other retirement of any membership or equity interest, (iii) otherwise make any payments or Distributions to any stockholder, member, partner or other equity owner in such person's capacity as such, or (iv) make any payment in excess of documented, out-of-pocket costs and expenses, but in no event to exceed three percent (3%) of the gross monthly revenue of the Facility, for any management, consulting or service fee to any related or affiliated party; and any obligation of Lessee to make any of the foregoing payments shall be and hereby is made subordinate and junior in right of payment to the payment of all Rent, and other payment obligations of Lessee hereunder. "**Distribution**" shall mean any direct or indirect dividend, distribution or other payment of any kind or character (whether in cash, securities or other property) in respect of any equity interests or any repayment of indebtedness to any member of Lessee or any affiliate or relative thereof. Notwithstanding the foregoing, Lessee shall not make any Distributions that would limit Lessor's ability to distribute available cash under the Loan Documents, as applicable.

16.2 Other Obligations. Lessee shall not have any other liabilities, other than those which are necessary and related to its function as the operator of the Facility, including without limitation, Lessee's working capital line of credit, which may not be utilized for any facilities or other purposes other than for operation of the Facility, unless Lessor has received an intercreditor agreement acceptable to the Lessor in its reasonable discretion with a mechanism to remove the Facility from such working capital line of credit and cause the lender thereunder to release all liens with respect to the Facility in an event of default existing thereunder. In addition to and without limiting the foregoing, Lessee shall not assume the status of a guarantor, surety or other financial partner of any other business or activity, including without limitation any other business involving any of Lessee's officers, directors, members, managers, owners, representatives, agents, successors and assigns, and their respective successors, assigns, agents and representatives. Notwithstanding the foregoing, any Lessee may guarantee obligations and liabilities of any other Lessee which are necessary and related to its function as an operator of the applicable Facility.

ARTICLE XVII - RENT ABSOLUTE

17.1 Except as herein provided, damage to or destruction of any portion of the buildings, structures and fixtures upon the Demised Premises, by fire, the elements or any other cause whatsoever, whether with or without fault on the part of Lessee, shall not terminate this Lease or entitle Lessee to surrender the Demised Premises or entitle Lessee to any abatement of or reduction in the Rent payable, or otherwise affect the respective obligations of the parties hereto, any present or future law to the contrary notwithstanding. In the event of a casualty or condemnation resulting in a loss of licensed beds for which Lessor or Lender receive insurance proceeds or a condemnation award and elect not to repair or restore the Demised Premises to replace such beds, Lessor shall proportionately decrease the Rent as a result of such licensed beds lost due to such casualty or condemnation.

ARTICLE XVIII - ASSIGNMENT AND SUBLETTING

18.1 During the Term of this Lease, Lessee shall not assign this Lease or in any manner whatsoever sublet, assign, encumber or transfer all or any part of the Demised Premises or in any manner whatsoever transfer, assign or encumber any interest in the Demised Premises (whether by management agreement, or otherwise) or any interest in this Lease (an "**Assignment**") without the prior written consent of Lessor and Lender, which consent shall be given or denied in Lessor's sole discretion. As a condition of granting its consent, Lessor may request, and Lessee shall provide to Lessor, resumés and financial statements for any proposed transferee. Lessee acknowledges and agrees that Lessor has specifically chosen Lessee to operate the Facility based upon the skill and expertise of Lessee and its principals in operating nursing homes and upon the character and reputation of such principals. Prior to any transfer of possession of the Demised Premises to such transferee, any proposed transferee shall assume all the obligations of Lessee transferred hereunder. Any violation or breach or attempted violation or breach of the provisions of this Article by Lessee, or any acts inconsistent herewith shall vest no right, title or interest herein or hereunder or in the Demised Premises in any such transferee or assignee; and Lessor may, at its exclusive option, invoke the provisions of this Lease relating to default. As a condition of granting its consent to any sublease or assignment: (x) Lessee shall pay, and Lessee hereby agrees to pay, any reasonable out of pocket third party costs and expenses of Lessor incurred in connection with such sublease or assignment, including, without limitation, all due diligence costs and reasonable attorneys' fees; and (y) Lessee shall deliver to Lessor a certified listing of the names and addresses of all members, shareholders, partners or co-venturers of the new assignee.

18.2 For purposes of this Article:

(a) Any transfer or transfers of the membership interests in Lessee however accomplished, whether in a single transaction or in a series of related or unrelated transactions, which result in the following with respect to the initial ownership in Lessee set forth on **Schedule 18.2** hereto: i) a change of control and/or decision-making authority, or ii) change in ownership, directly or indirectly, in more than fifty percent (50%) in the aggregate of such membership interests in Lessee shall be deemed an assignment of this Lease.

(b) Any person, corporation, limited liability company or other entity to whom Lessee's interest under this Lease passes by operation of law, or otherwise, shall be bound by the provisions of this entire Lease and this Article, and except for subsequent subleases, assignments or transfers permitted by this Article, shall obtain the consent of Lessor to any subsequent sublease, assignment, encumbrance or transfer or such event shall be deemed an Event of Default hereunder.

(c) An agreement by any person, corporation or other entity, directly or indirectly, to assume Lessee's obligations under this Lease shall be deemed an assignment.

(d) If Lessee is a corporation partnership, limited liability company, or other entity, the term "Assignment" also includes any change in the manager, general partner or director of the entity.

18.3 Notwithstanding anything contained herein to the contrary, Lessor written consent, which consent shall be in Lessor's sole discretion, shall be required for Lessee to enter into any subleases with respect to the Facility. Without limiting the foregoing, any permitted subleases shall be fully subordinated to the terms of this Lease, and Lessee shall be fully responsible for ensuring compliance with any sublessee thereunder with the terms and conditions of this Lease that relate to Lessee, and any action or occurrence with respect to a sublessee thereunder which if occurring to Lessee would constitute an Event of Default hereunder, shall be deeded an Event of Default hereunder.

ARTICLE XIX - EVENTS OF DEFAULT

19.1 The occurrence of any of the following acts or events, after the applicable notice and cure periods, if any, shall be deemed to be a default ("**Events of Default**") on the part of the Lessee:

(a) The failure of Lessee to pay when due any Rent payment, or any part thereof, or any other sum or sums of money due or payable to Lessor under the provisions of this Lease, when such failure shall continue for a period of four (4) days;

(b) The failure of Lessee to comply with, or the violation with respect to matters relating to Lessee of, any of the terms, conditions or provisions of the Loan Documents (excluding those terms, conditions or provisions of the Loan Documents (excluding those terms, conditions or provisions requiring the making of principal or interest payments which relate specifically to Lessor), if such failure or violation shall not be cured within the cure period set forth in the Loan Documents;

(c) The failure of Lessee to perform, or the violation by Lessee of, any of the covenants, terms, conditions or provisions of this Lease (that are not otherwise specifically listed in this Section 19.1), if such failure or violation shall not be cured within thirty (30) days following written notice from Lessor to Lessee regarding such matters (or such longer period as is reasonably necessary to remedy such default, but in no event longer than sixty (60) days, provided that Lessee shall commence to cure within such thirty (30) days and diligently pursue such remedy until such default is cured);

(d) For any reason other than during capital improvements, and only for such time as the capital improvement activity necessitates such removal, in the event Lessee removes any physical beds or a substantial portion of the Personal Property, or Lessee removes Personal Property necessary to the operation of the Facility, the failure of Lessee to replace within thirty (30) days the Personal Property so removed by Lessee and subject to the provisions of Section 20.1 hereof;

(e) Any conveyance or transfer in violation of Article XVIII hereof;

(f) Without the prior written consent of Lessor, in any given calendar year during the Term, the voluntary transfer by Lessee of residents numbering more than three percent (3%) of the number of licensed beds from any Facility to any other nursing home facility owned or leased or under common control with Lessee or their affiliates, except between each Facility under this Lease, where such transfer is not for reasons relating to the health and well being of the patients transferred or is otherwise required by law; additionally, this Section 19.1(f) shall not apply to the removal of residents as a result of acts of G-d, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by employees, pandemic or any similar or dissimilar cause beyond the reasonable control of Lessee;

(g) The designation of any Facility as a "Special Focus Facility" by CMS and such designation is not removed within eighteen (18) months; provided, however, if such Facility is designated as "Improved" by CMS, such eighteen (18) month period shall be extended by six (6) months but in no event longer than twenty-four (24) months in the aggregate;

(h) Any suspension, termination or restriction placed upon Lessee or the Facility, or the ability to admit residents or patients (e.g., an admissions ban or non-payment for new admissions by Medicare or Medicaid), and such suspension, termination or restriction continues for more than forty-five (45) calendar days after imposition thereof;

(i) A survey deficiency of the level of "IJ" or worse at any Facility, where the underlying deficiency is not abated within five (5) days;

(j) Failure with respect to two (2) revisits for any survey deficiency at the Facility;

(k) The occurrence and continuation of a default which remains uncured beyond any applicable notice and cure period provided under a line of credit or similar loan maintained by Lessee;

(l) The failure of any of the Lessee to pay any and all fees or bed taxes assessed against any Facility prior to delinquency or in accordance with any payment plan with DPH or other applicable authority (subject to Lessor's agreement with such payment plan, in accordance with the terms of this Lease);

(m) Lessee are obligated to pay any fine or penalty, either in one instance or in the aggregate over any twelve (12) month period, of One Hundred Thousand Dollars ($100,000)

or greater, if such fine(s) or penalty(ies) are not paid before the same are due and Lessee is not contesting the same in good faith; or

(n) The occurrence of a default under the CapEx Note.

19.2 Any violation of Sections 19.1(g) through 19.1(j) during the first year of the Lease that relates to or was caused by the actions of the prior operator shall not be an Event of Default against Lessee, provided that Lessee uses commercially reasonable efforts to cure any such violation in a timely manner.

ARTICLE XX - LESSEE'S RIGHT TO CONTEST

20.1 Anything to the contrary stated herein notwithstanding, Lessee shall have The right upon prompt written notice thereof to Lessor (but in all cases such written notice shall be within five (5) days of Lessee's knowledge of such non-compliance), to contest by appropriate administrative or legal proceedings, diligently conducted in good faith, the application of any law, ordinance, regulation or rule mentioned herein, and to delay compliance therewith pending the prosecution of such proceedings; and Lessor shall not pursue any remedies during such contest; provided, that during said contest: (a) no civil or criminal liability would thereby be incurred by Lessor and no lien or charge would thereby be imposed upon or satisfied out of the Demised Premises; (b) there continues during the course of such contest authority to continue operations of the Demised Premises as a nursing home (which may be temporary or provisional); (c) Lessor reasonably determine that such situation does not create any risk related to the regulatory status of the Facility, or jeopardize operations, certifications or value of the Demised Premises; and (d) such situation does not cause Lessor or Lessee to be in default under any of the Loan Documents, regardless of whether Lender waive such default.

ARTICLE XXI - LESSOR'S REMEDIES UPON DEFAULT

21.1 In the event of any Event of Default by Lessee, after any applicable notice and cure period, Lessor may, if it so elects, and with notice of such election to Lessee, and upon demand upon Lessee, forthwith terminate this Lease, and Lessee's right to possession of the Demised Premises, or, at the option of Lessor, terminate Lessee's right to possession of the Demised Premises without terminating this Lease. Upon any such termination of this Lease, or upon any such termination of Lessee's right to possession without termination of this Lease Lessee shall vacate the Demised Premises immediately, and shall quietly and peaceably deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Demised Premises in such event with process of law and to repossess the Demised Premises and Personal Property as Lessor's former estate. In the event of any such termination of this Lease, Lessor shall again have possession and enjoyment of the Demised Premises and Personal Property to the extent as if this Lease had not been made, and thereupon this Lease and everything herein contained on the part of Lessee to be done and performed shall cease and terminate, all, however, without prejudice to and without relinquishing the rights of Lessor to Rent (which, upon such termination of this Lease

and entry of Lessor upon the Demised Premises, shall, in any event, be the right to receive Rent due up to the time of such entry) or any other right given to Lessor hereunder or by operation of law.

21.2 In the event of an Event of Default and Lessor elects either to terminate this Lease or to terminate Lessee's right to possession of the Demised Premises, then all licenses, certifications, permits and authorizations (including the License and Provider Agreements) issued by any governmental agency, body or authority in connection with or relating to the Demised Premises and the Facility thereon shall be deemed as being assigned to Lessor to the extent the same are legally assignable. Lessor shall also have the right to continue to utilize the telephone numbers, internet domain and name used by Lessee in connection with the operation of the Facility. In connection with the foregoing clauses of this Section 21.2, this Lease shall be deemed and construed as an assignment for purposes of vesting in Lessor all right, title and interest in and to (a) all licenses, certifications, permits and authorizations (including the License and Provider Agreements) obtained in connection with the operation of the Facility and (b) the names and telephone numbers used in connection with the operation of the Facility. Lessee hereby agrees to take such other action and execute such other documents as may be reasonably necessary in order to vest in Lessor all right, title and interest to the items specified herein.

21.3 In the event Lessee abandons the Demised Premises or otherwise entitles Lessor so to elect, and Lessor elects to terminate Lessee's right to possession only, without terminating this Lease Lessor may, at its option, enter into the Demised Premises, remove Lessee's signs and other evidences of tenancy and take and hold possession thereof as in the foregoing Section 21.1 of this Article provided, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from Lessee's obligation to pay the Rent hereunder for the full remaining term of this Lease, and in any such case, Lessees shall pay to Lessor a sum equal to the entire amount of the Rent reserved hereunder and required to be paid by Lessee up to the time of such termination of the right of possession plus any other sums then due hereunder. Upon and after entry into possession without termination of this Lease, Lessor may attempt to relet the Demised Premises or any part thereof for the account of Lessee for such rent, or may operate the Facility for such time and upon such terms as Lessor in its sole discretion shall determine. In the event Lessor elects to take possession and operate the Demised Premises any profits due to such operation shall reduce the rents payable hereunder. In any such case, Lessor may make repairs, alterations and additions in or to the Demised Premises, to the extent reasonably deemed by Lessor desirable, and Lessees shall, upon demand, pay the cost thereof, together with Lessors' expenses of reletting.

21.4 In the event that Lessor shall relet or release the Demised Premises after termination of this Lease under this Article XXI, then any such collected rent for any period shall be used to abate against and offset against Rent, Additional Rent and/or any and all amounts otherwise due and owing by Lessee hereunder for the same such period.

21.5 Lessee acknowledges that one of the rights and remedies available to Lessor under applicable law is to apply to a court of competent jurisdiction for the appointment of a receiver to take possession of the Demised Premises, to collect the rents, issues, profits and

income of the Demised Premises and to manage the operation of the Premises. Upon the occurrence of an Event of Default hereunder, in addition to any other right or remedy of Lessor under this Lease or allowed by law, Lessor may petition any appropriate court for the appointment of a receiver to take possession of the Demised Premises, to manage the operation of the Premises, to collect and disburse all rents, issues, profits and income generated thereby and to preserve or replace to the extent possible any operating license for the Demised Premises or to otherwise substitute the licensee or provider thereof. The receiver shall be entitled to a reasonable fee for its services as a receiver. All such fees and other expenses of the receivership estate shall be added to the monthly rent due to Lessor under this Lease and shall be the obligation of Lessee. Lessee hereby irrevocably stipulates to the appointment of a receiver under such circumstances and for such purposes and agree not to contest such appointment; provided, however, the foregoing stipulation shall not be deemed a waiver of Lessee's right to contest whether such circumstances exist. For avoidance of doubt, any appointment of a receiver pursuant to this Section 10.3 shall be subject to any required approval of the applicable governmental authorities, including without limitation completion of any application required in connection therewith.

21.6 No receipt of funds by Lessor from Lessee after service of any notice of an Event of Default, termination of this Lease or of possession of the Demised Premises or after commencement of any law suit or proceeding against Lessee shall in any way reinstate, continue or extend this Lease or in any way be deemed a waiver by Lessor of any of its rights unless consented to in writing by Lessor.

21.7 Concurrently herewith, the members of Lessee shall execute and deliver an executed resolution providing Daniel Garden with authority with respect to certain matters set forth therein, in the form of **Exhibit C** attached hereto (the "**Resolution**"), to be held in escrow by Lessor, which may be exercised upon any Event of Default by Lessee hereunder, provided that Lessor shall have no right to exercise their rights and authority under this Section 21.7 or the Resolution if Lessee is in good faith contesting the existence of an Event of Default hereunder. Notwithstanding the foregoing, prior to Lessor's exercise of the Resolution, Lessee may exercise the Option Agreement by providing written notice to Lessor within 10 days of receipt of written notice of Lessee's default. On or prior to closing under the Option Agreement, any and all monetary defaults of Lessee owed to Lessor will be paid in full. In the event that Lessees do not exercise their Option Agreement within 10 days of the receipt of written notice of Lessee's default, Lessor may exercise their rights under the Resolution.

21.8 Notwithstanding the foregoing, upon Lessee's receipt of written notice (a "**Lessor Notice**") from Lessor prior to the first (1st) anniversary of the commencement of the Lease providing that Lessor intends to terminate the Lease as a result of the occurrence of Event(s) of Default as stated thereunder, then provided that no Event of Default set forth in such notice relates to failure to make any payments required under the Lease or any other matters caused intentionally by Lessee (and if any such Event of Default does relate to failure to make any payments required under the Lease or any other matters caused intentionally by Lessee, the provisions of this Section 21.9 shall not apply), Lessee may provide an Initial Notice (as such term is defined in the Purchase Option) (an "**Early Notice**") in writing to Lessor and Lender within five (5) Business Days of receipt of the Lessor Notice. All terms

hereof with respect to an Initial Notice shall apply to the Early Notice, provided that: i) the Early Notice shall only be valid if accompanied by a non-refundable payment to Lessor (which shall be credited against the Purchase Price (as such term is defined in the Purchase Option), upon Closing (as such term is defined in the Purchase Option)) in the amount of Two Hundred and Fifty Thousand Dollars ($250,000), ii) the Closing Date specified by the Early Notice must be within sixty (60) days thereof, and iii) the Purchase Price with respect to Closing pursuant to the Early Notice shall be the Purchase Price increased by an amount equal to two and one-half percent (2.5%) of the Purchase Price for every period of one (1) year (prorated for partial years) between the date of delivery of the Early Notice and the Exercise Date. In the event an Early Notice is not timely provided hereunder following the giving of a Lessor Notice, the terms of this Section 21.8 shall become void and of no force and effect. For avoidance of doubt, failure to close following an Early Notice shall be treated in the same manner as failure to close following an Initial Notice.

ARTICLE XXII - LIABILITY OF LESSOR

It is expressly agreed by the parties that in no case shall Lessor, any partners, officers, directors, manager, members, agents or employees of Lessor be liable under any express or implied covenant, agreement or provisions of this Lease for any damages whatsoever to Lessee beyond Lessor's interest in the Demised Premises and rents, profits and Proceeds derived therefrom, accruing after or upon any act or breach hereunder on the part of Lessor and for which damages may be sought to be recovered against Lessor. Anything to the contrary notwithstanding, under no circumstances shall any personal liability attach to or be imposed upon any partners, officers, directors, managers, members, agents or employees or employees of Lessor.

ARTICLE XXIII - CUMULATIVE REMEDIES OF LESSOR

The specific remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in case of any breach or threatened breach by Lessee of any provision or provisions of this Lease. The failure of Lessor to insist, in any one or more cases, upon the strict performance of any of the terms, covenants, conditions, provisions or agreements of this Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of any such term, covenant, condition, provisions, agreement or option.

ARTICLE XXIV - SECURITY FOR RENT

24.1 Lessor shall have a first lien paramount to all others on every right and interest of Lessee in and to this Lease, and on any of Lessee's accounts receivable, furnishings, equipment, or fixtures, general intangibles, inventory, goods or property of any kind belonging to Lessee and located at or used in connection with the Facility ("**Lessor's Lien**"). Notwithstanding the foregoing, Lessor's Lien (other than on the License, Provider Agreements and furniture, fixtures and equipment) shall be subject and subordinate to any lien thereon granted by Lessee from time to time to any institutional lender for working capital to be utilized solely for operation of the Facility and/or a master working capital line of credit

covering other facilities in addition to the Facility, and to all renewals, modifications, extensions and replacements thereof if such lender enters into an intercreditor agreement satisfactory to Lessor. Lessor agrees to prepare and file, or consent to the filing of, within five (5) Business Days following Lessee's request therefor, such financing statements or other instruments as may be reasonably requested by Lessee to evidence or effect subordination of Lessor's Lien to the lien of the institutional lender described above. Any financing statement evidencing or perfecting Lessor's Lien shall expressly provide for such subordination with respect to Lessee's accounts receivable, or personal property of any kind. The Intercreditor Agreement to Lessee's institutional lender shall be on such lender's form of subordination agreement as reasonably agreed to by Lessor or such other agreed form provided that the intercreditor agreement is acceptable to Lessor in its reasonable discretion. Such lien is granted for the purpose of securing the payments of Rent, charges, penalties, and damages herein covenanted to be paid by Lessee, and for the purpose of securing the performance of all of Lessee's obligations under this Lease. Such lien shall be in addition to all rights to Lessor given and provided by law. This Lease shall constitute a security agreement under the Uniform Commercial Code granting Lessor a security interest in such furnishings, equipment, fixtures, general intangibles, inventory, goods or property of any kind and accounts receivable, and upon the request by Lessor, Lessee shall prepare and file, or consent to the filing of, such financing statements and other documents reasonably required to perfect such security interest, which documents shall be filed or recorded at the expense of Lessee.

24.2 In addition to the foregoing, the obligations of Lessee under this Lease shall be secured by the guarantees of Steven Schwartz, limited to an amount equal to the Rent and all other amounts due under the Lease for the period of twelve (12) months following such time as the Guaranty of Lease is exercised, plus any other guaranteed obligations pursuant to the Guaranty Agreement (the "**Guaranty of Lease**"), in the form attached as **Exhibit E** hereto.

24.3 Lessee has deposited an amount of One Million Fifty Thousand and No/100 Dollars ($1,050,000.00) with Lessor as security for the full and faithful performance by Lessee of each and every term, provision, covenant and condition of this Lease (the "**Security Deposit**"). The Security Deposit shall not be considered an advance payment of Rent (or of any other sum payable to Lessor under this Lease) or a measure of Lessor's damages in a case of a default by Lessee. Lessor shall have no obligation to maintain the Security Deposit separate and apart from Lessor's general and/or other funds and may freely utilize the Security Deposit subject to obligations hereunder to return the Security Deposit to Lessee. Without limitation of the foregoing, in the event required by a Lender, Lessor may deposit the Security Deposit with Lender, and/or pledge its rights in the Security Deposit to such Lender. Upon any Event of Default hereunder, Lessor may elect to apply all or any part of the Security Deposit to the payment of any sum in default, any other sum that Lessor may expend or be required to expend by reason of Lessee's default or any other amounts due by Lessee hereunder. Upon the expiration or earlier termination of this Lease, following Lessor's determination of any amounts due and owing to Lessor and application of the Security Deposit to such outstanding amounts, any remaining portion of the Security Deposit shall be paid by Lessor to Lessee or, in the event Lessee have exercised their option to purchase the Facility under that certain Purchase Option Agreement (the "**Option Agreement**") by and among

Lessor and Lessee dated as of even date therewith, such remaining portion of the Security Deposit shall be retained by Lessor and Lessee shall receive a credit against the Purchase Price (as defined therein).

ARTICLE XXV - INDEMNIFICATION

25.1 Lessee agrees to protect, indemnify and save harmless Lessor and any future tenants of Lessor with respect to any Facility from and against any claims, demands, losses, and causes of action of any nature whatsoever asserted against or incurred by Lessor on account of: (a) any failure on the part of the herein named Lessee during the Term of this Lease to perform or comply with any of the terms of this Lease; (b) injury to or death of persons or loss of or damage to property, occurring on the Demised Premises or any adjoining sidewalks, streets or ways or in any manner growing out of or connected with the use or occupation of the Demised Premises or the condition thereof, or the use of any existing or future sewer system, or the use of any adjoining sidewalks, streets or ways occurring after the Commencement Date and during the period that the herein named Lessee are the operators of the Facility; (c) any claims, penalties, recoveries, interest, monetary sanctions, fees, or other liabilities imposed by a governmental agency, or other third party payor related to the operations of or payments made to the Facility while the herein named Lessee was providing skilled nursing, assisted living or independent living services, as applicable; (d) any fees and/or bed taxes relating to the Facility during the period that Lessee is the operator of the Facility; (e) any and all claims arising from or relating to the Facility for any period on or after the Commencement Date and during the period that Lessee is the operator of the Facility; or (f) additional costs incurred by Lessor to monitor the Facility after the occurrence of any of the events set forth in Section 19.1 during which period the herein named Lessee are the operators of the Facility. Lessee further agrees to pay any reasonable attorneys' fees and expenses incident to the defense by Lessor of any such claims, demands or causes of action. Notwithstanding the foregoing, Lessee shall not be responsible for the gross negligence and willful misconduct of Lessor.

25.2 Lessor agrees to indemnify, defend and save harmless Lessee from and against any liabilities, losses, claims, demands and causes of action whatsoever asserted against or incurred by Lessee on account of: (a) any failure on the part of Lessor during the Term of this Lease to perform or comply with any of the terms of this Lease; (b) the gross negligence or willful misconduct of Lessor, or (c) any failure on the part of Lessor to perform or comply with the terms of the Loan Documents (unless such failure is caused in whole or in part by acts or omissions by Lessee). Lessor further agrees to pay any reasonable attorneys' fees and expenses incident to the defense by Lessee of any such claims, demands or causes of action. There is expressly excluded from Lessor's indemnity hereunder any claim or proceeding by Lessee (i) which is based upon the physical condition of the Demised Premises or Personal Property prior to or on the Commencement Date, or (ii) for any form of relief not satisfied by the payment of money.

25.3 In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Lease ("**Indemnitee's Claim**") is made against or received by any indemnified party (hereinafter

"**Indemnitee**") hereunder, said Indemnitee shall notify the indemnifying party (hereinafter "**Indemnitor**") in writing within thirty (30) calendar days of Indemnitee's receipt of written notice of said Indemnitee's Claim, provided, however, that Indemnitee's failure to timely notify Indemnitor of Indemnitee's receipt of an Indemnitee's Claim shall not impair, void, vitiate or invalidate Indemnitor's indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee's delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor's right or ability to defend the Indemnified Claim. Upon its receipt of any or all Indemnitee's Claim(s), Indemnitor shall, in its sole, absolute and unreviewable discretion, diligently and vigorously defend, compromise or settle said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense to the extent funds are available ("**Available Funds**") to fully indemnify such claims, and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee's Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within ten (10) Business Days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee's Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee's Claim without Indemnitor's prior written consent, not to be unreasonably withheld, conditioned or delayed. No consent shall be necessary in the event of a complete release of Indemnitee without any cost, expense or liability of Indemnitor. Failure to obtain such consent shall be deemed a forfeiture by Indemnitee of its indemnification rights hereunder. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee's Claim and/or to diligently pursue the same to its conclusion, or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee's Claim, which failure to report causes Indemnitee material harm, or in the event that Indemnitor does not have the Available Funds, on seven (7) calendar days prior written notice to Indemnitor during which time Indemnitor may cure any alleged default hereunder, the foregoing shall immediately, automatically and without further notice be an event of default hereunder (an "**Indemnification Default**") and thereafter Indemnitee may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense, including but not limited to attorneys' fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitee all said Indemnitee's Claims and the reasonable costs, expenses and attorneys' fees incurred by Indemnitee to defend, settle or compromise said Indemnitee's Claims plus interest thereon from the date incurred until paid in full at a rate equal to the prime rate of interest as most recently published by the Wall Street Journal plus three percent (3%) (the "**Default Rate**").

ARTICLE XXVI - SUBORDINATION PROVISIONS

26.1 Notwithstanding any provision of this Lease to the contrary, this Lease (and Lessee's interest in the Demised Premises and Personal Property) shall be automatically subject and subordinate to the Loan Documents. Lessee shall execute and deliver such documents as may be reasonably required in order to evidence such subordination.

26.2 Notwithstanding anything to the contrary contained herein, it is understood, agreed and acknowledged that Lessor shall have the right to finance, refinance and guaranty such financing or refinancing, from time to time, the Demised Premises and Personal Property, and grant a mortgage, deed of trust or security interest thereon, to assign or pledge any or all of its interest in this Lease and to assign or pledge the revenues and receipts to be received by Lessor hereunder to a third party, provided that Lessee receives a subordination, non-disturbance, and attornment agreement, in a commercially reasonable form satisfactory to such third party.

ARTICLE XXVII - LESSEE'S FAITHFUL COMPLIANCE WITH LOAN DOCUMENTS AND HUD REQUIREMENTS

27.1 Anything in this Lease contained to the contrary notwithstanding, but subject to the terms of any subordination, non-disturbance and attornment agreement which may be in effect, Lessee shall at all times and in all respects fully, timely and faithfully comply with and observe each and all of the conditions, covenants, and provisions required on the part of Lessor under the Loan Documents, including, without limitation, any Lender notice requirements under the Loan Documents, such conditions, covenants and provisions thereof as related to the financial covenants and financial reporting, related to operations, related to the care, maintenance, repair, insurance, restoration, preservation and condemnation of the Demised Premises, notwithstanding that such conditions, covenants and provisions may require compliance and observance to a standard or degree in material excess of that required by the provisions of this Lease, or may require material performance not required by the provisions of this Lease. If any Loan Documents entered into following the Commencement Date requires compliance, observance or performance to a standard or degree in excess of that required by the terms of any existing Loan Documents and this Lease, Lessee shall comply with such standard, degree or additional performance so long as such standard, degrees or additional performance is (i) consistent with the provisions of this Lease and the existing Loan Documents, (ii) if in excess of the provisions of this Lease and the existing Loan Documents, commercially reasonable or (iii) to the extent in excess of the provisions of this Lease and the existing Loan Documents, and to the extent not commercially reasonable, at Lessor's expense. Lessee further agrees that it shall not do or permit to be done anything which would constitute a breach of or default under any obligation of Lessor under the Loan Documents, as applicable it being the intention hereof that Lessee shall so comply with and observe each and all of such covenants, conditions and provisions of the Loan Documents, as applicable, affecting the Demised Premises so that they will at all times be in good standing and there will not be any default on the part of Lessor thereunder. Notwithstanding the foregoing, nothing in this Article shall be construed to obligate Lessee to pay any part of the principal or interest secured by the Loan Documents, or to deposit any reserves (other than tax, replacement, repair or insurance reserves required under the Loan Documents, and other than any other reserve expressly provided elsewhere in this Lease). Other than as specifically provided herein, Lessee specifically acknowledges and agrees that it may not sublet or assign all or any portion of the Demised Premises or its interests under this Lease without Lessor first obtaining the written consent of Lender, as applicable.

27.2 Notwithstanding anything to the contrary contained herein, but subject to the terms and conditions of the Loan Documents, at no cost to Lessor, Lessee further agrees to fully cooperate with any refinance of the Loan by Lessor including without limitation allowing and granting to a lender providing a loan insured by the United States Department of Housing and Urban Development (an "**FHA Mortgagee**") of a subordinate security interest in Lessee's accounts and other assets, executing loan and bank documents in connection with the same, including an Intercreditor Agreement, and to setup and maintain lockboxes to effectuate the same, provided that such security interest shall be subordinate to the lien of any working capital line secured by Lessee. Lessee shall also, at its expense, comply with all other requirements relating to Lessor obtaining a loan, including without limitation by an FHA Mortgagee, with respect to the Facility; provided, however that such cooperation and compliance with a refinance with a lender other than an FHA Mortgagee shall be (i) consistent with the provisions of this Lease and the existing Loan Documents, (ii) if in excess of the provisions of this Lease and the existing Loan Documents, commercially reasonable or (iii) to the extent in excess of the provisions of this Lease and the existing Loan Documents, and to the extent not commercially reasonable, at Lessor's expense.

ARTICLE XXVIII - LOAN DOCUMENT RESERVES

28.1 Any tax, insurance, replacement or other reserve required under the Loan Documents by the Lender against the Demised Premises during the Term of this Lease (except for any payments resulting from Lessor's failure to comply with the terms of the Loan Documents) shall be paid by the Lessee to Lessor and shall be repaid to Lessee when Lender repays such sums to Lessor.

28.2 If Lessee or its affiliate purchases the Facility, then all unused amounts deposited by Lessee into reserves for taxes, insurance, replacement reserves or any other purpose as required by Lender, other than amounts deposited by Lessor or Lender, shall be delivered to Lessee at the closing of the purchase of the Facility upon receipt, and to the extent received, from Lender.

ARTICLE XXIX - LESSEE'S ATTORNMENT

29.1 Lessee covenants and agrees that, if by reason of a default upon the part of Lessor herein in the performance of any of the terms and conditions of the Loan Documents and the Lender forecloses on the estate of Lessor in the Demised Premises, if this Lease is not terminated and if required by Lender, Lessee will attorn to the then holder of such mortgage or the purchaser in such foreclosure proceedings, as the case may be, and will recognize such holder of the mortgage or such purchaser as Lessor under this Lease, provided such Lender recognizes the Lease hereunder. Lessee covenants and agrees to execute and deliver, at any time and from time to time, upon the request of Lessor, or of the holder of such mortgage or the purchaser in foreclosure proceedings, any instrument which may be necessary or appropriate to evidence such attornment. In the event any such proceedings are brought against Lessor under such mortgage or the holder of any such mortgage, then Lessee further waives the provisions of any statute or rule or law now or hereafter in effect which may terminate this Lease or give or purport to give Lessee any right of election to terminate this

Lease or to surrender possession of the Demised Premises and agrees that, pending any final order, this Lease shall not be affected in any way whatsoever by any such proceedings,

ARTICLE XXX - REPRESENTATIONS

30.1 Lessor represents, warrants and covenants to Lessee as follows:

(a) Lessor is a limited liability company, duly organized and validly existing under the laws of the State of Illinois, and has the full right and power to enter into, and perform its obligations under this Lease and all agreements or documents entered into or executed in connection therewith, and has taken all requisite actions to authorize the execution, delivery and performance of this Lease and all agreements and documents entered into or executed in connection therewith.

(b) Neither the execution and delivery of this Lease, nor any agreement referred to or contemplated hereby, by Lessor will violate any provision of its Operating Agreement, be in conflict with, constitute a default or create a right of termination or cancellation under any agreement or commitment to which Lessor is a party.

(c) Intentionally omitted.

(d) No representation or warranty by or on behalf of Lessor contained in this Lease and no statement by or on behalf of Lessor in any certificate, list, exhibit or other instrument furnished or to be furnished to Lessee by or on behalf of Lessor pursuant hereto contains any untrue statement of a material fact, or omits or will omit to state any material facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading in any material respect.

(e) Unless otherwise indicated in a specific representation or warranty contained herein, each representation and warranty of Lessor hereunder shall be true, complete and correct in all material respects as of the date hereof and as of the Commencement Date with the same force and effect as though such representation or warranty made on such date, and all representations and warranties shall survive the Commencement Date.

(f) The exhibits and schedules furnished by Lessor in connection with this Lease do not contain any untrue statement of a material fact nor do they omit to state any material fact necessary to make the statements contained herein and therein not materially misleading.

30.2 Lessee represents and covenants to Lessor as follows:

(a) Lessee is limited liability company, duly organized and validly existing in good standing under the laws of the State of Nevada, and has full right and power to enter into, or perform its obligations under this Lease and has taken all requisite actions to authorize the execution, delivery and performance of this Lease.

(b) Lessee acknowledges that it has inspected the Demised Premises and the Personal Property and, subject to the representations and warranties of Lessor provided above and

further subject to the other terms and conditions of this Lease, agrees to lease the same in their present "AS IS-WHERE IS" condition. Lessee further acknowledges, except as set forth explicitly in this Lease, Lessor makes no representations, express or implied, as to the physical condition of the Demised Premises and the Personal Property or any other matter or thing affecting or related to the Demised Premises or the Personal Property.

(c) In addition to all other covenants contained herein, Lessee expressly covenants that it shall keep and maintain at the Facility at all times in good order and repair all items of Personal Property necessary for operating the Facility in full compliance with all material laws, rules and regulations of CMS, DPH and any other applicable governmental authorities. Lessee shall maintain all such items in good order and repair, subject to reasonable wear and tear, and shall promptly replace any such items which become obsolete, damaged or destroyed with substitute items equivalent to that which has been replaced and such replacement items shall become and be deemed the personal property of Lessor.

(d) No representation or warranty by or on behalf of Lessee contained in this Lease and no statement by or on behalf of Lessee in any certificate, list, exhibit, schedule or other instrument furnished or to be furnished to Lessor by or on behalf of Lessee pursuant hereto contains any untrue statement of a substantial fact, or omits or will omit to state any substantial facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading in any substantial respect.

(e) Unless otherwise indicated in a specific representation or warranty contained herein, each representation and warranty of Lessee hereunder shall be true, complete and correct in all material respects as of the Commencement Date with the same force and effect as though such representation or warranty was made on such date, and all representations and warranties shall survive the Commencement Date.

ARTICLE XXXI - NON-SOLICITATION AND NON-COMPETE

31.1 Subject to resident choice and applicable regulatory requirements, but in any event not to exceed 5% in any calendar year, neither Lessee, nor any affiliate of Lessee (the "**Restricted Parties**") shall solicit the Facility (for transfer of residents) or any residents thereof, during the Term of the Lease or for a period of six (6) months following the Closing Date where such transfer is not required by law, or to maintain the health and well-being of the residents in question or for the protection of person or property as permitted under the applicable law then in effect. Lessee acknowledges that if there is a violation of any provision of this Section 31.1, then Lessee shall pay to Lessor an amount equal to Fifty Thousand Dollars ($50,000.00), as liquidated damages, for each such resident. The parties agree and acknowledge that actual damages with respect to the foregoing would be difficult to ascertain and that Fifty Thousand Dollars ($50,000.00) is a fair and reasonable approximation of such actual damages. This provision shall not in any way limit such other remedies as may be available to Lessor at law or in equity. Lessee further acknowledges that the scope and duration of the provisions of this Section 31.1 are reasonable.

31.2 Intentionally Omitted.

31.3 During the Term of the Lease or for a period of two (2) years after the Closing Date, the Restricted Parties will not : (i) develop a skilled and/or intermediate nursing facility (a "**Competing Facility**") within a five (5) mile radius of the Facility (the "**Restricted Area**"); or (ii) otherwise develop, with an entity or business which owns or develops a Competing Facility within a five (5) mile radius of the Facility (collectively, the "**Non-Compete**"). Lessee acknowledges that a violation of any provision of this Section 31.3 will result in substantial and irreparable damage to the Lessor for which the Lessor will not have an adequate remedy at law and for which money damages would not be a sufficient remedy, and Lessee agrees that, in addition to all other remedies, in the event of any violation or alleged or threatened violation of any of the provisions of this Section 31.3, Lessor shall be entitled to equitable relief, including temporary or permanent injunctive relief and specific performance. This provision shall not in any way limit such other remedies as may be available to Lessor at law or in equity. Notwithstanding the foregoing, in the event that a Restricted Party would like to perform services in a manner restricted by this Section 31.3, (an "**Opportunity**"), the parties agree and acknowledge that such Restricted Party shall provide Lessors' written notice of the Opportunity (including all material terms of the Opportunity), Lessor (or their designee) shall have thirty (30) days after receipt of such notice to agree to participate in the Opportunity as lessors on terms substantially similar to the transaction for the Facility. Lessor shall notify Lessee in writing of Lessor's (or their designee's) acceptance of the Opportunity (the "**Acceptance Notice**"), in which case Lessee shall cooperate Lessor to pursue the Opportunity on such terms. If no Acceptance Notice has been received from Lessor's within such thirty (30) day period, Lessee may consummate the Opportunity on the terms and conditions set forth in the Opportunity (the "**Transaction**"); provided, however that Lessees shall increase the Security Deposit by an amount equal to the Base Rent for the next six (6) months following such consummation of the Transaction. If the Transaction is not consummated on the terms set forth in the Opportunity or during the one hundred twenty (120) day period following the initial notice by Lessee to Lessor of the Opportunity, Lessee shall not be permitted to consummate the Transaction without again complying with this Section 31.3. Notwithstanding anything to the contrary, a Competing Facility shall not include any facility that the Restricted Parties own and/or operate as of the date of this Lease.

31.4

31.5 Lessee further acknowledges that the scope and duration of the provisions of this Article 31 are reasonable.

ARTICLE XXXII - INTENTIONALLY OMITTED.

ARTICLE XXXIII - FINANCIAL STATEMENTS AND REPORTING

33.1 Lessee shall furnish to Lessor full and complete financial statements (or as otherwise required by Lender) of the operations of the Demised Premises and the Facility for each such fiscal period identified herein, in a form satisfactory to Lessor, which shall be certified by the manager of Lessee that such Financial Statements present fairly the financial condition of Lessee and which shall contain a statement of capital changes, balance sheet, detailed income and expense statement, statement of cash flows and statement of payor mix, receivables and payables aging (with detail regarding payor and vendor type, respectively),

monthly census for the Facility specifying payor type, payroll expenses for the Facility, full trial balance including chart of accounts, and identify any payments made by Lessee to any managing entity or consulting entity in accordance with GAAP (collectively, the "**Financial Statements**"). Financial Statements shall be provided as follows: (a) within thirty-five (35) days after the end of each month, showing the results of operations of the Facility for such month; (b) within forty-five (45) days after the end of each of its fiscal quarters, showing the results of operations of the Facility for the fiscal quarter dated as of the end of each fiscal quarter; and (c) within one hundred twenty (120) days after the end of each of its fiscal years, annual audited consolidated and consolidating financial statements showing the results of operations of the Facility for the annual fiscal period dated as of the end of the fiscal year. Notwithstanding the foregoing, if Lender does not require annual audited financial statements, Lessee may provide reviewed annual consolidated and consolidating financial statements. Lessee shall also furnish to Lessor a copy of its cost reports within ten (10) days after filing thereof. Each such statement shall be certified as being true and correct by an officer of Lessee, and shall contain a compliance certificate with respect to any such applicable periods, for financial covenants pursuant to Section 27.1 hereof. If required by terms of the Loan Documents, the Financial Statements shall be prepared by a certified public accountant.

33.2 Within thirty (30) days after the end of each month, Lessee shall furnish to Lessor a daily breakdown of its census and copies of all Financial Statements for the operation of the Facility on the Demised Premises for the preceding month.

33.3 Within thirty (30) days after the date for filing Lessee's tax return (as the same may be extended), Lessee shall furnish Lessor with a copy of the tax return for the Facility for said year, certified by an officer of Lessee to be true, correct and complete.

33.4 Not less than thirty (30) days prior to any fiscal year, a full year budget for the upcoming fiscal year shall be provided by Lessee to Lessor. Lessee shall also provide to Lessor within forty-five (45) days following each fiscal quarter a list of any capital expenditures incurred during such quarter, and not less than thirty (30) days prior to any fiscal quarter a capital expense plan with respect to such quarter.

33.5 In addition to the above financial statements, Lessee shall also provide to Lessor and Lender such other financial statement(s) or information relating to its operation as may be required by Lender. Any such financial statement(s) or other information required by the Loan Documents shall be furnished to Lessor not later than three (3) days prior to the due date for Lessor to furnish the same to Lender.

33.6 Upon request by Lessor or Lender, as applicable, Lessee shall prepare or cause to be prepared all financial covenant compliance certificates and worksheets as may be required by such Lender and shall furnish the same to Lessor not later than three (3) days prior to the due date for Lessor to furnish the same to Lender. Lessee shall also submit to Lessor any borrowing base certificate prepared by Lessee with respect to a line of credit similar loan maintained by Lessee.

33.7 At all times, Lessee shall keep and maintain full and correct records and books of account of the operations of Lessee in the Demised Premises and records and books

of account of the entire business operations of Lessee in accordance with generally accepted accounting principles. Upon request by Lessor, from time to time, Lessee shall make available, for inspection by Lessor or its designee, during reasonable business hours, at the Facility or Lessee's offices, the records and books of account covering the entire business operations of Lessee on the Demised Premises.

33.8 If requested by Lessor, all materials required to be provided pursuant to this Article 33 shall be provided in EXCEL format.

ARTICLE XXXIV - LICENSURE/TERMINATION

34.1 Prior to the anticipated Commencement Date, within such time period as required by DPH to operate the Facility as of the Commencement Date, Lessee hereby agrees to submit a complete application (except for the Deed and the Commencement Date Rider, if required) to DPH in order to obtain the License permitting Lessee to operate the Facility as a skilled nursing, assisted living or independent living facility (if applicable), as applicable, and to promptly submit any further documents as required in order to complete such application. It is a condition to Lessee's right to continued possession of the Facility that it obtains a License to operate the Facility in its own name. A copy of the DPH application shall be provided to Lessor upon request.

34.2 Upon termination of this Lease (whether by reason of default, the natural expiration of the Term or otherwise, provided however, the provisions of this Section 34.2 shall not apply in the event this Lease is terminated or assigned by reason of the exercise and closing of the Purchase Option), the following provisions shall be applicable:

(a) Upon the expiration or other termination of this Lease, Lessee shall return to Lessor the Demised Premises and the Personal Property in a condition similar to that which existed on the Commencement Date, licensed by DPH and by any governmental agencies having jurisdiction over the Demised Premises, reasonable wear and tear excepted, and free of liens or encumbrances arising through Lessee except for tax liens for current general real estate taxes or special assessments, personalty leases and other expenses incurred in the ordinary course of business which shall be prorated, and liens disclosed on **Exhibit F** hereto.

(b) Lessor shall keep and shall not be obligated to return to Lessee any Base Rent paid by Lessee. Lessor shall pay to Lessee the amount of any unused tax, insurance or other reserve deposited by Lessee during the Term, other than those relating to expenses accrued during the Term; provided that in the event any such amounts are held by a Lender, as applicable, Lessor shall remit such amounts to Lessee upon Lessor's receipt from the Lender. Lessee shall not be obligated to account or pay to Lessor any earnings or income earned from the Commencement Date to the termination date. Lessee shall pay all bills incurred in the ownership of the Demised Premises and operation of the Facility from the Commencement Date through the termination date, and shall receive and keep all income and suffer all losses incurred in the ownership of the Demised Premises and operation of the Facility from the Commencement Date through the termination date.

(c) During the period from the Commencement Date to the termination date:

(i) Lessee shall be responsible for the payment of all real estate taxes in accordance with the provisions of Article VI hereof;

(ii) Lessee shall maintain all required insurance and Lessee shall be liable for payment of and shall pay the premiums thereon; and

(iii) In case of termination, Lessee shall be liable to return to Lessor, the Demised Premises and all Personal Property in a condition similar to that which existed on the Commencement Date, reasonable wear and tear excepted, and free of liens or encumbrances arising through Lessee except for tax liens for current general real estate taxes or special assessments, which shall be prorated to the termination date, and except as to consumable items to the extent of consumption thereof, which, as consumed, will be replenished by Lessee in the ordinary course of business.

(d) Upon termination of this Lease, the parties will request appropriate inspections by governmental agencies upon the return of the Demised Premises to Lessor. Lessee agrees that it will cure any violations found involving the Demised Premises or Personal Property, provided such violations were not in existence on the Commencement Date (with Lessee bearing the burden of proof thereof). Lessee agrees to execute such documents and take such actions as may be required in order to restore Lessor to ownership and possession of the Demised Premises and the Personal Property, including, without limitation, execution of any assignment or change of ownership documents required to license Lessor or its assignee to operate the Facility and to qualify Lessor for participation in Medicare and Medicaid under the Provider Agreements.

(e) Lessee shall keep and maintain medical records in accordance with applicable law and permit reasonable access and copy thereof by Lessor in accordance with such law, and to the extent permitted by law.

(f) Lessee shall keep and maintain such financial and operational records (including, without limitation, cost reports/contracts) as are required for the operation of the business under applicable laws.

(g) Upon termination or expiration of this Lease, any furniture, fixtures, equipment, linens, food, supplies and personal property acquired by Lessee with respect to the Facility shall become the property of Lessor, and this Lease shall serve as an assignment for purposes of giving effect to such transfer.

(h) Upon Lessor's request, Lessee shall assign to any designee of Lessor any rights of Lessee under any documents with the prior operators of the Facility. This Lease shall serve as an assignment to give effect to the foregoing.

ARTICLE XXXV - PURCHASE OPTION.

35.1 Lessors have granted Lessees an option to purchase the Facility beginning on the first day of the first anniversary of the commencement date in the form of **Exhibit D** attached hereto (the "**Purchase Option**").

ARTICLE XXXVI - TRANSFER OF OPERATIONS UPON TERMINATION OF LEASE

The provisions of this ARTICLE XXXVI shall apply in connection with any termination of this Lease or Lessee's right to possession of the Demised Premises, other than a termination resulting from the exercise by Lessee (or its permitted designee) of the Purchase Option.

36.1 The date on which (i) this Lease either terminates or expires pursuant to its terms or is terminated by either party whether pursuant to a right granted to it hereunder or otherwise, (ii) Lessee's right to possession of the Demised Premises is terminated by Lessor pursuant to a right granted to it hereunder or otherwise, or (iii) Lessee otherwise abandons the Demised Premises shall be referred to as the "**Closing Date**" in this Article. Upon Lessor's election on the Closing Date, this Lease shall be deemed and construed as an absolute assignment for purposes of vesting in Lessor (or Lessor's designee) all of Lessee's right, title and interest in and to the following intangible property which is now or hereafter used in connection with the operation of the Demised Premises (the "**Intangibles**") and an assumption by Lessor (or Lessor's designee) of Lessee's obligations under the Intangibles from and after the Closing Date; provided that, from and after the Closing Date, Lessee shall indemnify, defend and hold harmless Lessor and any future tenants against any claims, losses, costs or damages, including reasonable attorneys' fees incurred or arising by reason of Lessee's obligations under the Intangibles during the Term of this Lease:

(1) service contracts and equipment leases for the benefit of the Demised Premises to which Lessee is a party, and which can be terminated without penalty by Lessee within sixty (60) or fewer days' notice or which Lessor requests be assigned to Lessor (or Lessor's designee) pursuant to this Article XXXVI, subject to any required consents of the Lessor or providers under such service contracts and equipment leases;

(2) to the extent permitted by law, any provider agreements with Medicare, Medicaid or any other third-party payor programs (excluding the right to any reimbursement for periods prior to the Closing Date, as defined above) entered in connection with the Demised Premises to the extent assignable by Lessee; provided that in addition thereto Lessor (or Lessor's designee) shall be permitted to bill under Lessee's Medicare and Medicaid provider agreements, as applicable, until any assignment thereof has become effective, and Lessee shall promptly remit to Lessor (or Lessor's designee) any funds received with respect to such billing);

(3) all existing agreements with residents and any guarantors thereof of the Demised Premises, to the extent assignable by Lessee (excluding the right to any payments for periods prior to the Closing Date) and any and all patient trust fund accounts; and

(4) at Lessor's option, the business of Lessee as conducted at the Demised Premises as a going concern, including but not limited to the name of the business conducted thereon and all telephone numbers presently in use therein.

36.2 Lessor shall be responsible for and shall pay all accrued expenses with respect to the Demised Premises accruing on or after 12:01 a.m. (local time) on the Closing Date and shall be entitled to receive and retain all revenues from the Demised Premises accruing on or after 12:01 a.m. on the Closing Date. Within fifteen (15) Business Days after the Closing Date, the following adjustments and prorations shall be determined as of the Closing Date:

(1) Real estate taxes, ad valorem taxes, school taxes, assessments and personal property, intangible and use taxes, if any. If the information as to the actual amount of any of the foregoing taxes and assessments are not available for the tax year in which the Closing Date occurs, the proration of such taxes shall be estimated based upon reasonable information available to the parties, including information disclosed by the local tax office or other public information, and an adjustment shall be made when actual figures are published or otherwise become available.

(2) Lessee will terminate the employment of all employees on the Closing Date and shall be and remain liable for any and all wages, accrued vacation and sick leave pay for employees of the Demised Premises with respect to the period prior to 12:01 a.m. on the Closing Date.

(3) Lessor (or Lessor's designee) shall receive a credit equal to any advance payments by patients at the Demised Premises to the extent attributable to periods after 12:01 a.m. on the Closing Date.

(4) The present insurance coverage on the Demised Premises shall be terminated as of the Closing Date and there shall be no proration of insurance premiums.

(5) All other income from, and expenses of, the Demised Premises (other than mortgage interest and principal), including but not limited to public utility charges and deposits, maintenance charges and service charges shall be prorated between Lessee and Lessor as of 12:01 a.m. on the Closing Date. Lessee shall, if possible, obtain final utility meter readings as of the Closing Date. To the extent that information for any such proration is not available, Lessee and Lessor shall effect such proration within sixty (60) days after the Closing Date.

(6) Lessee shall be and remain responsible for any employee severance pay, accrued benefits (whether vested or unvested), and related taxes which may be payable as the result of any termination of an employee's employment on or prior to 12:01 a.m. on the Closing Date.

36.3 All necessary arrangements shall be made to provide possession of the Demised Premises to Lessor or its designee on the Closing Date, at which time of possession Lessee shall deliver to Lessor, or its designee, all medical records, patient records and other personal information concerning all patients residing at the Demised Premises as of the Closing Date and other relevant records used or developed in connection with the business

conducted at the Demised Premises. Such transfer and delivery shall be in accordance with all applicable laws, rules and regulations concerning the transfer of medical records and other types of patient records.

36.4 For the period commencing on the Closing Date and ending on the date Lessor, or its designee, obtains any and all appropriate state or other governmental licenses and certifications required to operate the Facility, Lessee hereby agrees that, to the extent permitted by law, Lessor, or Lessor's designee, shall have the right, but not the obligation, to manage and operate the Demised Premises, on a triple net basis, and shall be entitled to all revenues of the Demised Premises during such period, and to use any and all licenses, certifications and provider agreements issued to Lessee by any federal, state or other governmental authority for such operation of the Demised Premises, if permitted by any such governmental authorities. If Lessor or its designee exercises the right described above in this Section 36.4, the provisions of this Section 36.4 shall be self-operative and shall constitute a management agreement between Lessee, on the one hand, and Lessor or its designee, on the other hand, on the terms set forth above in this Section 36.4; provided, however, that upon the request of Lessor or its designee, Lessee shall enter into a separate management agreement on the terms set forth in this Section 36.4 and on such other terms and provisions as may be specified by Lessor or its designee.

36.5 Lessee shall provide Lessor (or Lessor's designee) with an accounting within fifteen (15) days after the Closing Date of all funds belonging to patients at the Demised Premises which are held by Lessee in a custodial capacity. Such accounting shall set forth the names of the patients for whom such funds are held, the amounts held on behalf of each such patient and Lessee's warranty that the accounting is true, correct and complete. Additionally, Lessee, in accordance with all applicable rules and regulations, shall make all necessary arrangements to transfer such funds to a bank account designated by Lessor and any future tenants (or Lessor's designee), and Lessor (or Lessor's designee) shall in writing acknowledge receipt of and expressly assume all Lessee's financial and custodial obligations with respect thereto. Notwithstanding the foregoing, Lessee will indemnify, defend and hold Lessor harmless, from all liabilities, claims and demands, including reasonable attorney's fees, in the event the amount of funds, if any, transferred to Lessor's (or Lessor's designee's) bank account as provided above, did not represent the full amount of the funds then or thereafter shown to have been delivered to Lessee as custodian that remain undisbursed for the benefit of the patient for whom such funds were deposited, or with respect to any matters relating to patient funds which accrued during the Term and Lessor (or Lessor's designee) will indemnify, defend and hold Lessee harmless from all liabilities, claims and demands, including reasonable attorney's fees with respect to any matters relating to patient funds which accrue after the Term.

36.6 All cash, checks and cash equivalent at the Demised Premises and deposits in bank accounts (other than patient trust accounts) relating to the Demised Premises on the Closing Date shall remain Lessee's property after the Closing Date. Subject to the provisions of Article 24 hereof, all accounts receivable, loans receivable and other receivables of Lessee whether derived from operation of the Demised Premises or otherwise, shall remain the property of Lessee after the Closing Date. Lessee shall retain full responsibility for the

collection thereof. Lessor (or Lessor's designee) shall assume responsibility for the billing and collection of payments on account of services rendered by it on and after the Closing Date. In order to facilitate Lessee's collection efforts, Lessee agrees to deliver to Lessor (or Lessor's designee), within a reasonable time after the Closing Date, a schedule identifying all of those private pay balances owing for the month prior to the Closing Date and Lessor agrees to apply any payments received which are specifically designated as being applicable to services rendered prior to the Closing Date to reduce the pre-Closing Date balances of said patients by promptly remitting said payments to Lessee. Payments received by Lessor (or Lessor's designee) or Lessee from patients owing money for services rendered by Lessor (or Lessor's designee) and Lessee and which are not allocated to a particular time period shall (a) for the first sixty (60) days after the Closing Date be applied to any pre-Closing Date monthly balances due to Lessee for services provided prior to the Closing Date, with the excess if any, applied to any post-Closing Date monthly balances due for services rendered on or after the Closing Date, and (b) at all points after the first sixty (60) days after the Closing Date be applied to any post-Closing Date monthly balances due to Lessor or its designee for services provided after to the Closing Date, with the excess if any, applied to any pre-Closing Date monthly balances due for services rendered by Lessee on or before the Closing Date. Lessor (or Lessor's designee) shall cooperate with Lessee in Lessee's collection of its pre-Closing Date accounts receivable. Neither Lessor nor any future tenants shall have any liability for uncollectible receivables and shall not be obligated to bear any expense as a result of such activities on behalf of Lessee. Subject to the provisions of Article 24 hereof, Lessor (or Lessor's designee) shall remit to Lessee or its assignee those portions of any payments received by Lessor (or Lessor's designee) which are specifically designated as repayment or reimbursement arising out of cost reports filed for the cost reporting periods ending on or prior to the Closing Date.

36.7 With respect to residents at the Demised Premises on the Closing Date, Lessor and Lessee agree as follows:

(1) With respect to Medicare and Medicaid residents, Lessor and Lessee agree that subject to the provisions of Article XXIV hereof, payment for in-house residents covered by Medicare or Medicaid on the Closing Date will be made (on a per diem basis) by Medicare or Medicaid under current regulations directly to Lessee for services rendered at the Demised Premises prior to the Closing Date. Said payments shall be the sole responsibility of Lessee and Lessor shall in no way be liable therefor. After the Closing Date, Lessor (or Lessor's designee) and Lessee shall each have the right to review supporting books, records and documentation that are in the possession of the other relating to Medicaid or Medicare payments.

(2) If, following the Closing Date, Lessor (or Lessor's designee) receives payment from any state or federal agency or third-party provider which represents reimbursement with respect to services provided at the Demised Premises prior to the Closing Date, Lessor agrees that, subject to the provisions of Article 24 hereof, it shall remit such payments to Lessee. Payments by Lessor to Lessee shall be accompanied by a copy of the appropriate remittance.

36.8 In addition to the obligations required to be performed hereunder by Lessee and Lessor on and after the Closing Date, Lessee and Lessor agree to perform such other acts,

and to execute, acknowledge, and/or deliver subsequent to the Closing Date such other instruments, documents and materials and Lessee shall perform such other acts and to execute, acknowledge, and/or deliver subsequent to the Closing Date such other instruments, as the other may reasonably request in order to effectuate the consummation of the transaction contemplated herein.

36.9 Lessee for itself, its successors and assigns hereby indemnifies and agrees to defend and hold Lessor and its successors and assigns, as well as any future tenants of Lessor with respect to the Facility harmless from any and all claims, demands, obligations, losses, liabilities, damages, recoveries and deficiencies (including interest, penalties and reasonable attorney's fees, costs and expenses) which any of them may suffer as a result of the breach by Lessee in the performance of any of its material commitments, covenants or obligations under this Article 36, or with respect to any suits, arbitration proceedings, administrative actions or investigations which relate to the use by Lessee of the Demised Premises during the Term or for any liability which may arise from operation of the Demised Premises as a nursing home during the Term, including without limitation, any amounts due or to be reimbursed to any governmental authority based upon any audit or review of Lessee, or of the Facility or the operation thereof and pertaining to the period prior to the Closing Date or any amounts recaptured under Titles XVIII or XIX based upon applicable Medicaid/Medicare recapture regulations. The rights of Lessor (or Lessor's designee) under this paragraph are without prejudice to any other remedies not inconsistent herewith which Lessor may have against Lessee pursuant to the terms of this Lease. The foregoing indemnity shall survive the expiration or termination of this Lease, whether due to lapse of time or otherwise.

36.10 Lessor shall have the right to offset against any monies due Lessee pursuant to the terms of this Article 36, any amounts due by Lessee to Lessor pursuant to this Lease, including without limitation any amounts due for taxes, utilities, unemployment insurance premiums, payroll obligations or any other obligation arising from the operation of the Demised Premises.

36.11 Anything to the contrary contained in this Article 36 notwithstanding, in the event the termination of this Lease is due to a default by Lessee hereunder, none of the provisions of this Article 36 shall in any way limit, reduce, restrict or modify the rights otherwise granted to Lessor pursuant to this Lease, and to the extent any monies are due to Lessee pursuant to this Article 36, such sums shall be applied by Lessor to any damages suffered by Lessor as a result of Lessee's default hereunder.

36.12 Lessor and Lessee agree to cooperate with each other in order to effectuate the terms and provisions of this Article 36, including without limitation, full cooperation with respect to transfer of licensure and provider agreements (including providing any signed forms or other materials required), vacating the Facility, and in transition of matters relating to operation of the Facility, including without limitation records, IT matters, and reconciliation of pre-Closing and post-Closing accounts receivable and accounts payable.

ARTICLE XXXVII - OTA BACKSTOP INDEMNIFICATION

37.1 Other than in connection with a termination resulting from the exercise by Lessee (or its permitted designee) of the Purchase Option, Lessor for themselves, their successors and assigns hereby indemnify and agree to defend and hold Lessee and their successors and assigns harmless from any and all claims, demands, obligations, losses, liabilities, damages, recoveries and deficiencies (including interest, penalties and reasonable attorney's fees, costs and expenses) which any of them may suffer as a result of the breach by Lessor in the performance of any of their commitments, covenants or obligations under this Article 36, or with respect to any suits, arbitration proceedings, administrative actions or investigations which relate to the use of the Demised Premises after the Term or for any liability which may arise from operation of the Demised Premises as a nursing home after the Term. The rights of Lessee under this paragraph are without prejudice to any other remedies not inconsistent herewith which Lessee may have against Lessor pursuant to the terms of this Lease or otherwise.

ARTICLE XXXVIII - MISCELLANEOUS

38.1 Lessee, upon paying the Rent and all other charges herein provided, and for observing and keeping the covenants, agreements, terms and conditions of this Lease on its part to be performed, shall lawfully and quietly hold, occupy and enjoy the Demised Premises and Personal Property during the Term of this Lease, and subject to its terms, without hindrance by Lessor or by any other person or persons claiming under Lessor.

38.2 All payments to be made by the Lessee hereunder (other than Base Rent), whether or not designated as "Additional Rent", shall be deemed Additional Rent, so that in the event of a default of payment when due, Lessor shall be entitled to all of the remedies available at law or equity, or under this Lease, for the nonpayment of Rent.

38.3 It is understood and agreed that the granting of any consent by Lessor to Lessee to perform any act of Lessee requiring Lessor's consent under the terms of this Lease, or the failure on the part of Lessor to object to any such action taken by Lessee without Lessor's consent, shall not be deemed a waiver by Lessor of its rights to require such consent for any further similar act by Lessee, and Lessee hereby expressly covenants and warrants that as to all matters requiring Lessor's consent under the terms of this Lease, Lessee shall secure such consent for each and every happening of the event requiring such consent, and shall not claim any waiver on the part of Lessor of the requirement to secure such consent.

38.4 Lessor and Lessee agree that, at the request of either party, a short form memorandum of this Lease may be recorded, to be filed in the real property records of the county in which the Demised Premises are located.

38.5 Lessee represents that it did not deal with any broker in connection with this Lease, and hereby indemnifies Lessor against the claims or demands of any broker claimed through a relationship with Lessee. Lessor represents that it did not deal with any broker in connection with this Lease, and hereby indemnifies Lessee against the claims or demands of any broker claimed through a relationship with Lessor.

38.6 If an action shall be brought to recover any Rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants or conditions of this Lease, or for the recovery of possession of the Demised Premises, the prevailing party shall be entitled to recover from the other party, as part of the prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered.

38.7 Should Lessee hold possession hereunder after the expiration of the Term of this Lease with or without the consent of Lessor, Lessee shall become a tenant on a month-to-month basis upon all the terms, covenants and conditions herein specified, excepting however that Lessee shall pay Lessor a monthly rental, for the period of such month-to-month tenancy, in an amount equal to fifty percent (50%) greater than the last Rent specified.

38.8 All notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered (i) upon the delivery (or refusal to accept delivery) by personal delivery, messenger or overnight express delivery service (or, if such date is not on a Business Day, on the Business Day next following such date), (ii) on the third (3rd) Business Day next following the date of its mailing by certified mail, postage prepaid, at a post office maintained by the United States Postal Service, or (iii) by electronic mail transmission, addressed as follows:

If to Lessor:	c/o Cascasis, LLC 3450 Oakton Street Skokie, Illinois 60076 Attn: Mordy Kaplan Email: mkaplan@cascadellc.com
With copy to (which shall not constitute notice):	Sternshein Legal Group 5316 East Chapman Avenue Orange, California 92869 Attn: Jennifer M. Sternshein Email: jennifer@sternsheingroup.com
If to Lessee:	c/o Hill Valley Healthcare, LLC 1007 Broadway, Floor 2 Woodmere, New York 11598 Attn: Shimmy Idels and Steven Schwartz
With copy to (which shall not constitute notice)	UB Greensfelder LLP West 2nd Street, Suite 1100 Cleveland, Ohio 44113 Attn: Daniel Gottesman, Esq. Email: dgottesman@ubglaw.com

or such other address that any party designates to the other by written notice given in the manner stated above. Any notice sent by electronic mail shall be deemed delivered upon transmission, so

long as said transmission is evidenced by proof of said transmittal, and sent before 5:00 p.m. local time at the place of the recipient and if sent after 5:00 p.m. shall be deemed delivered on the next Business Day. Notices from counsel to Lessor shall for all purposes hereunder constitute notice from Lessor. Notices from counsel to Lessee shall for all purposes hereunder constitute notice from Lessee.

38.9 Intentionally Omitted.

38.10 Each party agrees at any time, and from time to time, upon not less than ten (10) days prior written request from the other party, to execute, acknowledge and deliver to the other party a statement in writing, certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), the dates to which the Rent has been paid, the amount of the Additional Rent held by Lessor, and whether to the best Knowledge of such party an Event of Default has occurred or whether any events have occurred which, with the giving of notice or the passage of time, or both, could constitute an Event of Default hereunder, it being intended that any such statement delivered pursuant to this section may be relied upon by any prospective assignee, mortgagee or purchaser of the fee interest in the Demised Premises or of this Lease.

38.11 All of the provisions of this Lease shall be deemed and construed to be "conditions" and "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate provision hereof.

38.12 Any reference herein to the expiration of this Lease shall be deemed to include any termination thereof by expiration, or pursuant to Articles referring to earlier termination.

38.13 The headings and titles in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Lease, or in any way affect this Lease.

38.14 This Lease contains the entire agreement between the parties and any executory agreement hereafter made shall be ineffective to change, modify or discharge it in whole or in part unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought. This Lease cannot be changed orally or terminated orally.

38.15 Except as otherwise herein expressly provided, the covenants, conditions and agreements in this Lease shall bind and inure to the benefit of Lessor and Lessee and their respective successors and assigns.

38.16 All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require. "Any" or "any" shall mean "any and all"; "or" shall mean "and/or"; "including" shall mean "including, but not limited to".

38.17 This Lease may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement. This Lease may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes.

38.18 If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law.

38.19 This Lease shall be construed in accordance with the laws of the State of Tennessee without regard to conflict of laws principles.

38.20 With respect to disputes, problems or claims arising out of or in connection with this Lease ("**Disputes**"), the parties shall, in good faith, use their reasonable best efforts to resolve the Dispute. If within ten (10) days of the arising of the Dispute, the parties are unable to resolve the Dispute in good faith, both parties shall make good faith efforts to agree upon and engage a third-party arbitrator. If after thirty (30) days from the good faith effort to agree upon and engage a third-party arbitrator, the parties are unable to agree upon an, either party may submit to final and binding arbitration before the Bais Din Maysharim (the "**Beit Din**"). The decision of the Beit Din shall be binding upon the parties with respect to all disputes submitted. The provisions of this Section 38.19 may be enforced by any court of competent jurisdiction, and the parties seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the parties against whom enforcement is ordered. The fees and expenses of such Beit Din shall be borne by non-prevailing party, as determined by the Beit Din. The parties hereto agree that this Section 38.19 has been included to rapidly and inexpensively resolve any disputes between them with respect to the matters described above, and that this paragraph shall be grounds for dismissal of any court action commenced by any party with respect to a dispute arising out of such matters.

38.21 It is expressly understood and agreed that except as otherwise expressly provided herein, this Lease shall not be construed as creating any personal liability whatsoever against any member, officer, director, shareholder or agent of Lessor and/or of Lessee and in particular without limiting the generality of the foregoing, there shall be no personal liability to pay any obligations set forth herein or to perform any covenant, either expressed or implied, herein contained, and that, except as otherwise provided herein, all personal liability of any member, officer, director, shareholder or agent of Lessor and/or of Lessee of every sort, if any, is hereby expressly waived by the other party hereto.

38.22 The term "Knowledge" as used herein shall be deemed to mean the best of a Person's knowledge, and of the principals, officers and agents of such Person. Any fact or circumstance that a Person and their principals, officers or agents reasonably should know assuming commercially reasonable best efforts were utilized, shall be deemed the Knowledge of such Person. The term "commercially reasonable best efforts" shall mean the efforts that a commercially reasonable Person desirous of achieving a result would use in similar

circumstances to achieve that result as expeditiously as reasonably practicable, provided, however, that a Person required to use commercially reasonable best efforts under this Lease will not thereby be required to take any action that would result in a material adverse change in the benefits to such Person of this Lease or the transactions contemplated hereby or to make any change in its business, incur any extraordinary fees or expenses or incur any other material burden. "Person" shall mean any individual, partnership (general and/or limited), association, corporation, limited liability company, trust, joint venture or other legal entity of any and every nature whatsoever.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be signed by persons authorized so to do on behalf of each of them respectively the day and year first above written.

LESSOR:

McKendree SNF Property Holdings, LLC
a Delaware limited liability company

By: _____
Name: Mordechai Kaplan
Title: Authorized Signatory

Waynesboro Property Holdings, LLC
a Delaware limited liability company

By: _____
Name: Mordechai Kaplan
Title: Authorized Signatory

[signatures continue on following page]

LESSEE:

McKendree SNF Operations, LLC
a Nevada limited liability company

By: _____
Name: Shimon Idels
Title: Authorized Representative

McKendree ALF Operations, LLC
a Nevada limited liability company

By: _____
Name: Shimon Idels
Title: Authorized Representative

McKendree ILF Operations, LLC
a Nevada limited liability company

By: _____
Name: Shimon Idels
Title: Authorized Representative

Waynesboro SNF Operations, LLC
a Nevada limited liability company

By: _____
Name: Shimon Idels
Title: Authorized Representative

LESSEE:

McKendree SNF Operations, LLC
a Nevada limited liability company

By: _____
Name: Steven Schwartz
Title: Authorized Representative

McKendree ALF Operations, LLC
a Nevada limited liability company

By: _____
Name: Steven Schwartz
Title: Authorized Representative

McKendree ILF Operations, LLC
a Nevada limited liability company

By: _____
Name: Steven Schwartz
Title: Authorized Representative

Waynesboro SNF Operations, LLC
a Nevada limited liability company

By: _____
Name: Steven Schwartz
Title: Authorized Representative

EXHIBIT A

LEGAL DESCRIPTION

104 J.V. Mangubat Drive, Waynesboro, TN 38485

PARCEL ONE:

A certain tract or parcel of land lying and being situated in the 1st Civil District of Wayne County, Tennessee, on the waters of Green River and Hurricane Creek and particularly described and bounded as follows:

BEGINNING at an iron pin with chestnut oak, hickory, and black oak pointers in the head of a hollow that runs North on the north side of the dividing ridge in the North boundary line of Entry No. 113 in the name of Elizabeth Burns for 208 acres, the same being the Northeast corner of the tract of which this is a part; thence North 87 ½° West with the North boundary line of same crossing dividing ridge road at 84 poles, crossing branch at 108 poles, in all 134 poles to a stake in said North boundary line in wire fence; thence South 2 poles to a stake; thence North 87½° West 36 poles to a stake; thence North 2 poles to a stake in said North boundary line at or near corner of fence; thence with said North boundary line North 87 1/2 ° West 2 poles to base or toe of bluff, in all 6 poles to a stake in Green River, the same being the Northwest corner of the tract of which this is a part; thence up said Green River with the meanders thereof as follows, to-wit: South 21° East 36 poles; South 5° East 34 poles; South 13° East 12 poles; South 26° West 20 poles; South 63° West 3½ poles; due South by compass 8 poles; South 39° East 6 poles; South 12° East 2 poles to mouth of Hurricane Creek, in all 5 poles; South 12° West 12 poles; South 27° West 10-18/25 poles; South 43° West 11 poles; West 10-9/25 poles; North 30° West 3-18/25 poles; South 68° West 4-10/25 poles; South 46° West 11 poles to sewer line crossing said creek, in all 12 poles; South 15° West 10 poles; South 10° East 16 poles; South 30° East 13-6/25 poles; South 78 East 9-10/25 poles; ° North 88° East 9 poles; North 20° East 2 poles; South 65° East 3 poles; South 5° West 4 poles; South 9 East 8 poles; North 67° West 12 poles; South 5° East 14-13/25 poles; due South by compass 8 poles; South 20° East 14-8/25 poles; South 54° East 18-7/25 poles to a stake in said Green River and in North boundary line of the Gallaher lot, the same being the most southern Southwest corner of the tract of which this is a part; thence with said North boundary, line South 87° East 19-8/25 poles to an iron pin in west margin of U. S. Highway No. 64, State Highway No. 15, the same being the most southern Southeast corner of the tract of which this is a part; thence with said western margin of said Highway, North 22° East 48-5/25 poles to a stake in same, the same being the Southeast and beginning corner of the 2.17 acre TVA Substation; thence with lines of same as follows: North 67° 25' West 325.0 feet to a stake, the same being the Southwest corner of said 2.17 acre tract; thence North 22° 35' East 275.0 feet to a stake, the same being the Northwest corner of the tract of said 2.17 acre tract; thence South 73° 00' East 331.3 feet to a stake in west right of way line of said Highway No. 64; thence with the Highway right of way line, a line 30 feet west of and parallel to the center line of the highway as it curves to the left in a southerly direction, 75.9 feet to a point; thence continuing with the Highway right-of-way line South 22° West 75 feet to a stake in same; thence South 81° East 65 feet to a stake in East right-of way line of said Highway No. 64 at a point North 22° East 3 feet from the Northwest corner of the wire fence, enclosing the Standard Oil Company tanks, the same being the Northwest corner of the lot conveyed by Mary E. Boyd, et al, by deed of correction to E. R. Yeiser, the same being the two lots conveyed by Mary E. Boyd, et al, to E. C. Stewart and wife, Annis Stewart, conveying by each deed one-half acre,

the first of said deeds being dated April 11, 1939, and recorded in Deed Book No. 21 at pages 527 and 528, and the second being dated April 27, 1940, and recorded in Deed Book No. 22 at pages 469 and 470, both recorded in the Register's office of Wayne County, Tennessee, continuing South 81° East, said line running about 3 feet north of said wire fence 210 feet to an iron stake, the Northeast corner of said E. R. Yeiser lot; thence South with the East boundary line of same South 22° West 210 feet to an iron stake, the Southeast corner of same, the same being the Northeast comer of the lot conveyed by C. H. Boyd, et al, to Briley Queen and wife by deed dated July 4, 1929 and recorded in the Register's office of Wayne County, Tennessee, in Deed Book No. 71, page 51; thence East 1½ feet to an iron stake, at Northeast corner of wire fence South 20½° West 297 feet running with a wire fence to an iron stake where fence intersects fence running East-West at a point 9 feet East of point where the Southeast corner of the lot conveyed by Mary E. Boyd and husband, et al, to C. L. Blackwell by deed recorded in Deed Book No. 15, page 400, Register's office of Wayne County, Tennessee, should be by description in deed calling for 210 feet East of Highway right-of-way' of Highway No. 64; thence from intersection 219 feet East of said Highway right-of-way, said stake standing in the South boundary line of the tract of which this is a part; thence South 87° East with said South boundary line and a wire fence 31 poles to an iron stake, the same being the Southeast corner of the tract of which this is a part; also Southwest corner of the John Castleman tract, known as the T. J. Whitby land; thence with wire fence North 22° East 65 poles to a stake on south right-of-way line of Highway No. 64; thence with said south right-of-way line North 72° West 2 poles to an iron stake in same; thence North 30° East crossing said Highway No. 64 and running and running with the west edge of old road leading North from same, to field on north side of Hurricane Creek, 10-15/25 poles to iron pin on west edge of said old road, North 6° East 7-11/25 poles to iron pin on west edge of same; North 34° East 3-9/25 poles to iron pin on west edge of said old road; thence North 16° East 11-6/25 poles to a stake at water edge, on west side of said old road; thence North 29° west 1 pole to center of Hurricane Creek, in all 5 poles to iron pin on west edge of said old road; North 64° East 3-14/25 poles to a stake on north edge of old road in the East boundary line of the tract of which this is a part; thence North 19° East 8-7/25 poles to fence; 26-7/25 poles to another fence, crossing path on ridge at 85 poles, crossing the dividing ridge road at 131 poles, in all 149-7/25 poles to the beginning, containing by estimation 209 acres be the same more or less.

INCLUDED IN THE ABOVE DESCRIBED PROPERTY BUT EXPRESSLY EXCLUDED THEREFROM IS THE FOLLOWING TRACTS OF LAND:

1.) 1.3 acres which is taken and held by the State of Tennessee and/or the United States of America for the right of way for U. S. Highway No. 54 and being a strip of land 60 feet in width, that is 30 feet at right angles on either side of the center line of the present U. S. Highway 64.

2.) There is also excluded a strip of land 75 feet wide for a distance of 770.4 feet for the Hohenwald-Waynesboro Transmission Line for the re-location of the Waynesboro-Tennessee Valley Authority Substation.

3.) There is also excluded from the above a strip of land 30 feet in width which is held by the City of Waynesboro and which is an easement for a sewer line as fully set out in the Register’s Office of Wayne County, Tennessee.

4.) A 17.8 acres tract of land conveyed to The State of Tennessee of record in Book 78, Page 166, in the Register’s Office of Wayne County, Tennessee.

5.) A 3.92 acre tract of land conveyed to City of Waynesboro of record in Book 85, Page 192, in the Register's Office of Wayne County, Tennessee.

6.) A 1 acre tract of land conveyed to National Healthcare of Wayne Co. of record in Book 98, Page 1, in the Register's Office of Wayne County, Tennessee.

7.) A .33 acre tract of land conveyed to National Healthcare of Wayne Co., Inc. of record in Book 98, Page 5, in the Register's Office of Wayne County, Tennessee.

8.) A 2.22 acre tract of land conveyed to City of Waynesboro of record in Book 101, Page 51, in the Register's Office of Wayne County, Tennessee.

9.) A 0.112 acre tract of land conveyed to City of Waynesboro of record in Book 135, Page 476, in the Register's Office of Wayne County, Tennessee.

10.) A 0.635 acre tract of land conveyed to Tennessee Department of Transportation of record in Book 143, Page 498, in the Register's Office of Wayne County, Tennessee.

11.) A 2 acre tract of land conveyed to The City of Waynesboro of record in Book 149, Page 263, in the Register's Office of Wayne County, Tennessee.

12.) A 5.926 acre tract of land conveyed to Gene D. Davidson of record in Book 101, Page 771, in the Register's Office of Wayne County, Tennessee.

13.) A 23.65 acre tract of land conveyed to The City of Waynesboro of record in Book 152, Page 195, in the Register's Office of Wayne County, Tennessee.

14.) That portion that is included in the above conveyed to City of Waynesboro of record in Book 44, Page 120, in the Register's Office of Wayne County, Tennessee.

15.) That portion that is included in the above conveyed to Wayne Real Estate Investors, LLC of record in Book 173, Page 333, in the Register's Office of Wayne County, Tennessee.

BEING A PORTION OF THE SAME PROPERTY CONVEYED TO WAYNE COUNTY, TENNESSEE BY DEED FROM F.R. BOYD, ET AL OF RECORD IN BOOK 41, PAGE 295, IN THE REGISTER'S OFFICE OF WAYNE COUNTY, TENNESSEE.

PARCEL TWO:
TRACT 1:
A certain tract or parcel lying and being situated in the 1st Civil District of Wayne County, Tennessee, in the City of Waynesboro, more particularly described as follows:

BEGINNING at a stake on the East side of curb of the North visitors parking lot of Wayne County Hospital, said point located North 5 deg. 24 min. 40 sec. East 459.6 feet from the Southeast corner of 4.98 acre tract leased to National Healthcare of Wayne County, Inc. by Wayne County Hospital Board of Trustees, by agreement dated December 3, 1983, and found of record in MCL-11, page 441, Registers office of Wayne County, Tennessee; Thence North 7 deg. 10 min. West leaving

curb of parking lot at 62 feet in all 160 feet to stake; thence North 82 deg. 50 min. East 90.7 feet to a stake; thence South 7 deg. 10 min. East 160 feet to a stake; thence South 82 deg. 30 min. West 90.7 feet to point of beginning.

TRACT NO. 2:
A certain tract or parcel of land lying and being situated in the 4th Civil District of Wayne County, Tennessee, South of the Town of Collinwood and West of State Highway 13. more particularly described as follows:

BEGINNING at a stake on the West right-of--wav of State Highway No. 11 the same being the Most Eastern Northeast corner of tract of which this is a part and the Southeast corner of lot conveyed to Dewey Stults and wife by Thurman Stults by deed dated February 10, 1973, and found of record in Deed Book No. 58, page 477, Register's Office of Wayne County, Tennessee; thence North 89 deg. West passing the Southwest corner of Stults lot at 170, this being near corner of fence, the same also being the Southeast corner of land conveyed to Andv C. Pigg by deed dated October 9, 1979, and found of record in Deed Book No. 80, page 447, Register's Office of Wayne County, Tennessee, continuing with fence in all 185.3 feet to stake in fence the same being a point in the South boundary line of Pigg land and a point in the North boundary line of tract of which this is a part; thence due South by compass 229 feet to stake in the South boundary line of tract of which this is a part and a point in the North boundary line of tract conveyed to Clyde Keeton et al by deed dated July 16, 1946 and found of record in Deed Book No. 28, Page 593, Register’s Office of Wayne County, Tennessee; thence South 85 deg. 37 min. East 186.9 feet to stake in West right-of-way of State Highway No. 13, the same being the most Eastern Southeast corner of tract of which this is a part and a Northeast corner of Clyde Keeton land: thence North 0 deg. 15 min. West with the West right-of-way of said State Highway 240 feet to point of beginning.

INCLUDED IN THE ABOVE DESCRIBED PROPERTY BUT EXPRESSLY EXCLUDED THEREFROM IS THE FOLLOWING:

1). A 0.293 acre tract of land conveyed to Joe Hall, MD by deed of record in Book 118, Page 21, in the Register’s Office of Wayne County, Tennessee.

BEING PART OF THE SAME PROPERTY CONVEYED TO WAYNE COUNTY, A GOVERNMENTAL ENTITY OF THE STATE OF TENNESSEE BY DEED WITH SPECIAL WARRANTY FROM NATIONAL HEALTHCARE OF WAYNE COUNTY, INC. OF RECORD IN BOOK 112, PAGE 213; AS CORRECTED IN BOOK 141, PAGE 57, IN THE REGISTER'S OFFICE OF WAYNE COUNTY, TENNESSEE.

4347 Lebanon Road, Hermitage, TN 37076

Legal Description of the ("Property"):

TRACT I:

BEING A PARCEL OF LAND IN THE 11TH COUNCIL DISTRICT OF NASHVILLE, DAVIDSON COUNTY, TENNESSEE, LOCATED ON THE EASTERLY MARGIN OF U.S. HIGHWAY 70 (LEBANON ROAD) EXTENDING FROM THE NORTHERLY MARGIN OF BELINDA DRIVE TO THE SOUTHERLY MARGIN OF HIGHLAND VIEW DRIVE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN AT THE SOUTHEAST INTERSECTION OF U.S. HIGHWAY 70 AND HIGHLAND VIEW DRIVE; THENCE, WITH SAID MARGIN OF HIGHLAND VIEW DRIVE, SOUTH 82°47'04" EAST, A DISTANCE OF 1109.71 FEET TO AN IRON PIN AT THE NORTHWEST CORNER OF MCKENDREE VILLAGE, INC., OF RECORD IN DEED BOOK 8193, PAGE 190, R.O.D.C. THENCE, LEAVING SAID SOUTHERLY MARGIN, SOUTH 27°32'55" WEST, A DISTANCE OF 332.97 FEET TO AN IRON PIN AT THE SOUTHWEST CORNER OF SAID MCKENDREE VILLAGE, INC.; THENCE, WITH THE WEST LINE OF MCKENDREE VILLAGE, INC., OF RECORD IN DEED BOOK 5592, PAGE 113, R.O.D.C. AND DEED BOOK 5583, PAGE 433, R.O.D.C. SOUTH 28°00'20" WEST, A DISTANCE OF 510.72 FEET TO AN IRON PIN AT THE NORTHWEST CORNER OF JAMES B. CLOYD OF RECORD IN INSTRUMENT NUMBER 200101020000212, R.O.D.C.; THENCE, WITH THE WEST LINE OF SAID CLOYD, SOUTH 27°54'18" WEST, A DISTANCE OF 271.25 FEET TO AN IRON PIN IN THE NORTHERLY LINE OF HERMITAGE ESTATES OF RECORD IN PLAT BOOK 3300, PAGE 71, R.O.D.C.; THENCE, WITH SAID HERMITAGE ESTATES, NORTH 82°48'00" WEST, A DISTANCE OF 498.39 FEET TO A CONCRETE MONUMENT; THENCE, NORTH 82°42'49" WEST, A DISTANCE OF 166.16 FEET TO AN IRON PIN IN THE EASTERLY LINE OF HERMITAGE METHODIST CHURCH OF RECORD IN DEED BOOK 5194, PAGE 183, R.O.D.C.; THENCE, WITH SAID CHURCH PROPERTY, THE FOLLOWING CALLS: NORTH 18°43'25" EAST, A DISTANCE OF 40.00 FEET TO AN IRON PIN; NORTH 55°02'27" WEST, A DISTANCE OF 331.35 FEET TO AN IRON PIN; SOUTH 37°39'48" WEST, A DISTANCE OF 302.02 FEET TO AN IRON PIN; THENCE, WITH A CURVE TO THE LEFT 48.82 FEET TO AN IRON PIN, SAID CURVE HAVING A CENTRAL ANGLE OF 30°27'29", A RADIUS OF 91.83 FEET, AND ACHORD OF SOUTH 22°26'03" WEST 48.24 FEET; THENCE, SOUTH 07°10'00" WEST, A DISTANCE OF 34.90 FEET TO AN IRON PIN IN THE NORTHERLY MARGIN OF BELINDA DRIVE; THENCE, WITH SAID MARGIN, NORTH 82°50'00" WEST, A DISTANCE OF 106.00 FEET TO AN IRON PIN; THENCE, WITH A CURVE TO THE RIGHT 146.44 FEET TO AN IRON PIN, SAID CURVE HAVING A CENTRAL ANGLE OF 30°30'00", A RADIUS OF 275.10 FEET, AND A CHORD OF NORTH 67°34'59" WEST A DISTANCE OF 144.72 FEET; THENCE WITH A CURVE TO THE RIGHT OF 79.40 FEET TO AN IRON PIN IN THE EASTERLY MARGIN OF LEBANON ROAD, SAID CURVE HAVING A CENTRAL ANGLE OF 90°58'40", A RADIUS OF 50.00 FEET AND A CHORD OF NORTH 07°50'18" WEST 71.32 FEET, THENCE, WITH SAID EASTERLY MARGIN THE FOLLOWING CALLS: THENCE, WITH A CURVE TO THE RIGHT 142.52 FEET TO AN IRON PIN, SAID CURVE HAVING A CENTRAL ANGLE OF 01°04'32", A RADIUS OF 7,591.44 FEET AND A CHORD OF NORTH 38°36'28" EAST A DISTANCE OF 142.52 FEET; THENCE, NORTH 39°08'39" EAST, A DISTANCE OF 84.57 FEET TO AN IRON PIN; THENCE, WITH A CURVE TO THE LEFT 159.93 FEET TO AN IRON PIN, SAID CURVE HAVING A CENTRAL ANGLE OF 01°11'31", A RADIUS OF 7,687.44 FEET, AND A CHORD OF NORTH 38°32'57" EAST 159.93 FEET; THENCE, NORTH 37°57'11" EAST A DISTANCE OF 831.85 FEET TO AN IRON PIN; THENCE, WITH A CURVE TO THE RIGHT 53.80 FEET, SAID

CURVE HAVING A CENTRAL ANGLE OF 21°42’25”, A RADIUS OF 142.00 FEET AND A CHORD WHICH BEARS NORTH 48°48’41” EAST 53.48 FEET TO THE POINT OF BEGINNING.

BEING THE SAME PROPERTY CONVEYED TO NASHVILLE SENIOR CARE, LLC, A TENNESSEE NON-PROFIT LIMITED LIABILITY COMPANY, BY DEED FROM NASHVILLE HEALTHCARE INVESTORS, LLC, A TENNESSEE LIMITED LIABILITY COMPANY, OF RECORD IN INSTRUMENT NO. 201809260095447, IN THE REGISTER’S OFFICE OF DAVIDSON COUNTY, TENNESSEE.

TRACT II:

BEING A PARCEL OF LAND IN THE ELEVENTH CIVIL DISTRICT OF NASHVILLE, DAVIDSON COUNTY, TENNESSEE LOCATED SOUTH OF HIGHLAND VIEW DRIVE AND WEST OF ANDREW JACKSON PARKWAY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE WESTERLY MARGIN OF ANDREW JACKSON PARKWAY, SAID PIN BEING 400 FEET, MORE OR LESS, SOUTH OF HIGHLAND VIEW DRIVE AND BEING THE SOUTHEAST CORNER OF MCKENDREE VILLAGE, INC., OF RECORD IN DEED BOOK 10612, PAGE 11, R.O.D.C.; THENCE, WITH SAID MARGIN SOUTH 15°26’38” WEST, A DISTANCE OF 681.47 FEET TO AN IRON PION AT THE NORTHEAST CORNER OF HERMITAGE UNITED METHODIST CHURCH OF RECORD IN INSTRUMENT NUMBER 200101020000213, R.O.D.C.; THENCE, WITH THE NORTHERLY LINES OF HERMITAGE UNITED METHODIST CHURCH AND JAMES B. CLOYD OF RECORD IN INSTRUMENT NUMBER 200101020000212, R.O.D.C. NORTH 64°06’07” WEST, A DISTANCE OF 821.68 FEET TO AN IRON PIN IN THE EAST LINE OF MCKENDREE VILLAGE OF RECORD IN DEED BOOK 11432, PAGE 371, R.O.D.C.; THENCE, WITH SAID VILLAGE NORTH 28°00’20” EAST, A DISTANCE OF 510.72 FEET TO AN IRON PIN AT THE SOUTHWEST CORNER OF MCKENDREE VILLAGE, INC., OF RECORD IN DEED BOOK 8193, PAGE 190, R.O.D.C.; THENCE, WITH THE SOUTHERLY LINE OF SAID MCKENDREE VILLAGE, INC., SOUTH 82°43’52” EAST, A DISTANCE OF 259.88 FEET TO AN IRON PIN; THENCE, WITH THE SOUTHERLY LINES OF LINDA ADAMS OF RECORD IN INSTRUMENT NUMBER 200406180072436, R.O.D.C., E.A. BURKE, ET UX OF RECORD IN DEED BOOK 1852, PAGE 544, R.O.D.C. AND MCKENDREE VILLAGE, INC. OF RECORD IN DEED BOOK 10612, PAGE 11, R.O.D.C. SOUTH 74°09’23” EAST, A DISTANCE OF 439.74 FEET TO THE POINT OF BEGINNING.

TRACT III:

LAND SITUATED IN THE ELEVENTH CIVIL DISTRICT OF NASHVILLE, DAVIDSON COUNTY, TENNESSEE AND BOUNDED ON THE NORTH BY HIGHLAND VIEW DRIVE, EAST BY ANDREW JACKSON PARKWAY, SOUTH BY MCKENDREE VILLAGE, INC., AND THE WEST BY E.A. BURKE, ET UX AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE WESTERLY MARGIN OF ANDREW JACKSON PARKWAY (70’ R.O.W.) AND THE NORTHEAST CORNER OF MCKENDREE VILLAGE, INC. OF RECORD IN DEED BOOK 5583, PAGE 433, R.O.D.C. AND ALSO BEING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT; THENCE, WITH THE NORTHERLY LINE OF MCKENDREE VILLAGE, INC. OF RECORD IN DEED BOOK 5583, PAGE 433, R.O.D.C., NORTH 74°09’23” WEST, A DISTANCE OF 182.15 FEET TO AN IRON PIN; THENCE, ALONG OR NEAR THE EASTERLY LINE OF E.A. BURKE, ET UX OF RECORD IN DEED BOOK 1852, PAGE 544, R.O.D.C. NORTH 28°25’26” EAST, A DISTANCE OF 360.17

FEET TO AN IRON PIN IN THE SOUTHERLY MARGIN OF HIGHLAND VIEW DRIVE; THENCE, WITH SAID SOUTHERLY MARGIN AND ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 120.00 FEET, A CENTRAL ANGLE OF 78°22'59", AN ARC LENGTH OF 164.16 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 27°22'32" EAST 151.66 FEET TO AN IRON PIN IN THE WESTERLY MARGIN OF ANDREW JACKSON
PARKWAY (70' R.O.W.); THENCE, WITH SAID PARKWAY SOUTH 15°52'51" WEST, A DISTANCE OF 241.00 FEET TO THE POINT OF BEGINNING.

TRACT IV:

LAND SITUATED IN THE ELEVENTH CIVIL DISTRICT OF NASHVILLE, DAVIDSON COUNTY, TENNESSEE AND BOUNDED ON THE NORTH BY HIGHLAND VIEW DRIVE, EAST BY ADAMS, SOUTH BY MCKENDREE VILLAGE AND THE WEST BY MCKENDREE VILLAGE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE SOUTHERLY MARGIN OF HIGHLAND VIEW DRIVE, SAID PIN BEING SOUTH 82°12'22" EAST, A DISTANCE OF 259.05 FEET FROM THE NORTHEAST CORNER OF MCKENDREE VILLAGE OF RECORD IN BOOK 11432, PAGE 371, R.O.D.C. AND ALSO BEING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT; THENCE, ALONG OR NEAR THE WESTERLY LINE OF LINDA ADAMS OF RECORD IN INSTRUMENT NUMBER 200406180072436, R.O.D.C. SOUTH 27°33'16" WEST, A DISTANCE OF 330.45 FEET TO AN IRON PIN; THENCE, WITH THE NORTHERLY LINE OF MCKENDREE VILLAGE OF RECORD IN DEED BOOK 5592, PAGE 113, R.O.D.C. NORTH 82°43'52" WEST, A DISTANCE OF 259.88 FEET TO AN IRON PIN; THENCE, WITH THE EASTERLY LINE OF MCKENDREE VILLAGE OF RECORD IN DEED BOOK 11432, PAGE 371, R.O.D.C. NORTH 27°32'55" EAST, A DISTANCE OF 332.97 FEET TO A P.K. NAIL; THENCE, WITH THE SOUTHERLY MARGIN OF HIGHLAND VIEW DRIVE SOUTH 82°12'22" EAST, A DISTANCE OF 259.05 FEET TO THE POINT OF BEGINNING.

BEING THE SAME PROPERTY CONVEYED TO NASHVILLE SENIOR CARE, LLC, A TENNESSEE NON-PROFIT LIMITED LIABILITY COMPANY, BY DEED FROM NASHVILLE HEALTHCARE INVESTORS, LLC, A TENNESSEE LIMITED LIABILITY COMPANY, OF RECORD IN INSTRUMENT NO. 201809260095448, IN THE REGISTER'S OFFICE OF DAVIDSON COUNTY, TENNESSEE.

EXHIBIT B

COMMENCEMENT DATE RIDER

This Commencement Date Rider is entered into as [●], 2024 between McKendree SNF Property Holdings, LLC, a Delaware limited liability company; Waynesboro Property Holdings, LLC, a Delaware limited liability company (the "**Lessor**") and McKendree SNF Operations LLC, a Nevada limited liability company; McKendree ALF Operations LLC, a Nevada limited liability company; McKendree IL Operations LLC, a Nevada limited liability company; and Waynesboro SNF Operations LLC., a Nevada limited liability company (the "**Lessee**").

WHEREAS, Lessor and Lessee entered into that certain Lease Agreement (the "**Lease**") pursuant to which Lessor has agreed to lease to Lessee and Lessee have agreed to lease from Lessor the Demised Premises and Personal Property described therein; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the definitions ascribed to them in the Lease;

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

Lease Term. Lessor and Lessee agree that the term of the Lease shall commence on [_____], 2024 (the "**Commencement Date**") and terminate on the day prior to the ten (10) year anniversary of the Commencement Date, unless sooner terminated or extended as provided therein.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Commencement Date Rider to be executed as of the date first set forth above.

LESSOR:

McKendree SNF Property Holdings, LLC; and
Waynesboro Property Holdings, LLC,
each a Delaware limited liability company

By: _____
Name:
Title:

LESSEE:

McKendree SNF Operations LLC;
McKendree ALF Operations LLC;
McKendree IL Operations LLC; and
Waynesboro SNF Operations LLC,
each a Nevada limited liability company

By: _____
Name: Steven Schwartz
Title: Authorized Representative

EXHIBIT C

FORM OF WRITTEN CONSENT TO ACTION BY THE MEMBER(S) AND MANAGER(S) OF [●]

[●], 2024

The undersigned, being the Member(s) and Manager(s) of [●], a [●] limited liability company, (the "Company") acting pursuant to the Operating Agreement of the Company, hereby consent to and adopt the following resolutions:

WHEREAS, the Company has entered into a that certain Lease Agreement between the Company, as lessee, and [●], a [●] limited liability company (the "**Lessor**"), as lessor, effective as of [●], 2024 (the "**Lease**") with respect to that certain [skilled nursing facility][assisted living facility][independent living facility] attached hereto as Exhibit A (the "**Facility**"); and

WHEREAS, the Company has determined that it is in the Company's best interest to appoint a designee to address the surrender of the Facility and the surrender of operations issues and procedures in the event of an uncured Event of Default (as defined in the Lease) and termination after notice and an opportunity to cure as set forth in the Lease, and which appropriately transfers the Facility's operations to Lessor or an operating entity designated by Lessor.

NOW THEREFORE, BE IT RESOLVED, that [●] (the "**Authorized Signatory**") shall have sole authority with respect to the execution and delivery on behalf of the Company of any and all applications, forms and other documents relating to transition of operation of the Facility to Lessor or Lessor's designee, including without limitation any applications, forms and other documents in connection with licensure and provider agreements relating to operation of the Facility (collectively, the "**Transfer Documents**").

FURTHER RESOLVED, that the Authorized Signatory is hereby authorized and empowered to execute and deliver, in the name and on behalf of the Company, any agreements, certificates, notes, schedules, consents, waivers, amendments, instruments and other documents as may be necessary or convenient to consummate the transactions in furtherance of the Transfer of Operations, and to otherwise carry out the intent and purposes of the foregoing resolutions, and by doing so, the Company shall be deemed to have approved all of the terms and provisions thereof; and

FURTHER RESOLVED, that this Written Consent to Action may be executed in multiple counterparts, each of which shall be deemed an original, and taken together, shall constitute one and the same instrument.

[remainder of page intentionally left blank, signature page follows]

Dated as of the date set forth above.

MANAGER:

_____

Being the Manager of the Companies

EXHIBIT D

PURCHASE OPTION

EXHIBIT E

FORM OF GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (the "Guaranty Agreement") is made as of the [●] day of [●], 2024 ("Execution Date"), and is effective as of the __ day of ____, 2024 by [individual guarantors], [parent company]] (collectively, the "Guarantor"), jointly and severally, in favor of [●], a [●] limited liability company (the "Lessor").

WHEREAS, concurrently herewith, Lessor and [●] (the "Lessee"), a [●] limited liability company (the "Lessee"), are entering into that certain Maser Lease Agreement (the "Lease") of the Leased Premises (as defined therein) pursuant to the terms, conditions and covenants set forth therein;

WHEREAS, Guarantor is affiliated with Lessee and will, directly and indirectly, derive economic and other benefit from the transactions contemplated by the Lease; and

WHEREAS, in order to induce Lessor to enter into the Lease, the Guarantor has agreed to execute and deliver this Guaranty Agreement; and

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor jointly and severally hereby agrees as follows:

1. Guaranty. Guarantor hereby jointly and severally irrevocably, absolutely and unconditionally guarantees to Lessor, its successors and assigns, the prompt payment by Lessee of its obligations under the Lease, up to (i) an amount equal to the Base Rent and all other regularly scheduled amounts of Additional Rent due under the Lease for the period of twelve (12) months following such time as the Guaranty Agreement is exercised, but excluding any extraordinary or non-recurring amounts which may become due as a result of an Event of Default or otherwise, and (ii) any Enforcement Costs (as defined below), and (iii) in the event Lessee fails to comply with Section 36.12 of the Lease, an additional amount equal to the Rent and all other amounts due under the Lease for the period of three (3) months following such time as the Guaranty Agreement is exercised (the "Additional Amount") shall be added, provided that nothing herein shall be deemed to require any Guarantor to guaranty any obligations of Lessee arising pursuant to any operations transfer or similar agreement entered into pursuant to Article XXXVI of the Lease (all of the foregoing collectively the "Guaranteed Obligations").

2. Continuing Guaranty. This Guaranty Agreement is a continuing guaranty. The liability of Guarantor shall continue until the full payment and performance is made of all obligations of Lessee under the Lease.

3. Extension or Renewal of Lease. Lessor and Lessee may, without prior notice to and without the consent of Guarantor, and without impairing or in any way affecting the liability

of Guarantor to Lessor: (a) extend, in whole or in part, by renewal or otherwise, and on one or any number of occasions, the term of the Lease or any of the other terms or provisions therein, including the rent payable thereunder; (b) release, surrender, exchange, modify, impair or extend the period of duration or the time for performance of, any of Lessee's obligations under the Lease; (c) settle or compromise any claim of Lessor in respect of any of Lessee's obligations under the Lease; (d) exchange or surrender all or any part of any property or interest in property held by Lessor by way of pledge, mortgage or otherwise, as security for any of Lessee's obligations under the Lease; and (e) exercise or refrain from exercising any rights against Lessee or others (including any other Guarantor) or otherwise act or refrain from acting.

4. Waiver of Notice. Guarantor waives: (a) notice of acceptance of this Guaranty Agreement by Lessor; (b) notice of dishonor, presentment, demand for payment and protest of the Lease; and (c) notice of the failure of Lessee or its successors and assigns to pay any amounts due under the Lease or perform any other obligations provided for therein.

5. Subordination of Lessee's Obligations to Guarantor. Any indebtedness of Lessee to Guarantor now or hereafter existing (including, but not limited to, any rights to subrogation Guarantor may have as a result of any payment by Guarantor under this Guaranty Agreement), together with any interest thereon, shall be, and such indebtedness is hereby, subordinated to the prior payment in full of the Guaranteed Obligations. Until the Lease has been terminated or expired in accordance with its terms and all Guaranteed Obligations are paid in full, Guarantor agrees not to accept any payment or satisfaction of any kind of any indebtedness of Lessee to Guarantor and hereby assigns such indebtedness to Lessor, including the right to file a proof of claim and to vote thereon in connection with any bankruptcy, insolvency or reorganization, and the right to vote on any plan of arrangement or organization.

6. Absolute and Unconditional Obligations. The Guaranteed Obligations shall be in each instance absolute and unconditional, and independent of the obligations of Lessee or any other obligor or guarantor of the Lease. This Guaranty Agreement is a guaranty of payment and performance and not of collection and Guarantor waives any right to require that any action, case or proceeding be brought against any other person or entity or to require that resort be had to any security. The Guarantor further acknowledges that the obligations of the undersigned under this Guaranty Agreement are the joint and several obligations of each of the undersigned.

7. Events Not Affecting Guaranty. Neither the declaration of a default, nor the exercise of any remedies, nor any sale, enforcement or realization of any security for any of Lessee's obligations under the Lease shall in any way affect Guarantor's obligations hereunder, even though any rights which Guarantor may have may be extinguished, diminished or otherwise affected by such action.

8. No Assignment of Obligations. Guarantor's obligations hereunder shall not be assigned nor delegated.

9. Severability. If any term or provision of this Guaranty Agreement shall be determined to be illegal or unenforceable, all other terms and provisions hereunder shall nevertheless remain effective and shall be enforced to the fullest extent permitted by law.

10. Reinstatement of Guaranty. This Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of the any amount due under the Lease is rescinded or must otherwise be restored or returned by Lessor upon any insolvency or bankruptcy or otherwise, all as though such payment had not been made. If at any time any payment, or portion thereof, made by, or for the account of, Guarantor on account of the obligations under this Guaranty Agreement, is set aside by any court or trustee having jurisdiction as a voidable preference, fraudulent conveyance or otherwise as being subject to avoidance or recovery under the provisions of Bankruptcy Code or under any other applicable Federal or state bankruptcy, insolvency or similar law, Guarantor hereby agrees that this Guaranty Agreement (a) shall continue and remain in full force and effect, or (b) if previously terminated as a result of Guarantor having fulfilled Guarantor's obligations hereunder in full or as a result of Lessor having released Guarantor from Guarantor's obligations and liabilities hereunder, shall without further act or instrument be reinstated and shall thereafter remain in full force and effect, in either case with the same force and effect as though such payment or portion thereof had not been made, and if applicable, as if such previous termination had not occurred.

11. Subrogation. Notwithstanding any amounts collected by Lessor from Guarantor and any collateral pursuant to the provisions of this Guaranty Agreement, Guarantor shall not seek to enforce or collect upon any rights which Guarantor now has or may acquire against Lessee either by way of subrogation, indemnity, reimbursement or contribution for any amount paid under this Guaranty Agreement, nor shall Guarantor file, assert or receive payment on any claim, whether now existing or hereafter arising, against Lessee subsequent to the commencement of a case by or against Lessee under the Bankruptcy Code or under any other applicable Federal or state bankruptcy, insolvency or similar law, in each case unless and until all amounts due under the Lease have been paid in full and provided that no such action by Guarantor could, in the reasonable opinion of Lessor and its counsel, result in the "preference" period (as set forth in Section 547(b)(4) of the Bankruptcy Code or any successor provision) with respect to any payment or other transfer of assets to Lessor from or on behalf of any party being held to be longer than such period would have been held to be if Guarantor had not taken such action. In the event an action, case or proceeding is filed or commenced under the Bankruptcy Code or under any other applicable Federal or state bankruptcy, insolvency or similar law or an action, case or proceeding is otherwise commenced, this Guaranty Agreement shall at all times thereafter remain effective in regard to any payments or other transfers of assets to Lessor which are held voidable on the grounds of preference, fraudulent conveyance or otherwise, whether or not all amounts due under the Lease have been paid in full.

12. Representations and Warranties. As a material inducement to Lessor, Guarantor hereby represents and warrants to Lessor as follows:

(a) Guarantor has full power and authority to execute, deliver and perform any action which may be necessary or advisable to carry out the terms of this Guaranty Agreement.

(b) The execution and delivery of this Guaranty has been duly authorized, executed and delivered by Guarantor.

(c) The execution, delivery and performance of this Guaranty Agreement will not (a) violate any provision of any existing law, statute, rule, regulation or ordinance, (b) conflict with, result in a breach of or constitute a default under (i) any order, judgment, award or decree of any court, governmental authority, bureau or agency, or (ii) any mortgage, lease, material contract or other material agreement or undertaking to which Guarantor is a party or by which Guarantor or any of its properties or assets may be bound, or (c) result in the creation or imposition of any lien upon or with respect to any property or asset now or hereafter acquired by Guarantor.

(d) No consent, license, permit, approval or authorization of, exemption by, notice to, report to, or registration, filing or declaration with any person is required in connection with the execution, delivery, performance or validity of this Guaranty or the transactions contemplated thereby.

(e) There are no outstanding judgments, actions, proceedings, claims or investigations pending or, to the best knowledge of Guarantor, threatened before any court or governmental body or arbitrator which may materially adversely affect the financial condition of Guarantor;

(f) This Guaranty Agreement, when executed and delivered, will constitute the valid and legal binding obligations of Guarantor, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally;

(g) Guarantor will derive substantial benefit from the Lease.

13. Reserved.

14. Enforcement Costs. If: (a) this Guaranty Agreement is placed in the hands of one or more attorneys for collection or is collected through any legal proceeding; (b) one or more attorneys is retained to represent Lessor in any bankruptcy, reorganization, receivership or other proceedings affecting creditors' rights and involving a claim under this Guaranty Agreement; or (c) one or more attorneys is retained to represent Lessor in any other proceedings whatsoever in connection with this Guaranty Agreement, then Guarantor shall pay to Lessor upon demand all fees, costs and expenses incurred by Lessor in connection therewith, including, without limitation, reasonable attorneys' fees, court costs and filing fees (the "Enforcement Costs"), in addition to all other amounts due hereunder.

15. Covenants. As a material inducement to Lessor, Guarantor covenants and agrees with Lessor that Guarantor will not sell, assign or otherwise dispose of its interest in any material asset other than for fair market value and consideration.

16. Entire Agreement. The whole of this Guaranty Agreement is herein set forth, and there is no verbal or other written agreement, and no understanding or custom affecting the terms thereof. This Guaranty Agreement can be modified only by a written instrument signed by Guarantor and Lessor.

17. Successors and Assigns. This Guaranty Agreement is binding upon Guarantor and its representatives, heirs, successors and assigns and shall inure to the benefit of Lessor, its successors and assigns. Lessor shall have the right to assign and transfer this Guaranty Agreement, and any security deposited hereunder, in whole or part, to any assignee of any transaction or debt or any portion thereof. Lessor's successors and assigns shall have all of the rights, privileges and powers granted hereunder to Lessor, and shall have the right to rely upon this Guaranty Agreement. It is agreed that the liability of Guarantor hereunder is joint and several, and that Lessor may proceed against any or all Guarantors with respect to any liability under this Guaranty Agreement.

18. Notices: Any notice, request, demand, statement, authorization, approval or consent made hereunder shall be in writing and shall be sent by Federal Express or other reputable national courier service or by postage prepaid registered or certified mail, return receipt requested addressed to each party at its address indicated on the signature page of this Agreement. Notices shall be deemed given: (i) when received at the foregoing addresses if sent by Federal Express or other reputable national courier service; and (ii) three Business Days after being postmarked and addressed as aforesaid if sent by registered or certified mail return receipt requested.

Each party may designate a change of address by notice to the other party, given at least 15 days before such change of address is to become effective.

19. Gender. Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

20. No Waivers. No delay on the part of Lessor in exercising any right or remedy under this Guaranty Agreement or failure to exercise the same shall operate as a waiver in whole or in part of any such right or remedy. No notice to or demand upon Guarantor shall be deemed to be a waiver of the obligation of Guarantor or of the right of Lessor to take further action without notice or demand as provided in this Guaranty Agreement. No waiver of any term, covenant or provision of this Guaranty Agreement shall be effective unless given in writing by Lessor and if so given by Lessor shall only be effective in the specific instance in which given.

21. Waiver of Jury Trial. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, CASE, PROCEEDING, SUIT OR COUNTERCLAIM ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS GUARANTY AGREEMENT.

22. Governing Law: This Guaranty Agreement has been executed and delivered in the State of Illinois and is to be construed and enforced according to and governed by the laws of the State of Illinois.

23. Personal Jurisdiction: Guarantor agrees to submit to personal jurisdiction in the State of Illinois in any action, case or proceeding arising out of this Guaranty Agreement and consents that all service of process be sent by nationally recognized overnight courier service directed to the Guarantor at the address set forth herein and service so made will be deemed to be completed on the Business Day after deposit with such courier; provided that nothing contained herein will prevent the

Lessor from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue provided above is the most convenient forum for both the Lessor and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this instrument.

24. Counterparts: This Guaranty Agreement may be executed in one or more counterparts by some or all of the parties hereto, each of which counterparts shall be an original and all of which together shall constitute a single agreement of Guaranty.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the undersigned has executed and delivered this Guaranty Agreement as of the date first hereinabove written.

_____
[●]

Address:
_____
_____

EXHIBIT F

PERMITTED ENCUMBRANCES

[insert from title]

EXHIBIT F

PERMITTED ENCUMBRANCES

[insert from title]

Property Address: 4347 Lebanon Road, 4347 Lebanon Pike (Assessor), 4343 Lebanon Pike; 15 Ashbury Ln;, 41 Ashbury Ln; 4360 Andrew Jackson, Hermitage, TN 37076

Exhibit A

Permitted Encumbrances

Taxes and assessments for the year 2024 and subsequent years, not yet due and payable.

Note: The Exempt status is subject to change and the property assessed for County and/or Real Property Taxes for the remainder of the year if the property is sold or conveyed prior to December 31, 2024.

All matters shown on plat(s) of record in Book 3300, Page 71, in the Register's Office of Davidson County, Tennessee.

Matters contained in Deed of record in Book 5194, Page 183, in the Register's Office of Davidson County, Tennessee.

Matters contained in Deed of record in Book 4927, Page 176, in the Register's Office of Davidson County, Tennessee.

Terms and provisions of Agreement, by and between McKendree Manor, Inc. and Frazier L. Harris, of record in Book 5746, Page 413, in the Register's Office of Davidson County, Tennessee.

Matters contained in Deed of record in Book 7404, Page 566, in the Register's Office of Davidson County, Tennessee.

Terms and provisions of Agreement for Dedication of Easement for Storm Sewers and/or Sanitary Sewers, by and between McKendree Village, Inc. and The Metropolitan Government of Nashville and Davidson County, Tennessee, of record in Book 7660, Page 309, in the Register's Office of Davidson County, Tennessee.

Easement from Robert A. Anglin, Jr. and Dorothy L. Anglin to First Suburban Water Utility District of Davidson County, Tennessee (Cumberland Utility District), of record in Book 8029, Page 127, in the Register's Office of Davidson County, Tennessee.

Terms and provisions of Grant of Easement, by and between Nashville Senior Care, LLC and Comcast of Nashville I, LLC, of record in Instrument No. 201810290106565, in the Register's Office of Davidson County, Tennessee.

EXHIBIT F

Permitted Encumbrances

Taxes and assessments for the year 2024 and subsequent years, not yet due and payable.

The Exempt status is subject to change and the property assessed for County and/or Real Property Taxes for the remainder of the year if the property is sold or conveyed prior to December 31, 2024.

All matters shown on plat(s) of record in Plat Book 3, Page 45, in the Register's Office of Wayne County, Tennessee.

Covenant Not To Compete of record in Book 10, Page 491, in the Register's Office of Wayne County, Tennessee.

All matters contained in Deed of record in Book 41, Page 295, in the Register's Office of Wayne County, Tennessee.

Grant of Transmission Line Easement of record in Book 47, Page 45, in the Register's Office of Wayne County, Tennessee.

All matters of record in Book 143, Page 498, in the Register's Office of Wayne County, Tennessee.

All matters as set forth in Consent Judgment and Final Decree of record in Book 176, Page 660, in the Register's Office of Wayne County, Tennessee.

All matters as set forth in Consent Judgment and Final Decree of record in Book 176, Page 660, in the Register's Office of Wayne County, Tennessee.

That portion of the land embraced within the bounds of any public road or thoroughfare.

EXHIBIT G

CAPEX NOTE

SCHEDULE 4.1

Base Rent

The annual base rent ("Base Rent"), payable in monthly installments, under the Lease shall be as follows:

Year 1: $3,200,000

Year 2: $3,450,000

Year 3: $3,700,000

On the fourth (4^{th}) anniversary of commencement of the Lease, and on every anniversary thereafter, Base Rent shall increase to One Hundred and Two Point Five Percent (102.5%) of the Base Rent for the previous year.

SCHEDULE 6.9

Purchase Price Summary

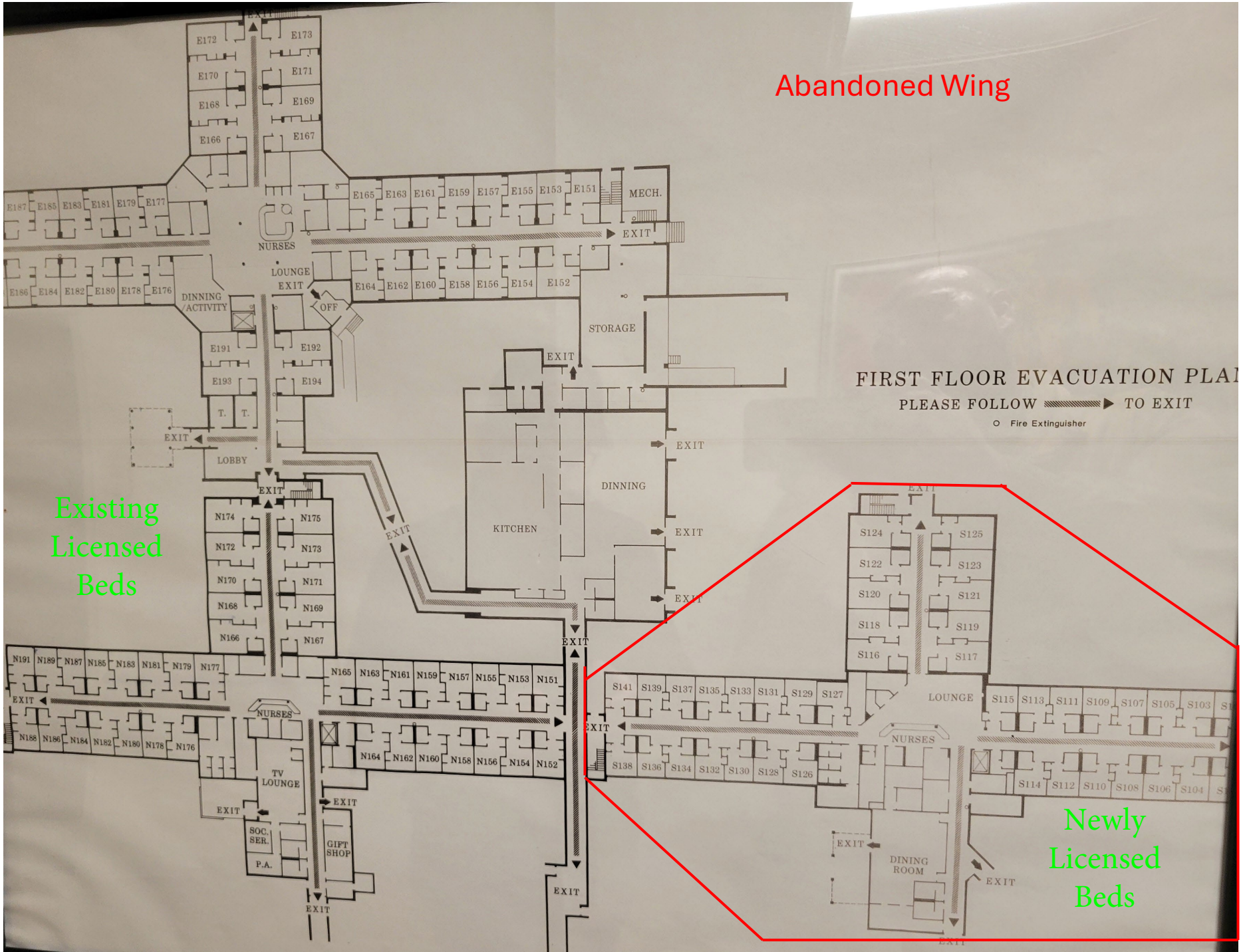
($ in actuals; assumes closing date of 6/17/2024)

	McKendree Village	Waynesboro
Purchase Price (APA Section 2.06)[2]		
(-) Accrued PTO (APA Section 2.05)[3]	(166,239)	(69,034)
Proration Adjustments (APA Section 2.08):		
(A) Taxes relating to or assessed against Real Property or Business[4]	N/A	N/A
(B) Utilities and other periodic charges not changed to Buyer's designee[5]	-	-
(C) Payments received by Sellers for residents / patients and other services[6]	(348,415)	(4,935)
(D) Resident security deposit and other resident funds held by Seller	-	-
(E) Provider, privilege, bed taxes and similar taxes / fees	(244,727)	(128,853)
(-) Total Pro-Rata Adjustments	(593,142)	(133,788)
(+) Transition Services Cost (OTA Schedule 2)[7]	-	-
(+) Employee Benefits Adjustment[8]	-	-
Net Purchase Price[9]	**$ (759,380)**	**$ (202,822)**

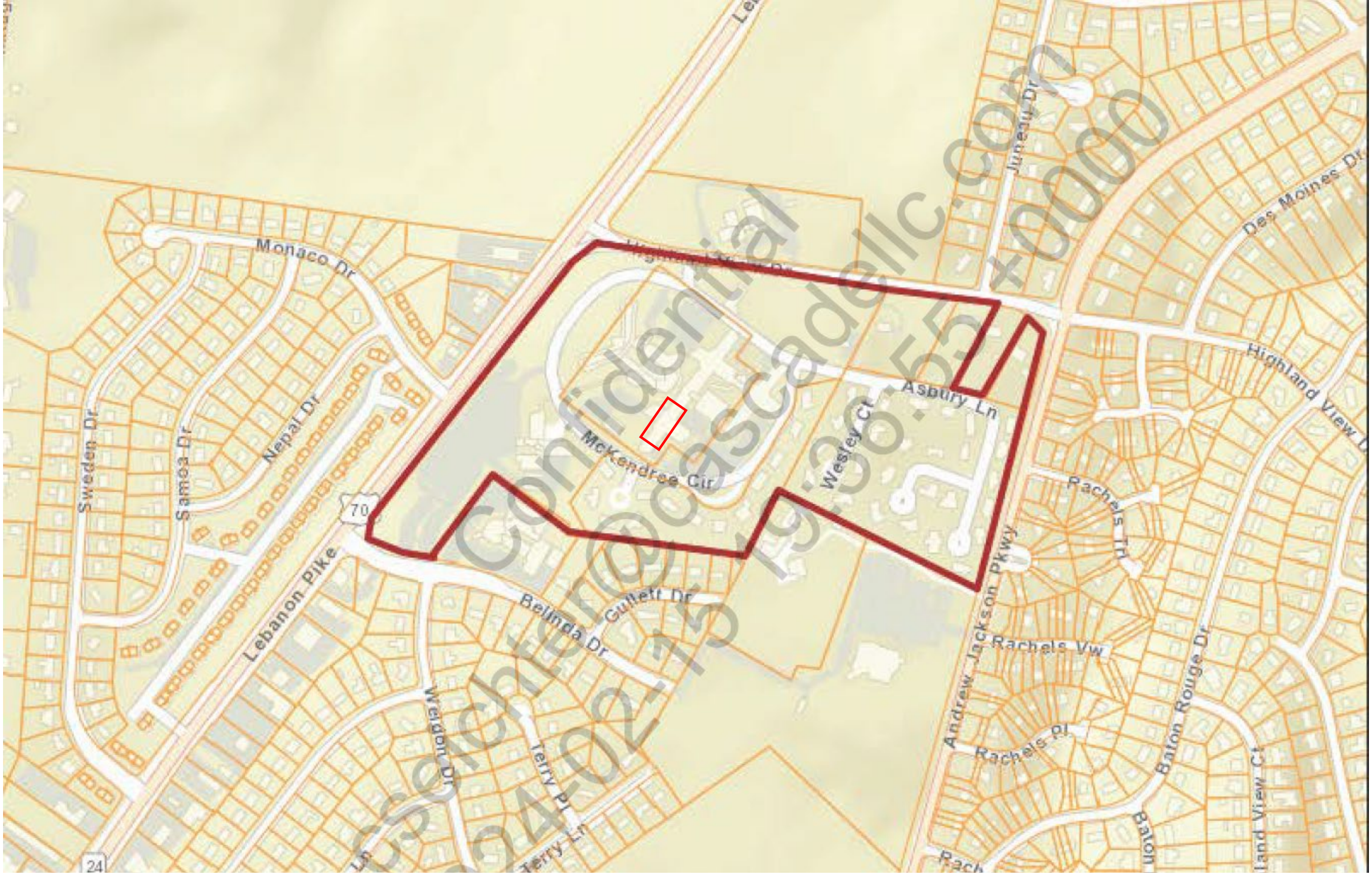
SCHEDULE 8.3

FACILITY AND NUMBER OF BEDS

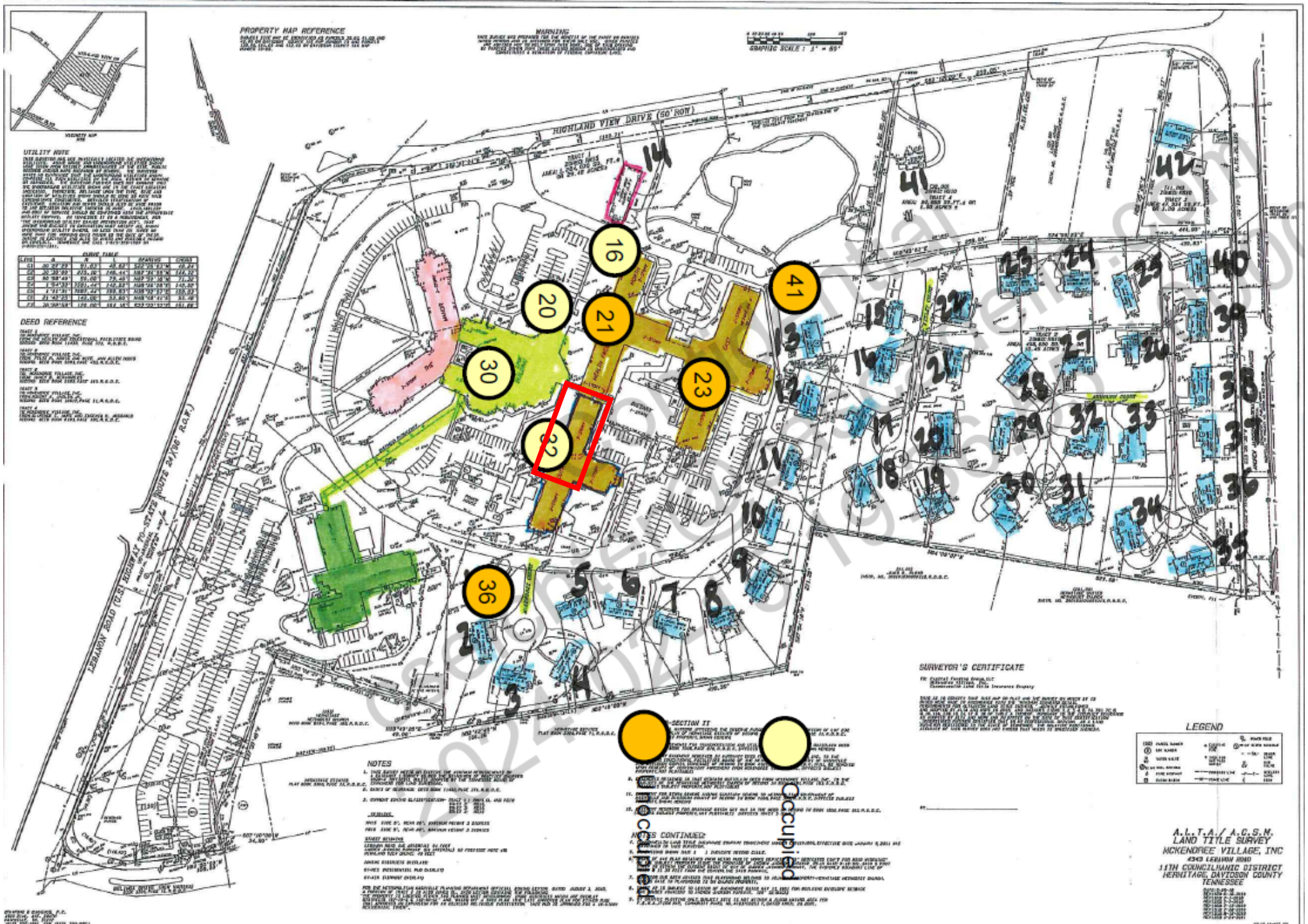
LESSOR/OWNER	PROPERTY LOCATION	TYPE OF BEDS	LICENSED BEDS	LESSEE
McKendree SNF Property Holdings LLC	4347 Lebanon Rd., Hermitage, TN 37090	Skilled Nursing	180	McKendree SNF Operations, LLC
McKendree SNF Property Holdings LLC	4347 Lebanon Rd., Hermitage, TN 37090	Assisted Living	90	McKendree ALF Operations, LLC
McKendree SNF Property Holdings LLC	4347 Lebanon Rd., Hermitage, TN 37090	Independent Living	275	McKendree ILF Operations, LLC
Waynesboro Property Holdings, LLC	104 J.V. Mangubat Dr., TN 38485	Skilled Nursing	109	Waynesboro SNF Operations, LLC


Abandoned Wing
FIRST FLOOR EVACUATION PLAN
PLEASE FOLLOW TO EXIT
Fire Extinguisher
Existing Licensed Beds
Newly Licensed Beds
NURSES
LOUNGE
EXIT
OFF
DINNING ACTIVITY
STORAGE
MECH.
LOBBY
T. T.
KITCHEN
DINNING
TV LOUNGE
SOC. SER.
P.A.
GIFT SHOP
DINING ROOM

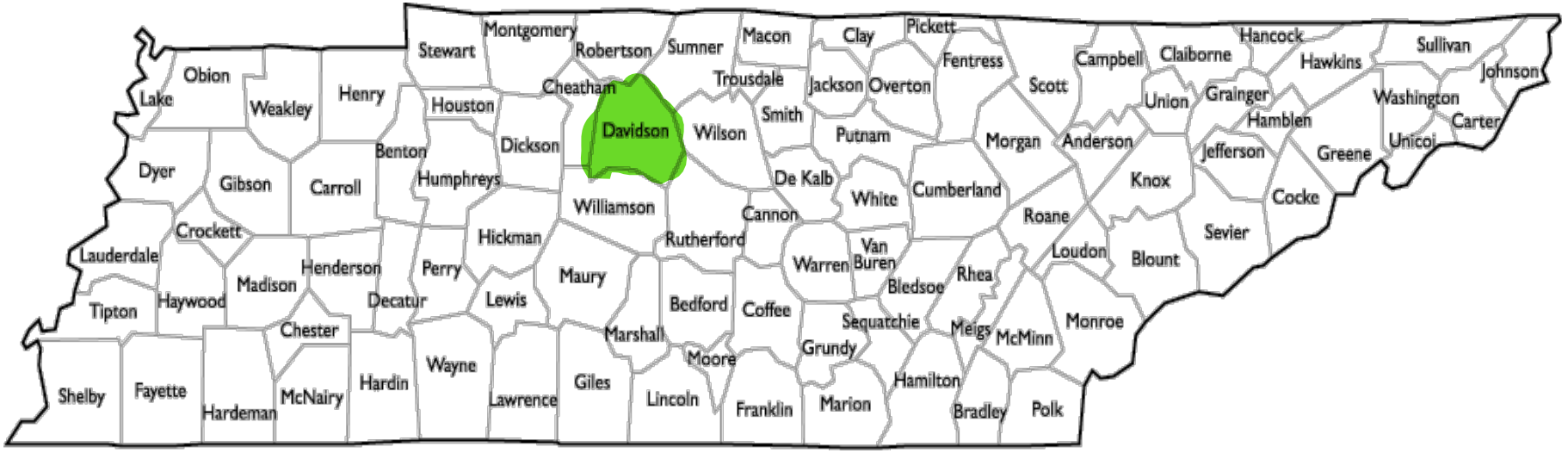

Hermitage Presbyterian Church
Highland View Dr
Highland View Dr
Juneau Dr
Samoa Dr
Hermitage Steak House
Steak · $$
Asbury Ln
Budget Brakes
Nepal Dr
Monaco Dr
Asbury Ln
Asbury Ln
Nepal Dr
Lebanon Pike
McKendree Cir
McKendree Village
McKendree Ct
McKendree Cir
Wesley Ct
Asbury Ct
3D
Layers
70
Hermitage United Methodist Church
Belinda Dr
Google
Imagery ©2024 Google, Imagery ©2024 Airbus, Maxar Technologies, Map data ©2024
United States
Terms
Privacy
Send Product Feedback
200 ft



Confidential
cschen@cascadellc.com
2024-02-15 19:36:55 +0000


PROPERTY MAP REFERENCE
WARNING
GRAPHIC SCALE : 1" = 60'
HIGHLAND VIEW DRIVE (50' ROW)
LEBANON ROAD (U.S. HIGHWAY 70-STATE ROUTE 24/109' R.O.W.)
UTILITY NOTE
DEED REFERENCE
NOTES
NOTES CONTINUED:
SURVEYOR'S CERTIFICATE
LEGEND
A.L.T.A./A.C.S.M.
LAND TITLE SURVEY
MCKENDREE VILLAGE, INC
4343 LEBANON ROAD
11TH COUNCILMANIC DISTRICT
HERMITAGE, DAVIDSON COUNTY
TENNESSEE
Accupied
Accupied

TENNESSEE COUNTY MAP



Item 3N., Demographic Information

A. Describe the demographics of the population to be served by the proposal.

RESPONSE:

The service area is Davidson County, and the target population is Age 65+. According to Department of Health statistics, Davidson County is the second most populous county in the State of Tennessee, with a current population of 727,642. From 2024 to 2026, the total population in Davidson County is projected to increase by 1.4%, and the target population is projected to increase by 4.2%. This data indicates that the service area's target population is expected to grow by approximately 2.8% more than the total population over the next two years. These growth rates are on par with the population projections for Tennessee as a whole.

The median household income in Davidson County ($71,863) is higher than the Tennessee median ($64,035). However, the percentage of persons below the poverty level is higher in Davidson County (14.0%) as compared to the state as a whole (13.3%). Additionally, current TennCare data shows that there are 135,402 Medicaid enrollees in Davidson County. The applicant wishes to provide Medicaid beds in connection with this application.

Please note that the median age data provided in Attachment 3N(B) has been obtained from the U.S. Census Bureau's American Community Survey Subject Tables because the Bureau's Census QuickFacts no longer provide this information. Additionally, the QuickFacts do not provide the number of persons below the poverty level. To calculate these totals, the applicant used the poverty percentage and population estimate data provided on the QuickFacts website.

B. Provide the following data for each county in the service area:

RESPONSE:

Attachment 3N(B).

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year 2024	Total Population-Projected Year 2026	Total Population-% Change	Target Population (65+) Current Year 2024	Target Population (65+) Project Year 2026	Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Davidson County	727,642	737,504	1.4%	100,647	104,859	4.2%	14.2%	34.7	$71,863	99,727	14.0%	135,402	18.6%
Service Area Total	727,642	737,504	1.4%	100,647	104,859	4.2%	14.2%	34.7	$71,863	99,727	14.0%	135,402	18.6%
State of TN Total	7,125,908	7,231,338	1.5%	1,324,363	1,385,401	4.6%	19.2%	38.9	$64,035	947,823	13.3%	1,475,221	20.7%

Attachment – Bed Complement Data

	Current Licensed	*Beds Staffed*	*Beds Proposed*	**Beds Approved*	***Beds Exempted*	***TOTAL Beds at Completion*
1) Medical						
2) Surgical						
3) ICU/CCU						
4) Obstetrical						
5) NICU						
6) Pediatric						
7) Adult Psychiatric						
8) Geriatric Psychiatric						
9) Child/Adolescent Psychiatric						
10) Rehabilitation						
11) Adult Chemical Dependency						
12) Child/Adolescent Chemical Dependency						
13) Long-Term Care Hospital						
14) Swing Beds						
15) Nursing Home – SNF (Medicare only)						
16) Nursing Home – NF (Medicaid only)						
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	180	155	30	0	0	210
18) Nursing Home – Licensed (non-certified)						
19) ICF/IID						
20) Residential Hospice						
TOTAL						

**Beds approved but not yet in service* ***Beds exempted under 10% per 3 year provision*

THE MCKENDREE POST ACUTE AND REHABILITATION

CHARITY CARE AND FINANCIAL ASSISTANCE POLICY

I. Policy.

McKendree SNF Operations LLC, d/b/a The McKendree Post Acute and Rehabilitation is committed to providing charity care to residents who are unable to pay for skilled nursing services based on their individual financial situation. The McKendree Post Acute and Rehabilitation will not terminate a residency agreement solely because of a resident's financial inability to continue to pay the applicable fees or other charges payable under the terms of the residency agreement by reason of circumstances beyond the resident's control; provided, however, that the provision of financial assistance to residents in accordance with this policy may not impair the ability of The McKendree Post Acute and Rehabilitation to attain its objectives for all residents while operating on a sound financial basis.

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance;
- Describes the basis for calculating amounts charged to residents eligible for financial assistance under this policy; and
- Describes the method by which residents may apply for financial assistance.

II. Definitions.

Charity Care. Skilled nursing services that have been or will be provided for free or at a discount to individuals who meet the established criteria.

Federal Poverty Guidelines. The poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services.

Income. Income is determined as follows:

- Earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, alimony, assistance from outside the household, and other miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on an after-tax basis; and
- Excludes capital gains or losses.

III. Procedures.

A. Eligibility for Charity Care.

Services eligible under this policy will be made available to the resident in accordance with financial need, as determined in reference to Federal Poverty Guidelines in effect at the time of the determination. The granting

of Charity Care shall be based on an individualized determination of financial need, and shall not take into account gender, race, national origin, or religious affiliation. To be eligible for Charity Care, a prospective resident must meet the criteria for residency established by The McKendree Post Acute and Rehabilitation for all residents other than the financial eligibility criteria.

A resident or prospective resident whose Income is less than or equal to 250% of the Federal Poverty Guidelines is eligible to receive free Charity Care. A resident or prospective resident whose Income exceeds 150% of the Federal Poverty Guidelines but is less than or equal to 250% of the Federal Poverty Guidelines may be eligible to receive discounted Charity Care on a case-by-case basis based on his or her financial ability to pay in the discretion of The McKendree Post Acute and Rehabilitation. A prospective resident may be eligible to receive discounted Charity Care on a on a case-by-case basis based on his or her financial ability to pay in the discretion of The McKendree Post Acute and Rehabilitation.

B. Application for Charity Care.

Each resident or prospective resident applying for Charity Care must complete an Application for Charity Care, attached hereto as Exhibit "A", as provided by The McKendree Post Acute and Rehabilitation. In addition, an applicant must provide all supporting documentation as may be requested by The McKendree Post Acute and Rehabilitation to confirm the statements made in the application, including the applicant's financial statement. Failure to provide supporting documentation as requested by The McKendree Post Acute and Rehabilitation will result in a denial of the application for Charity Care.

C. Determination of Qualification for Charity Care.

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may

- Include an application process, in which the applicant is required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
- Include the use of external publicly available data sources that provide information on an applicant's ability to pay (such as credit scoring);
- Take into account the applicant's available assets, and all other financial resources available to the applicant; and
- Include a review of the resident's outstanding accounts receivable for prior services rendered and the resident's payment history.

It is preferred but not required that a request for Charity Care and a determination of financial need occur prior to rendering of services. However, the determination may be done after services have been rendered. The need for financial assistance shall be re-evaluated annually, or at any time additional information relevant to the eligibility of the resident for Charity Care becomes known.

Requests for Charity Care shall be processed promptly, and The McKendree Post Acute and Rehabilitation shall notify the applicant of its decision in writing within 30 days of receipt of a completed application. If The McKendree Post Acute and Rehabilitation accepts an application for Charity Care, such resident will be provided Charity Care in an amount and form agreed upon by The McKendree Post Acute and Rehabilitation.

A resident who receives Charity Care must submit documentation regarding the resident's continuing qualification for Charity Care to The McKendree Post Acute and Rehabilitation annually. In addition, if the financial condition of a resident changes materially while the resident is receiving Charity Care, the resident is required to notify The McKendree Post Acute and Rehabilitation of such change in financial condition promptly. Failure to submit annual documentation as requested by The McKendree Post Acute and Rehabilitation or failure to inform The McKendree Post Acute and Rehabilitation of a material change in financial condition may result in the termination of the resident's Charity Care.

The McKendree Post Acute and Rehabilitation may terminate Charity Care provided to a resident if it is discovered that the resident knowingly falsified the application for Charity Care or other information provided by the resident to The McKendree Post Acute and Rehabilitation to enable The McKendree Post Acute and Rehabilitation to make a determination of financial need for the resident.

D. Reservation of Rights.

Any determination by The McKendree Post Acute and Rehabilitation with regard to the granting of Charity Care shall be within the sole discretion of The McKendree Post Acute and Rehabilitation and any decision to provide such Charity Care shall continue in effect only so long as The McKendree Post Acute and Rehabilitation in its sole discretion, determines that it can continue to operate for the benefit of all residents on a sound financial basis.

APPLICATION FOR CHARITY CARE

Notification to Applicant: Each request will be reviewed regarding its merits and may or may not be approved. This application must be completed accurately and in its entirety for consideration. Additional documentation may be requested upon review of the completed application. Please complete, sign, and return this form.

Section A: Applicant General Information

Applicant's Name (print): _____ **Date:** _____

Employer Name and Address: _____

Home Address: _____

Home Phone: _____ **Work Phone/Extension:** _____

Marital Status: _____ **Spouse's Name:** _____

Applicant's Dependents:

Dependent Name	Age	Relationship	In School
			Yes ☐ No ☐
			Yes ☐ No ☐
			Yes ☐ No ☐
			Yes ☐ No ☐

Section B: Applicant's Financial Information

Please complete to the best of your ability. Reasonable estimates of the below items are acceptable.

Household Income/Assistance		**Expenses**	
Monthly Income		**Monthly Housing Expenses**	
Applicant Take-Home Pay		Rent/Mortgage	
Spouse/Partner Take-Home Pay		Electric/Gas/Water/Phone	
Social Security/SSI		Cable/Satellite TV/Internet	
Other Government Support		Other	
Investment Income		***Total Housing Expenses***	
Other Household Income/Support			
Total Monthly Income		**Other Monthly Expenses**	
Savings and Similar Assets		Food	
Checking Accounts		Car Payment(s)	
Savings Accounts		Car Insurance	
Money Market Accounts		Child Care/School Tuition and Fees	
Stocks/Mutual Funds		Medical Costs Not Covered by Insurance	
401(k)/IRA's		Loans/Credit Card Payments	
Cash Value of Life Insurance		Child Support	
Other		Other	
Total Savings and Similar Assets		***Total Other Expenses***	

Certification

I, the above Applicant, hereby certify that the above information is complete and correct.

_____ _____

Applicant's Signature Date

OFFICE USE ONLY:

Applicant Income: $_____ 200% of FPL 2024: $_____

Therefore, applicant [ ] meets [ ] does not meet The McKendree Post Acute and Rehabilitation Standard for charity care.

_____ _____

Executive Director Date

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: The Mckendree Post Acute & Rehabilitation

I, Dillon Carver, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

RDO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 12th day of July, 2024 witness my hand at office in the County of DAVIDSON, State of Tennessee.

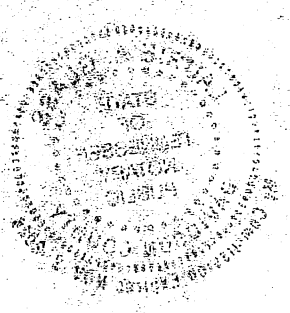
Laurie A Glass
NOTARY PUBLIC

My commission expires November 2, 2026.

LAURIE A. GLASS
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires NOV. 2, 2026

HF-0043

Revised 7/02



Summary of Quality Improvements and Achievements After Acquisitions

HILL VALLEY HEALTHCARE

OVERVIEW

Since its inception in 2019, Hill Valley has responsibly acquired 39 skilled nursing facilities (SNFs). Many of these facilities had historically underperformed in terms of quality. In January 2023, Hill Valley reaffirmed its commitment to quality improvement by appointing a Chief Nursing Officer (CNO). The CNO has since assembled a team of experienced clinicians who have collectively developed and implemented robust clinical systems and processes. This team has also ensured that only top-tier clinical leaders manage our facilities.

As a result of our unwavering focus on quality improvement, we have observed significant enhancements across our portfolio. These improvements are evidenced by better standard survey outcomes, a reduction in complaint surveys, and the graduation of several facilities from the Special Focus Facility (SFF) candidate list.

However, it is important to note that the 5-star CMS rating system requires three survey cycles to significantly improve the health inspection rating. Since we have not operated the majority of these facilities for the full three cycles, and due to delays in survey completions in some states caused by the pandemic, it has been challenging to fully showcase the improvements on a larger scale. Despite these challenges, the progress we have made is substantial and indicative of our commitment to excellence in patient care.

Below are some specific examples of how our operations have enhanced the clinical outcomes of our communities:

Lacey Post Acute & Rehabilitation

Lacey, WA

120 Beds

Acquired April 2023

Survey Results Prior to Acquisition:	Most recent Survey Results:
14 Citations	**7 Citations**

CMS Ratings Prior to Acquisition:

- Overall Rating: 3-Stars
- Health Inspection: 3-Stars
- Quality Measures: 4-Stars

Current CMS Ratings:

- **Overall Rating: 5-Stars**
- **Health Inspection: 4-Stars**
- **Quality Measures: 5-Stars**

Summary:
Significant overall rating improvement, highlighting the success of quality initiatives.

Lakeside Health & Rehabilitation

Richmond, VA

194 Beds

Acquired December 2022

Survey Results Prior to Acquisition:	Most recent Survey Results:
54 Severe Citations*	**15 Low level Citations****

Summary:
* Previously a candidate for the CMS Special Focus Facility program due to 54 severe citations, including harm and immediate jeopardy.
** This substantial reduction in citations signifies the effectiveness of the quality improvement measures and operational changes instituted post-acquisition. As a result of these improvements, Lakeside is no longer listed as an SFF candidate.

Post Acquisition Quality Improvements

HILL VALLEY HEALTHCARE

Tate Springs Health & Rehab

Lynchburg, VA

118 Beds

Acquired December 2022

Survey Results Prior to Acquisition:	Most recent Survey Results:
11 Citations	**3 Citations**

Quality Measures Rating:
Currently holding a 3-star rating.

Summary:
Marked reduction in citations and consistent improvements in quality measures.

Birch Creek Acute & Rehabilitation

Tacoma, WA

124 Beds

Acquired April 2023

Survey Results Prior to Acquisition:	Most recent Survey Results:
16 Citations including a Harm citation	**9 Low level Citations**

Summary:
Maintained 5-star quality measures rating, significant reduction in citations, demonstrating effective quality enhancements.

Fairmont Crossing Health & Rehab

Amherst, VA

120 Beds

Acquired November 2021

Pre-Acquisition Ratings:	**Post-Acquisition Ratings:**
2-star overall, 3 stars for health inspections, 3 stars for quality measures, 1 star for staffing.	**4-star overall, 3 stars for health inspections, 5 stars for quality measures, 2 stars for staffing.**

Summary: Significant improvements, particularly in quality measures and staffing, demonstrating a successful turnaround.

Oakwood Health & Rehab

Bedford, VA

111 Beds

Acquired November 2021

Pre-Acquisition:	**Post-Acquisition:**
2-star overall, 30 survey tags, SFF list.	**Reduced to 7 low-level tags, no longer on the SFF list.**

Summary: Drastic reduction in survey tags and removal from the SFF list, reflecting substantial improvements.

Post Acquisition Quality Improvements

HILL VALLEY HEALTHCARE

Blue Ridge Therapy Connection

Stuart, VA

190 Beds

Acquired July 2019

Pre-Acquisition Ratings:
3-star overall, 4 stars for health inspections,
3 stars for quality measures, 1 star for staffing.

Post-Acquisition Ratings:
4-star overall, 4 stars for health inspections,
4 stars for quality measures, 2 stars for staffing.

Summary: Notable improvements across various ratings, particularly in quality measures and staffing.

Williamsburg Post Acute & Rehab

Williamsburg, VA

130 Beds

Acquired November 2022

Pre-Acquisition:
SFF list for 28 months, multiple high-level citations.

Post-Acquisition:
8 low-level tags, drastically reduced complaint surveys, positive stakeholder feedback.

Summary: Significant improvements in survey results and quality of care, poised to graduate from the SFF list.

Improving Clinical Education, Capabilities & Outcomes

HILL VALLEY HEALTHCARE

Hill Valley Healthcare's Clinical Leadership Team provides extensive hands-on and ongoing direction, training, support, and analysis to ensure that our staff has the knowledge, equipment, and training to meet the clinical needs of our residents.

THIS PROCESS INCLUDES:

Staff Orientation and Onboarding:

- Implement the Hill Valley Orientation and Skills Competency program for all clinical staff.
- Schedule comprehensive orientation sessions to ensure new staff members are familiar with the organization's values, policies, and procedures.
- Provide training on specific roles and responsibilities, emphasizing the importance of teamwork, communication, and culture.

Education on Clinical Competency:

- Provide the clinical staff with Hill Valley's structured curriculum for ongoing clinical competency education.
- Offer regular training sessions covering relevant clinical skills, protocols, and best practices.
- Introduction to the Relias Education Portal.

Implementation of Clinical Systems:

- Develop a phased implementation plan for the Hill Valley Clinical Systems.
- Schedule training sessions and hands-on workshops for staff members on each component of the system.
- Monitor progress and provide ongoing support to ensure smooth adoption and integration into daily workflows.
- **Hill Valley Clinical Systems include:**
  - » Morning Clinical & Risk Meeting
  - » Fall Management and Prevention
  - » Weight Management
  - » Survey Preparation and Management
  - » Chronic Disease Management
  - » Skin and Wound Prevention
  - » Elopement Prevention
  - » Event Reporting and Investigation procedures

Trend Analysis for At-Risk Opportunities:

- Utilize data analytics tools to identify trends and patterns related to clinical risks and opportunities for improvement.
- Prioritize areas of concern based on the severity and frequency of incidents.
- Collaborate with interdisciplinary teams to develop targeted interventions and strategies for risk mitigation.

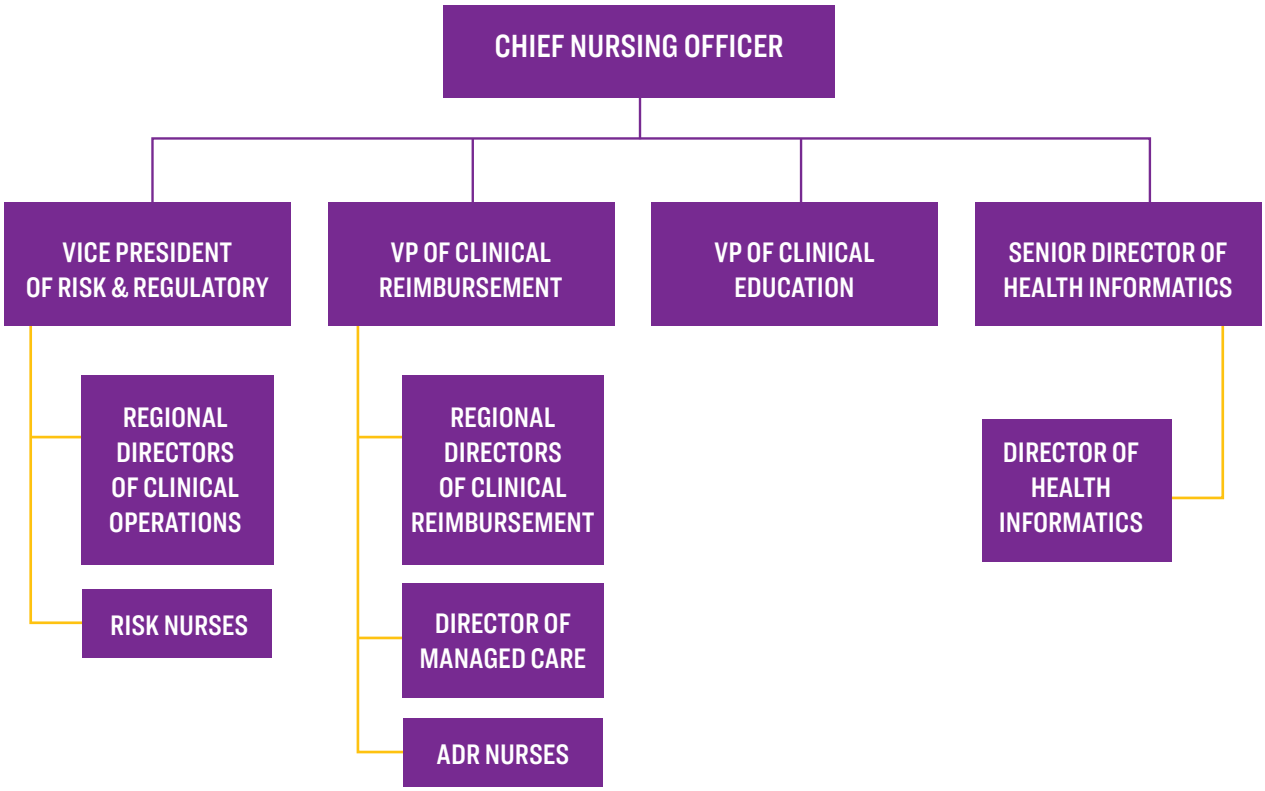
Improving Clinical Education, Capabilities & Outcomes

HILL VALLEY HEALTHCARE

Coordinated Follow-Up by the Regional Team to:

- Assess progress and compliance with clinical systems.
- Validate completion of the clinical system review and readiness for surveys.
- Provide ongoing support and resources to address any identified gaps or areas for improvement.

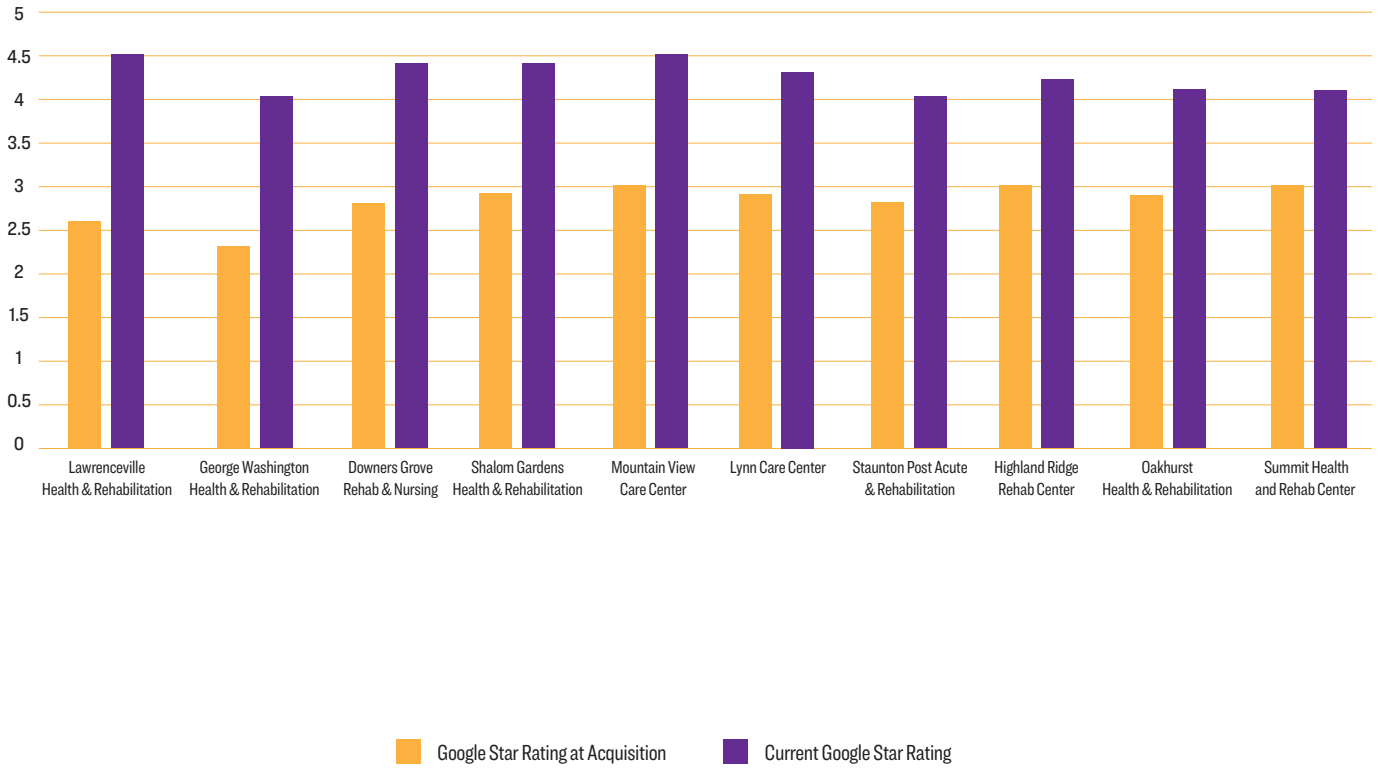
Hill Valley Healthcare's Clinical Leadership Team provides support to each facility's Regional Director of Operations, Administrator and Director of Nursing.



5-Star Google Reviews

HILL VALLEY
HEALTHCARE

The success of Hill Valley's "People First" customer service philosophy is demonstrated through feedback from residents, families and staff and from Google reviews.



Quality Assurance Performance Improvement (QAPI) Committee

McKendree SNF Operations LLC, d/b/a The McKendree Post Acute and Rehabilitation The McKendree

DEPARTMENT[s]: All

POLICY:
The facility will maintain systems and processes to ensure that the quality assurance/performance improvement program identifies and addresses issues and/or risks and that implements corrective action plans as necessary. All appropriate and reasonable efforts will be made, and resources provided to maintain compliance with applicable regulations for nursing facilities and needs of residents.

DEFINITIONS:
"Adverse event": is an untoward, undesirable, and usually unanticipated event that causes death or serious injury, or the risk thereof.

"Quality Assessment": is an evaluation of a process and/or outcomes of a process to determine if a defined standard of quality is being achieved.

"Quality Assurance": is the organizational structure, processes, and procedures designed to ensure that care practices are consistently applied, and the facility meets or exceeds an expected standard of quality. Quality assurance includes the implementation of principles of continuous quality improvement.

"Quality Improvement (QI)": is an ongoing interdisciplinary process that is designed to improve the delivery of services and resident outcomes.

"QAPI": is the merger of the Quality Assurance program and the Performance Improvement program.

SPECIFIC PROCEDURES/REQUIREMENTS:

1. The facility QAPI program will be ongoing, comprehensive, and will address the full range of care and services provided by the facility, including:
   a. Systems of care and management practices;
   b. Clinical care, quality of life, and resident choice;
   c. Evidence to define and measure indicators of quality and facility goals that reflect processes of care and facility operations that have been shown to be predictive of desired outcomes for residents.
   d. Complexities, unique care, and services that the facility provides.
   e. Feedback, data systems and monitoring.

2. The QAPI program identifies and prioritizes problems and opportunities that reflect organizational process, functions, and services provided to resident based on performance indicator data, and resident, resident representative, provider and staff input, and other information.

3. The facility will maintain documentation and demonstrate evidence of its ongoing QAPI program.
   a. This may include, but is not limited to systems and reports demonstrating systematic identification, reporting, investigation, analysis, and prevention of adverse events; and documentation demonstrating the development, implementation, and evaluation of corrective actions or performance improvement activities.
      i. Identification, and reporting of opportunities will be obtained using a variety of methods including input and feedback from residents, resident representatives, providers, and staff, review of quality indicators of care, analysis of adverse events, and reports from facility departments.

a) Priorities will be set for activities that focus on high risk, high volume, or problem-prone areas; consider the incidence, prevalence, and severity of problems in those areas; and affect health outcomes, resident safety, resident autonomy, resident choice, and quality of care.

ii. Comprehensive investigation and analysis will be completed on adverse events and significant variances in indicators of quality of care/quality of life. These will be analyzed for their causes, trends/patterns and the facility will implement preventive actions and mechanisms that include feedback and learning throughout the facility.

iii. Action plans, corrective and preventive, will be developed and monitored for quality improvement based on identified opportunity. After implementing those actions, the facility will monitor and measure the success, and track performance to ensure that improvements are realized and sustained.

4. The facility will maintain a QAPI committee consisting at a minimum of:
   a. The director of nursing service;
   b. The medical director or his or her designee;
   c. The facility Infection Preventionist;
   d. At least three other members of the facility's staff, at least one of whom must be the administrator, owner, a board member or other individual in a leadership role; and infection preventionist

5. The QAPI Committee reports to the facility's governing body, or designated person(s) functioning as a governing body regarding its activities.

6. The committee will meet at least quarterly and as needed to coordinate and evaluate activities under the QAPI program, such as:
   a. Identifying issues with respect to which quality assessment/assurance or performance improvement activities, including performance improvement projects required under the QAPI program, are necessary; and
   b. Developing and implementing appropriate plans of action to correct identified quality deficiencies; and
   c. Regularly reviewing and analyzing data, including data collected under the QAPI program. Such data may include, but is not limited to, information and data resulting from:
      i. Quality care indicators, drug regimen reviews, adverse events, infections, re-hospitalizations, etc.
   a. Act on available data to make improvements.

7. The committee may establish sub-committees to focus on specific areas for additional oversite (i.e. safety, infection control, pharmacy, etc.). The sub-committee chairperson will report the results and findings of the sub-committee meetings to the QAPI committee.

8. Minutes from each meeting will be maintained. Minutes from the QAPI Committee will be classified as "Confidential – Privileged." At a minimum the minutes will include:
   a. Date of meeting;
   b. Attendance;
   c. Summary reports of each activity being monitored;
   d. Action plan for each area being monitored;
   e. Evaluation/modification of plans; and
   f. Identification of new issues and action plan to be recommended.

9. A separate "sign-in" sheet will be maintained with the date of the meeting and Committee member name, title, and signature to be provided, as requested, to inspectors or auditors.

10. QAPI information will be maintained for a minimum of three years. This information may include, but will not be limited to:
    a. Investigative reports.
    b. "Reportable" incidents, including incident reports, medication error reports, reports of alleged abuse/neglect, unusual occurrences, etc.
    c. Audit tools (for monitoring compliance with regulations and facility policy, etc.).
    d. Consultant reports (i.e., pharmacy, dietary, quality improvement reports including mock surveys and on-site visits) conducted for identification and analysis of resident safety issues for the QAPI Committee, etc.

11. Copies of QAPI Committee minutes or detail data supporting the QAPI Committee summary reports shall remain confidential to the QAPI Committee and may only be provided to other entities with express permission of the facility administrator and/or designee.
    a. This information will be labeled as "Confidential – Privileged For Quality Assurance Use Only"

12. The facility will follow any state specific guidance regarding QAPI

13. The QAPI program is sustained during transitions in leadership and staffing.

REGULATORY REFERENCE:
§483.75(g) Quality Assessment and Assurance

PROFESSIONAL REFERENCES:
Quality Assurance Performance Improvement
https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/QAPI/NHQAPI.html

QAPI At a Glance
https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/QAPI/Downloads/QAPIAtaGlance.pdf

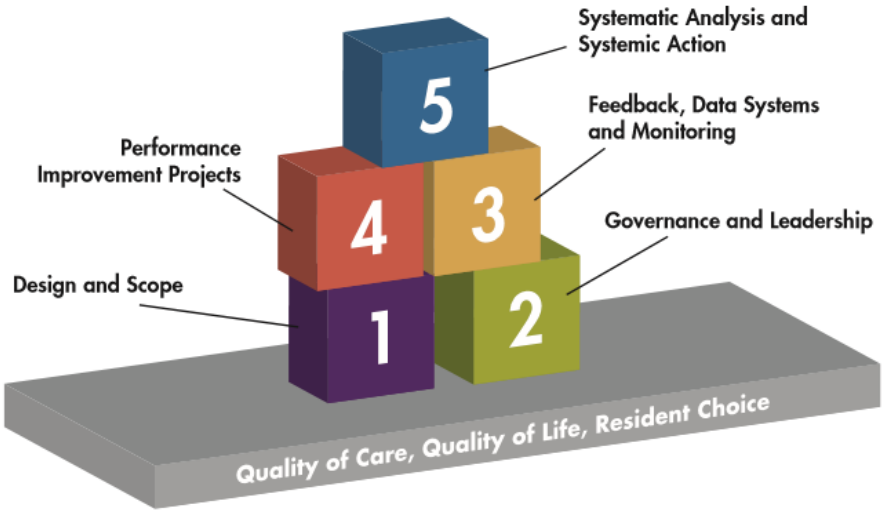
THE QAPI PLAN – A GUIDE FOR DEVELOPMENT

MCKENDREE SNF OPERATIONS LLC, D/B/A THE MCKENDREE POST ACUTE AND REHABILITATION THE MCKENDREE

The QAPI plan is the written plan containing the process that will guide the nursing home's efforts in assuring care and services are maintained at acceptable levels of performance and continually improved. The plan outlines the culture, foundation and resources that will be provided to facilitate a successful and sustainable program. The plan must be reflective and responsive to your individual facility and be integrated with key elements of the Facility Assessment.

The plan describes how the facility will conduct its required QAPI and QAA committee functions.

- The QAPI plan will be reflective of the facility's mission, residents served, services and care provided as described in the Facility Assessment. The QAPI Plan will describe in detail:
  - The scope of the QAA committee's responsibilities and activities.
  - The process addressing how the committee will conduct the activities necessary to identify and correct quality deficiencies.
  - How the facility will ensure care and services delivered meet accepted standards of quality, identify problems and opportunities for improvement, and ensure progress toward correction or improvement is achieved and sustained.
    - Tracking and measuring performance;
    - Establishing goals and thresholds for performance measurement;
    - Identifying and prioritizing quality deficiencies;
    - Systematically analyzing underlying causes of systemic quality deficiencies;
    - Developing and implementing corrective action or performance improvement activities; and
    - Monitoring or evaluating the effectiveness of corrective action/performance improvement activities and revising as needed.



Sample Table of Contents:

- Purpose
- Scope
- Guidance for Governance and Leadership
- Feedback, Data Systems and Monitoring
- Performance Improvement Projects

- Systematic Analysis and Systemic Action

Purpose

Discuss how the QAPI plan will be utilized to facilitate continued identification of risks and opportunities for improvement. Discuss the culture within your facility that creates and sustains the foundation of transparency, engagement, identification, action, monitoring, and feedback. You may wish to discuss how this plan supports the facility and/or organization's vision, mission, and guiding principles.

- A ***vision statement*** describes what your organization strives to do and is sometimes referred to as a picture of your organization in the future. The vision statement is what your organization aspires to and is the framework for strategic planning.
- A ***mission statement*** describes the purpose of your organization. It guides the decision-making and defines overall goals and actions. The mission statement provides a framework or context for the organization's strategies.
- ***Guiding values or principles*** are defined actions that all staff will perform. It's a guidance for everyone in the organization and frames the culture in the organization.

Example: *Our organization's written QAPI plan provides guidance for our overall quality improvement program. Quality assurance performance improvement principles will drive the decision making within our organization. Decisions will be made to promote excellence in quality of care, quality of life, resident choice, person directed care, and resident transitions. Focus areas will include all systems that affect resident and family satisfaction, quality of care and services provided, and all areas that affect the quality of life for persons living and working in our organization.*
Source: HQI -- http://www.hqi.solutions/

Scope

Describe the scope of how the QAPI plan will be integrated across all service areas. Begin by describing the services and care that you as a facility provide; this should be consistent with the areas identified in your Facility Assessment. This information should be consistent with the information in your Facility Assessment and should be reviewed at least annually and when there are significant changes in service or care area.

Examples of service and care areas may include, but are not limited to:

- Dementia/Memory Care
- Hospice/Palliative Care
- Long Term Care
- Skilled/Post-Acute Care
- Rehabilitation Care
- Respiratory Support Care
- Pressure Ulcer/Wound Care
- Behavioral/Mental Health Care

As the service and care areas are described, the organization should include discussion of how the QAPI Plan will promote and integrate with facility operations for:

- Resident-centered culture and approaches that optimize quality of care, quality of life, safety, and choice.
- Engagement of staff, and others including vendors, contracted providers, consultants, etc., that demonstrates transparency and continually strives for improvement.
- Organizational management of practices, i.e., staffing, admissions, transfers/discharges, resident funds, etc.

The plan should also include discussion of the current QAPI activities such as:

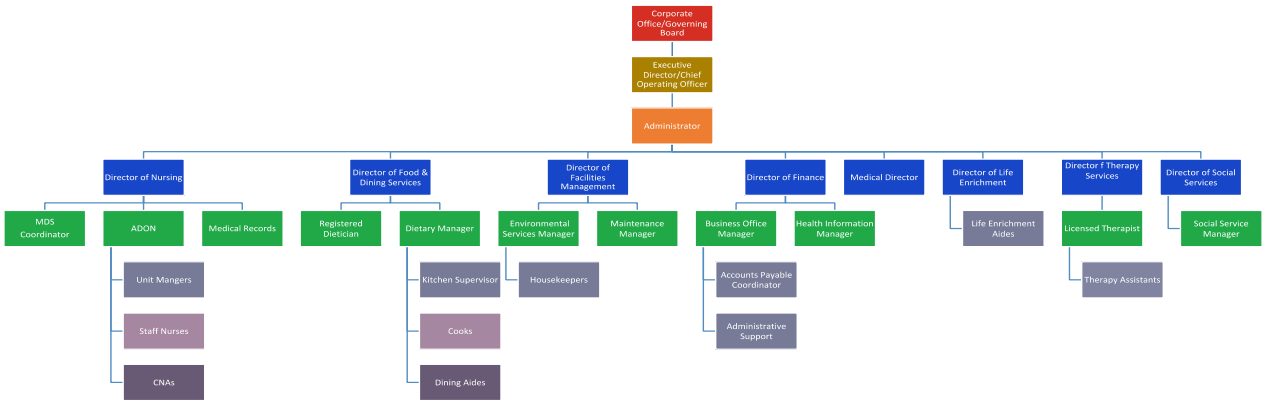
- Approaches utilized in determining what data is to be used.
- How data is collected, validated and used in benchmarking.
- How data is used to identify and drive actions for both correction and improvement.
- Role, responsibility and engagement of the QAPI Committee.

Guidance for Governance and Leadership

Describe how QAPI is integrated into the responsibilities and accountabilities of top-level management across the facility and the corporate/management organization or health care system, if applicable. Discuss roles, relationships, and responsibility for both action and oversight. A flowchart outlining "reporting and oversight" roles/responsibilities may provide a visualization of communication within the organization. Describe how the governing body or organizational leadership will be made aware of QAPI activities. Discuss what type of reports will be provide and how they will be conveyed. Will someone on the board of directors or executive leadership be on the QAPI committee?

Example:

Organizational Chart

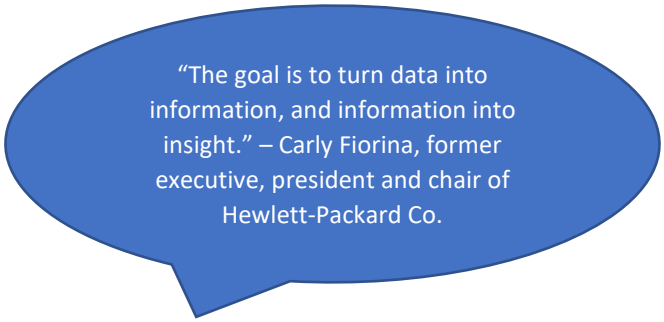


Discuss allocation of resources from both an individual facility level and an organizational perspective that will be available to support the facility in developing, implementing and sustaining an effective QAPI program. Resources may be defined in terms of personnel, education, budget, etc. Discuss how the process and systems will be sustained in the event of team changes.

Outline how the facility team will be educated in the culture of QAPI during orientation and on an ongoing basis. Discuss the processes and strategy for creating and maintaining an environment that is built on non-punitive actions and fosters collaboration across all levels for identification of opportunities for both correction and improvement and how this culture is reinforced throughout facility functions.

Example: *The principles of QAPI will be taught to all staff, volunteers, and board members on an ongoing basis. The organization will partner with the resident, their family, and/or advocate to achieve their individualized goals and provide care that is person-centered with preferences and choices and seek their input in quality improvement opportunities. QAPI activities will aim for the highest levels of safety, excellence in clinical interventions, resident and family satisfaction and management practices. When the need is identified, we will implement improvement and/or corrective action plans to improve processes, systems, outcomes, and satisfaction. Our organization strives to sustain practices related to performance excellence in all management practices, clinical care and resident and family satisfaction. We will seek and use staff, resident and family input into all aspects of our QAPI program.*

Feedback, Data Systems and Monitoring



Data is only as good as the data is accurate, relevant, and is used and useful to the facility. It is very easy to get overwhelmed with duplicative data and data that is not accurate or relevant to the organization. Consider incorporating both "real-time" and comparative or analytical data into your processes. "Real-time" data is looking at data that is current to the incident or event; comparative or analytical data is looking at validated data over a defined comparative time frame (i.e., last quarter, last year, etc.).

Suggested data sources may include, but are not limited to:

- Internal/External Audits (care, life safety, billing/compliance, etc.)
- CMS Quality Measures (long-stay and short-stay)
- CMS 5-Star Reports
- Case Mix Reports/Pepper Report, Etc.
- Staff Retention/Turnover Reports/PBJ Reports for Staffing
- Resident/Family Satisfaction Surveys (current residents and discharged residents)/Resident Council/Grievances, etc.
- Pharmacy Reports such as Drug Regimen Review Summary/Antibiotic Stewardship, Etc.
- Survey Deficiencies (healthcare, life safety, emergency preparedness, focused/pilot CMS surveys, etc.)
- Analytical/Risk Software Data
- Reports from Engagement with QIO (Quality Improvement Organization) Initiatives

Areas that should be considered for tracking/monitoring and benchmarking may include:

- Quality Measures (CASPER and 5-Star, etc.)
- Tracking of Events/Incidents/Outcomes (i.e., falls, infections, medication errors, near misses without serious outcomes, pressure ulcers, etc.)
- Rehospitalization Rates (including transfer to ER)
- Census, Occupancy, Revenue Payer Sources Mix, Etc.
- Clinical and/or Operational Reports Submitted to Corporate Office (as applicable)
- Other _____

Facility data can be compared in a variety of ways, include:

- Individual facility data across defined time periods. When using the CMS CASPER Report for this, use the Facility Adjusted Percent.
- Facility comparison to other certified nursing facilities within the state. Use the Comparison Group State Average column from the CASPER Report.
- Facility comparison to other certified nursing facilities nationally. Use the Comparison Group National Average column on the CASPER Report.

Measure Description	CMS ID	Data	Num	Denom	Facility Observed Percent	Facility Adjusted Percent	Comparison Group State Average	Comparison Group National Average	Comparison Group National Percentile
SR Mod/Severe Pain (S)	N001.01		13	40	32.5%	32.5%	19.1%	19.5%	**83 ***
SR Mod/Severe Pain (L)	N014.01		17	65	26.2%	25.4%	8.1%	8.6%	**96 ***

It is critical to have a good understanding of the data that is being collected. The chart below is an example of an organizational tool that may clarify the purpose and value of the data that is being collected and establishing responsibilities and parameters for both data collection and analysis.

Project	
Purpose of Data	
Data Sources	
Frequency of Data Collection	
Person Responsible for Data Collection	
Comparative Benchmarks	
Person Responsible for Data Analysis	
Frequency of Data Analysis	
Communication/Feedback (To Whom/Frequency/Method)	

Example:

Project Falls	
Purpose of Data	• To track trends and patterns of falls • To identify variances and explore opportunity for improvement
Data Sources	• Incident/Risk Reports
Frequency of Data Collection	• Weekly
Person Responsible for Data Collection	• Unit Managers/Coordinators responsible for ensuring Incident/risk reports are completed timely for falls
Comparative Benchmarks	• Each individual unit • Facility • State
Person Responsible for Data Analysis	• QA Coordinator or ADON
Frequency of Data Analysis	• Monthly
Communication/Feedback (To Whom/Frequency/Method)	• Feedback will be given to Nursing Unit staff weekly by Unit Manager using a visual graphic for number of falls • Written monthly report to be provided to Administrator by DON/QA Coordinator • Written monthly report to be provided to corporate office representative by DON/QA Coordinator and include analysis of trends and recommendations for variances • Written quarterly analysis to QAPI Committee including the monthly data, comparative analysis to defined time periods, comparative analysis to state data and discussion of action taken and/or planned

Data is more than numbers and data is only as good as it is accurate…

The facility must ensure that data collection is accurate, timely, comparative, and relevant to the reason that it is being collected.

- ***Accurate*** means that criteria contains definition of what is to be included/excluded, when it is to be collected, the method of collection and that collection is consistently applied.
- ***Timely*** means that the data is collected from a defined time period (i.e., month, quarter, year, etc.) and that is collected within the defined period from the identified period.
- ***Comparative*** means that the data can equally be compared to other data that is using the same definitions, criteria and time periods.
- ***Relevant*** means that the data supports the topic that is be examined or analyzed.

Numbers or other quantifiable measures are a critical component of an effective and successful Quality Improvement Program; but numbers do not tell the whole story. The numbers are only one measure to be considered in your analysis. There are multiple other variables that may be appropriate for consideration and these may vary according to topic and reason for analysis. Such considerations may include:

- Change in resident population (census, resident conditions, etc.).
- Change in type/scope of services being provided by nursing facility.
- Change in assignment for data collection or change in methodology used for data collection.
- Change within the detail of the data being collected that may not reflect a sum.
- Other unusual circumstances that may have a direct impact on data variance.

Example:

Acquired Pressure Ulcer – 1st Month		Acquired Pressure Ulcer – 2nd Month		Acquired Pressure Ulcers – 3rd Month	
Stage 1	0	Stage 1	3	Stage 1	0
Stage 2	1	Stage 2	1	Stage 2	1
Stage 3	2	Stage 3	0	Stage 3	0
Stage 4	1	Stage 4	0	Stage 4	0
Unstageable – DTI	0	Unstageable – DTI	0	Unstageable – DTI	6
Unstageable – Eschar/Slough	1	Unstageable – Eschar/Slough	1	Unstageable – Eschar/Slough	0
Total	5	Total	5	Total	7

- Which month demonstrated the worst outcome and needed action – 1st Month?
- Which month demonstrated the most improvement?
  - ✓ If you look at the totals number of acquired, one could say "no improvement, it got worse".
  - ✓ If you look at the stages, the ulcers are being discovered at improvement was noted in the 2nd month but there was continued and significant improvement in 3rd month with only ulcer developing to a stage 2 while the others remain intact.

The facility that embraces the concept of quality improvement will be challenged to establish mechanisms and strategies to assist them in prioritizing opportunities and risks. It is important that the organization create systems that facilitate success with the performance improvement project and focus on quality of outcome rather than the number of projects that have created. Projects must be within the scope of the organization's abilities and resources.

Guidelines that may be helpful in prioritizing multiple identified opportunities include the following. These guidelines can be scored on a numeric basis from 0-10 (0 being unknown and 5 being very clear and/or able to provide).
Source: http://challengestoci.com/tag/how-to-prioritize-improvement-opportunities/

1. The potential benefit of the project to the organization is clear, substantial and quantifiable. (10 = very clear, quantifiable, substantial)
2. The problem to be solved is clearly defined and quantifiable, and the project scope is focused and well-defined. (10 = very clear, focused, and well-defined)
3. The project has top management's commitment and support (resources, sponsorship and follow-up); no influential person is actively opposed to the project. (10 = very strong support)
4. The sponsor and team leader are clear about each one's role and partner effectively to ensure the success of the project. (10 = very clear)
5. The team leader and key resources are devoting enough of their time to the project to complete it very quickly. (10= full time)
6. The team is staffed and led by the right people for the job, and they are determined and capable to quickly achieve results. (10 = very determined and capable)
7. Meaningful and accurate facts and data about the process are available. (10 = very available)
8. The process to be improved is repeated frequently enough to efficiently study variation in the current process and to and test and measure improvements. Hourly? Monthly? Annually? (10 = very frequently).
9. The processes to be improved are within the team's span of control. (10 = under control).
10. The expected timeframe for completion of the project or for achieving concrete and measurable milestones. (10 = 4-8 weeks to completion or measurable milestone)
11. The processes are stable, that is not undergoing very recent or imminent major change. (10 = very stable).

Performance Improvement Projects

There are 2 types of Performance Improvement Projects (PIPs). One is corrective in nature (i.e., correcting a defined deficiency) and the other is improvement (the system is not broken but there is opportunity for improvement).

Corrective

The corrective action plan may be used when the facility self-identified a variance with established policy, protocol or regulation. This plan requires 5 components to be addressed:

1. Correction (when and if applicable) for a specific resident.
2. Other potential residents that could be impacted and how it will be corrected for them.
3. System changes that will be implemented to ensure change in process and continued compliance.
4. Monitoring to ensure that the newly implemented changes are achieving improvement and/or compliance and how this will be communicated and overseen by the QAPI Committee.
5. Timeframes that each of the above be completed.

Example of Action Plan Worksheet:

QAPI ACTION PLAN

"Confidential –For Quality Assurance Performance Improvement Use Only"

ISSUE/CONCERN	Date Project Team
Root Cause Analysis / Related Factors –What were the reasons / related factors for the identified opportunity, risk or deficient practice?	
Goals/Objectives/Expected Outcome	

Action(s) planned 1. Correction for identified resident / system [if applicable] 2. How you will identify other potential residents and correct for them if needed? 3. System changes; what are you going to do differently to minimize recurrence? 4. Monitoring – explain how you will monitor that the plan and system changes are successful; include QA Committee oversight 5. Add/modify tasks and plan as needed	Responsible Person[s]	Projected Completion Date	Review [Date & Status Report] 1. Use this column to demonstrate review and completion of each action / task 2. continue to use this column to document your monitoring outcomes
CORRECTION:			
OTHER POTENTIAL:			
SYSTEM CHANGES: List each action separately; add additional rows if needed			
MONITORING / QA OVERSIGHT:			

Improvement

CMS has developed a sample worksheet that may be very helpful in documenting the development and implementation of a PIP. This resource can be found at: https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/QAPI/downloads/PIPCharterWkshtdebedits.pdf. The worksheet encourages the facility to identify the following areas:

1. Project Overview
   1.1. Name of project – Example: Reduction in use of position change alarms
   1.2. Problem to be solved – Example: Alarms going off frequently detract from a homelike environment and may give staff a false sense of security.
   1.3. Background leading up to the need for this project – Example: Residents and families have complained about the sound of alarms going off frequently. Staff feel pressure to do "something" when a resident falls. (Tip: Reference specific background documents, as needed.)
   1.4. The goal(s) for this project – Example: Decrease the percentage of residents with position change alarms used on XX unit by 25% by XX/XX/XX.
   1.5. Scope—the boundary that tells where the project begins and ends. The project scope includes – Example: Use of position change alarms on XX unit.
2. Project Approach
3. Project Time Table
4. Project Team and Responsibilities
5. Resources Needed for the Project
6. Barriers – what could impact the project and what can be done about them?
7. Project Approval

Why do I have to write/document the PIP?

- Keeps the plan focused.
- Establishes time frames.
- Assigns responsibility.
- Promotes accountability.
- Communication tool.
- Documents progress and modifications.
- Demonstrates credibility; may support "past non-compliance" during survey.

CMS and "Past Non-Compliance"

A fully executed PIP and/or action plan can have a positive impact on retrospective deficiencies cited during a healthcare or life safety certification survey. For a deficient tag to be cited as "past non-compliance" the deficient practice must have occurred prior to the current survey and after the exit date of the previous survey, an action plan or PIP had fully implemented, and the facility must be able to demonstrate substantial compliance at the time of the survey. When a specific citation tag (F-Tag or K-Tag) is classified as past non-compliance, a Plan of Correction (POC) is required for citations and no revisit is conducted for the citation is needed (note: revisit may be required for other tags).

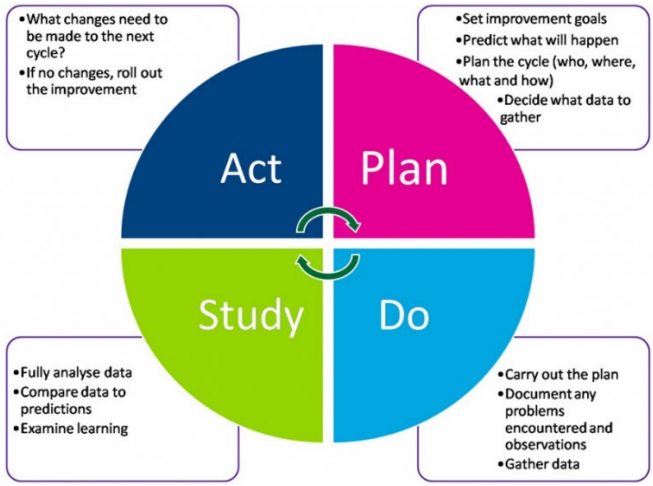
Systematic Analysis and Systemic Action

A major challenge in process improvement is getting to the heart of the problem or opportunity. There is danger in knowing how to fix the problem before you understand why the problem or opportunity developed. Multiple factors may have contributed, and/or the problem may be a symptom of a larger issue.

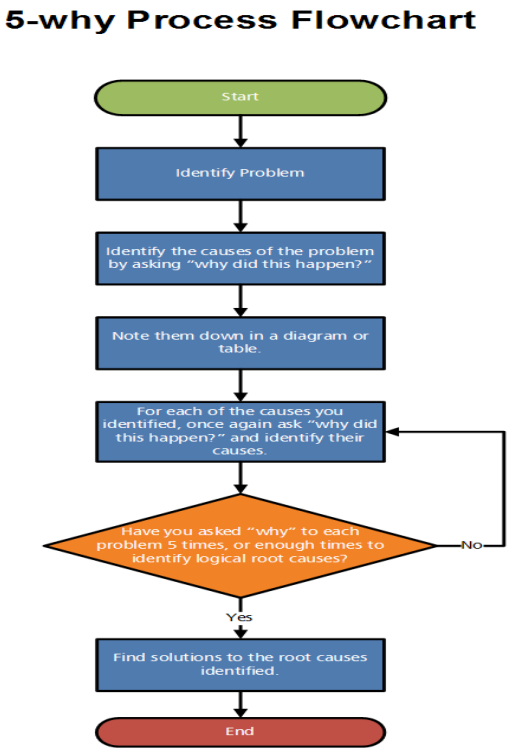
Root cause analysis (RCA) is a problem-solving method which is used to pinpoint the exact **cause** of a problem or event. The **root cause** is the actual **cause** of a specific problem or set of problems, and when that **cause** is removed, it prevents the final undesirable effect from occurring.

There are a variety of tools and resources to assist you in conducting a root cause analysis or "getting to the heart" of why the problem or opportunity developed. These may include but are not limited to:

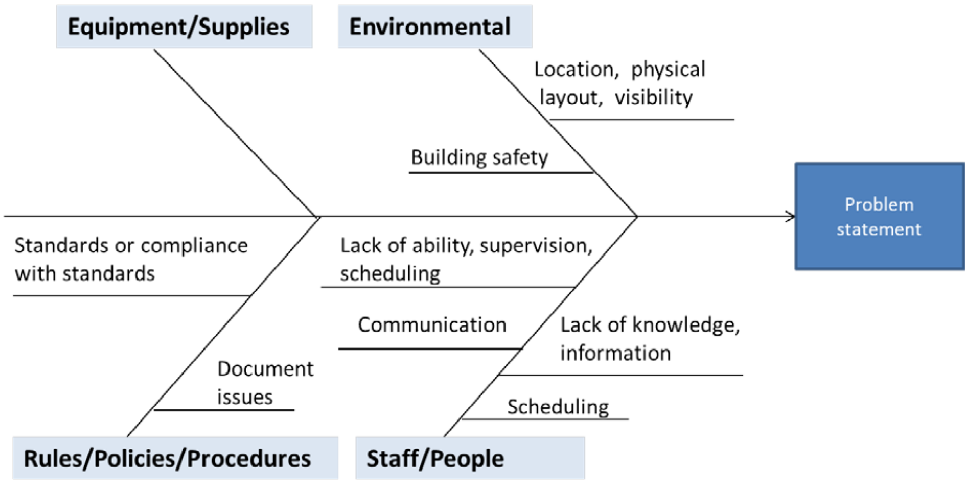
PDSA



The 5 WHYs



Fishbone Analysis



Taking Systemic Action

Simply stated, "systemic action" means that the action taken is directly related, linked, and responsive to a system or process that has been identified through the root cause of the identified opportunity, risk or deficient practice. Strong systemic approaches and actions look comprehensively across all involved systems to prevent future events and promote sustained improvement. This element of the QAPI process has a focus on continual improvement and compliance.

Examples of Systemic Actions

Weak	Strong	Stronger
Actions that depend on staff to remember their training or what is written in the policy. Weak actions enhance or enforce existing processes.	Actions are somewhat dependent on staff remembering to do the right thing, but they provide tools to help staff to remember or to promote clear communication. Intermediate actions modify existing processes.	Actions that do not depend on staff to remember to do the right thing. The action may not eliminate the vulnerability but provides strong controls. Strong actions change or re-design the process. They help detect and warn so there is an opportunity to correct before the error reaches the patient. They may involve hard stops which won't allow the process to continue unless something is corrected or gives the chance to intervene to prevent significant harm.
▪ Double checks ▪ Warnings/labels ▪ New policies, procedures, memoranda, etc. ▪ Training/education or additional study	▪ Decrease workload ▪ Software enhancements/modifications ▪ Eliminate/reduce distraction ▪ Checklists/cognitive aids/triggers/prompts ▪ Eliminate look alike and sound alike ▪ Read back ▪ Enhanced documentation and communication ▪ Build in redundancy	▪ Physical changes: grab bars, non-slip strips on tubs/showers ▪ Forcing functions or constraints: design of gas lines so that only oxygen can be connected to oxygen lines; electronic medical records – cannot continue charting unless all fields are completed ▪ Simplifying: unit dose

Monitoring

Once the systemic changes/approaches have been implemented, it is critical that the organization monitor to identify any area that may need refinement or modification. Monitoring needs to be targeted to the systemic change and to serve to quantitatively demonstrate the result of the implemented changes. Monitoring should start shortly after the change has been implemented to ensure the best possible outcome. Monitoring of the new system should not be started until the system changes have been fully implemented as a "pilot" or a new process. If the monitoring outcomes are not progressing toward the desired outcome, the plan needs to be analyzed for the barriers that are

impacting the desired outcome. Once those barriers have been identified and addressed, the monitoring should resume.

There is no "magic" number for the scope or frequency that a plan should be monitored; this will be based on the scope of the project and the associated risks. The plan will identify:

- What is to be monitored.
- Who will monitor (collect the data), sample size and frequency that data will be collected.
- What action will be taken and by whom.
- Who will be responsible analyzing the audits or monitoring.
- Who will report analysis to administrator and/or QAPI Committee.
- What will be communicated and method of communication.

Resources

CMS — https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/QAPI/Downloads/QAPIPlan.pdf

CMS — https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/QAPI/downloads/FishboneRevised.pdf
https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/QAPI/downloads/PDSACycledebedits.pdf

Health Quality Innovators — http://www.hqi.solutions/wp-content/uploads/2017/05/HQI-QAPI-Written-Plan-How-to-Guide-1.pdf

Lake Superior Quality Innovation Network — https://www.lsqin.org/wp-content/uploads/2017/01/LS3-QAPIPlanHow-To-Guide.pdf

HILL VALLEY

HEALTHCARE

Where **Hospitality** Meets **Healthcare**

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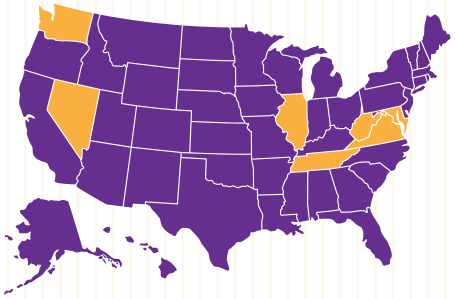
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Company Profile



7
STATES

46
SENIOR CARE COMMUNITIES

4,300
RESIDENTS

5,400
TEAM MEMBERS

Hill Valley Healthcare, LLC is a skilled nursing and senior living operating company rapidly positioning itself as a leading healthcare provider. Hill Valley applies its expertise and ingenuity to rejuvenate senior care communities.

The ironclad Hill Valley promise is to invest in excellent staff who deliver quality, respectful, compassionate care, and in cutting-edge technologies that guarantee best patient outcomes. Its commitment to warm, personal service is the guiding light for the company, and its "People First" philosophy towards employees, clients, and their families has earned it high ratings and a trusted name in the industry.

By implementing state-of-the-art data analytics software at each of its communities, the management team studies and tracks key performance indicators to keep updated on every facet of operations and ensure the constant delivery of paramount care.

Hill Valley Healthcare was founded in 2018 by partners Steven Schwartz and Shimmy Idels, who bring with them over two decades of combined experience and innovation in the skilled nursing space. Steven's extensive history in Acquisitions and Financing blend beautifully with Shimmy's successful tenure in Administration and Operations, creating a highly effective partnership.

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SHALOM GARDENS



EVERGREEN HEALTH & REHABILITATION CENTER



LYNN CARE CENTER



THE WOODLAND



TLC CARE CENTER



LACEY POST ACUTE & REHABILITATION

HILL VALLEY
HEALTHCARE

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Enhancing Our Communities

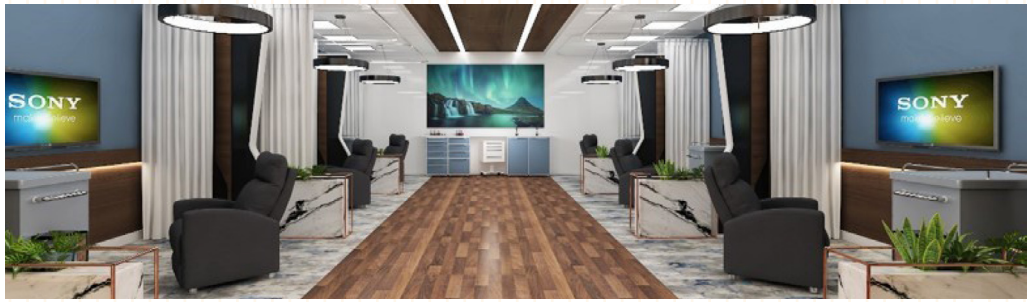
To better serve our patients, residents, families, staff & communities, we have invested over $5,000,000 to enhance our physical plants and clinical capabilities.



MOUNTAIN VIEW CARE CENTER
RIPLEY, WV

BLUE RIDGE THERAPY CONNECTION
THE LANDMARK CENTER
STUART, VA





THRIVE ON-SITE DIALYSIS
HIGHLAND RIDGE REHAB CENTER
DUBLIN, VA

HILL VALLEY
HEALTHCARE

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STEVEN SCHWARTZ

FOUNDER & CO-CHIEF EXECUTIVE OFFICER

Steven is a founding partner and Co-Chief Executive Officer at Hill Valley Healthcare. He is responsible for the overall financial strategy and direction of the company and oversees and directs the origination, underwriting, financing and closing actives of the acquisitions, dispositions and JV arrangements.

Steven Schwartz brings with him extensive experience in the acquisition and finance side of the skilled nursing and healthcare business. Prior to founding Hill Valley, Steven established the skilled nursing arm for MDG Real Estate Global, a public company traded on the TASE, where he ran the acquisition and financing department for all their skilled nursing facilities. He also served as director for MDG's operating affiliate, Majestic Care.

In the 2 years he spent with MDG serving in the capacity of Director of Acquisitions, Steven closed over $200 million worth of deals. Under his directorship, MDG's affiliate, Majestic Care, achieved a 90% growth in EBITDAR in the first 12 months of operations.

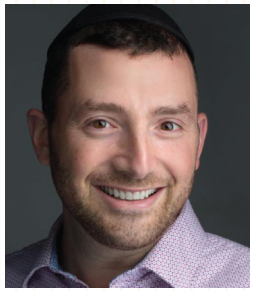
Prior to joining MDG, Steven was the senior analyst for a capital investment firm and leading long-term care company which operated over 60 communities. His skills in analyzing potential acquisitions and asset management have enabled him to build strong, profitable communities and implement fiscally-responsible infrastructure systems within every company he has worked.

Mr. Schwartz works diligently to finance acquisitions and takes full responsibility to monitor and track the covenants to ensure compliance. In addition to his other areas of expertise, he is also responsible for the execution of strategic business plans for each owned property, focused on achieving cash-flow yields and occupancy which exceeds investment objectives.

Steven brings to Hill Valley his passion for the industry and his drive to achieve ever-greater success in delivering excellence and quality of care to every client, every day.

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SHIMMY IDELS, LNHA

FOUNDER & CO-CHIEF EXECUTIVE OFFICER

Shimmy is a founding partner and Co-Chief Executive Officer at Hill Valley. He brings with him over 15 years of extensive experience in healthcare leadership and executive management, having served in various capacities in skilled nursing facilities, assisted living centers, and adult and pediatric day health centers. He is known as a forward-thinking, outcome-oriented achiever.

Shimmy's primary ambition has always been to recruit and build exceptional teams to deliver the highest level of care and customer service, ensuring extraordinary patient outcomes. He has a unique ability to attract, motivate, and train high-quality teams and to create positive, healthy morale—the two essentials that fuel the delivery of superb care. The five-star ratings garnered by the communities under his watch amply testify to Mr. Idels' enormous success in the management arena.

He specializes in transitioning distressed nursing communities into stable, profitable and compliant assets and has rehabilitated several such organizations with extraordinary results. Shimmy is also skilled at developing and executing efficient workflow systems which result in a streamlined, well-organized environment within the company.

Prior to founding Hill Valley, Shimmy served as Chief Operating Officer at Continuum Healthcare, a prominent skilled nursing operator in the NJ/PA area. His work across several states and with a wide variety of populations, cultures, and sensitivities give him a unique ability to meet the diverse needs of all clients and their families with dignity and finesse.

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JONATHAN LUSTBADER

CHIEF FINANCIAL OFFICER

Jonathan joined Hill Valley Healthcare in July 2023 as the Chief Financial Officer (CFO). He is a seasoned and dedicated financial professional with over a decade of experience, showcasing a proven track record in leading financial planning and analysis efforts within renowned financial institutions. Jonathan has excelled in various leadership roles, most notably as Vice President at both BlackRock and JPMorgan Chase & Co. In his most recent role as Vice President at BlackRock, Jonathan served as the LatAm FP&A lead, overseeing a substantial portfolio with over $600 million in annual revenue.

Jonathan's prior responsibilities included creating comprehensive sales plans, conducting weekly forecast variance analysis, and ensuring adherence to regulatory and firmwide obligations by closely collaborating with Risk, Compliance, and Legal teams. In these capacities, he played an instrumental role in formulating and executing business growth strategies. Jonathan's expertise now lies in partnering with business leaders to drive revenue growth, improve operational efficiency, and provide strategic guidance to senior management.

Jonathan brings a wealth of experience and a passion for the organization's mission and dedication to driving the organization's financial health, sustainability, and long-term success. With a profound understanding of financial strategy, risk management, and regulatory compliance, Jonathan is prepared to lead the financial operations of Hill Valley Healthcare into a new era of excellence. Moreover, his track record in partnering with business leaders to drive revenue growth and streamline financial processes aligns seamlessly with the organization's commitment to delivering high-quality healthcare services.

Over the past 5+ years, Jonathan has volunteered as an Emergency Medical Technician (EMT) during his free time and it has now become an integral part of his life. Devoting countless hours to this role, Jonathan has had the privilege of being a front-line responder during various emergencies within his community. Jonathan's volunteer EMT service has honed his ability to both think and act swiftly under pressure, while also instilling in him a profound appreciation for the importance of healthcare access and preparedness in our communities.

Jonathan currently resides in West Hempstead, NY with his wife and three young children.

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CHRISTINE HIGGINBOTHAM

CHIEF NURSING OFFICER

Christine Higginbotham's passion for serving others has spanned four decades and several continents. Originally from the U.K., her accent and unwavering commitment to residents are unmistakable. Christine serves as Hill Valley's Chief Nursing Officer and leads efforts regarding quality outcomes, regulatory compliance, and improved clinical excellence.

As a clinical leader, Christine has held various nurse executive roles at leading providers nation-wide. Her purview has included more than 275 skilled nursing centers. She successfully increased CMS 5-star ratings during her tenure by enhancing quality measures and implementing strategic survey preparedness programs.

Before joining Hill Valley, she held various leadership positions at Accordius Health Care, Guardian Healthcare Consulate Healthcare, and Sava Senior Care. She was responsible for managing multiple teams and communities while improving regulatory outcomes. In addition, she has introduced innovative clinical systems that helped reduce costs while improving patient care.

Christine began her career as a Ward Sister/Nursing Officer at Macclesfield District Hospital in the U.K. and has worked as a consultant nurse specialist and clinical discharge liaison at various healthcare organizations worldwide. She is a highly respected nursing professional and has made significant contributions to the healthcare industry throughout her career.

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LISA McCLURE

SENIOR VICE PRESIDENT OF BUSINESS DEVELOPMENT

Lisa McClure serves a key member of the senior leadership team as Senior Vice President of Business Development for Hill Valley Healthcare. In this role, she plays a crucial part in the senior leadership team and will drive census and business development efforts for the organization.

Lisa's extensive 25-year background encompasses both business development and operations within the healthcare and hospitality services sectors, particularly focusing on services for the elderly. She has a track record of successfully growing organizations and achieving exceptional results for customers, employees, and investors. Her previous roles include serving as the Senior Vice President of Business Development at Trilogy Health Services for 18 years, as well as holding senior leadership positions at Atria Senior Living, Kindred Hospitals and Health Care, and Almost Family, Inc.

With experience across the healthcare continuum, including home health, hospice, adult day services, independent living, assisted living, memory care, skilled nursing, and short-term rehabilitation, Lisa brings valuable expertise to Hill Valley Healthcare. Her primary focus is on developing a sales culture within the organization, working closely with Regional Directors of Business Development and communities to grow census and overall business development efforts.

Lisa is known for her commitment to creating a positive culture in all her endeavors. She places a strong emphasis on streamlining the customer journey in the sales process and investing in the growth and leadership of her team to surpass performance targets. Collaboration and relationship-building are key aspects of Lisa's approach. She strives to strengthen connections with hospital networks while fostering a positive and high-energy cross-functional team. She believes that sustainable census success is closely tied to the happiness of campus team members and the quality of care provided to residents.

Lisa calls Louisville, Kentucky, her home. In her free time, she enjoys spending quality moments with her husband and three adult children, as well as tending to her flower gardens.

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KENDRA VAILLANCOURT

VICE PRESIDENT OF HUMAN RESOURCES

Kendra Vaillancourt serves as a key member of the senior leadership team in her role as Vice President of Human Resources for Hill Valley Healthcare. As part of the management team, Kendra is responsible for executing a shared corporate vision and strategy for the company. She instills a workplace culture and best practices that reinforce Hill Valley's core values and allow the company to attract, develop, and retain top talent.

Kendra studied Business Administration with a focus on Human Resources and she is passionate about her goal to support the people whose talents and commitment are essential to an organization's success. "I've dedicated my entire career to supporting the most important asset any company has: its people," says Ms. Vaillancourt.

Under Kendra's management, Hill Valley continues to recruit and retain the highest quality staff to deliver top-tier, respectful, and compassionate care. The company's "People First" philosophy ensures that residents get what they truly deserve—an outstanding care experience. Kendra continues to implement innovative HR strategies to help staff members, residents, business operations, and communities thrive.

The extensive experience she has accrued in twenty years in the industry guide Kendra in creating a clear vision and HR best practices, including leading the charge in change management while creating a positive work culture. She has played a key role in the company, serving as a strategic resource in necessary areas of restructuring, as well as in coordinating a range of services within Human Resources, Operations, and administrative areas.

Kendra resides in Massachusetts with her husband and two children.

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MICHAEL BOTWINICK, CPA

VICE PRESIDENT OF FINANCE & INVESTMENTS

Michael's keen eye for finance and strategy drives the Hill Valley strategy for investment, acquisitions, and financing. Since coming on board at Hill Valley Healthcare, Michael has thoroughly analyzed and organized all aspects of the company's financials, including investments, investors, and cash standing, thus empowering Management to make effective decisions. He constantly utilizes relevant data to bring in new ideas for growth and enhanced revenue.

Michael has been instrumental in brokering new deals, streamlining operations at all communities, and tracking the company's financial position as it continues to grow. With his big-picture outlook, Michael ensures the success of new acquisitions by carefully analyzing all relevant data and methodically assessing the market to best inform company strategy.

He has successfully shepherded several new deals at Hill Valley, where his expertise lies in liaising with sellers and ensuring transparency throughout the process. "I make it very clear that we'd like this deal to be as much of a help to them as it is to our own team. We want to ensure as smooth a transition as possible, and our goal is for everyone to be happy when the deal closes," he explains. "I believe that good communication is the key to success."

Michael is respected as a talented team player, never afraid to ask questions and always seeking to learn more, even as he support, leads, and strengthens his own staff. He invests in building strong relationships with all strategic partners and contractors.

"By far, my greatest satisfaction comes from helping our buyers, lenders, and investors to feel confident with us as we strive for even greater success and expansion," says Botwinick.

Michael lives with his wife and son in Far Rockaway, NY. He enjoys playing competitive Sports, working out, and spending time with his friends and family.

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MELISSA BARTLETT

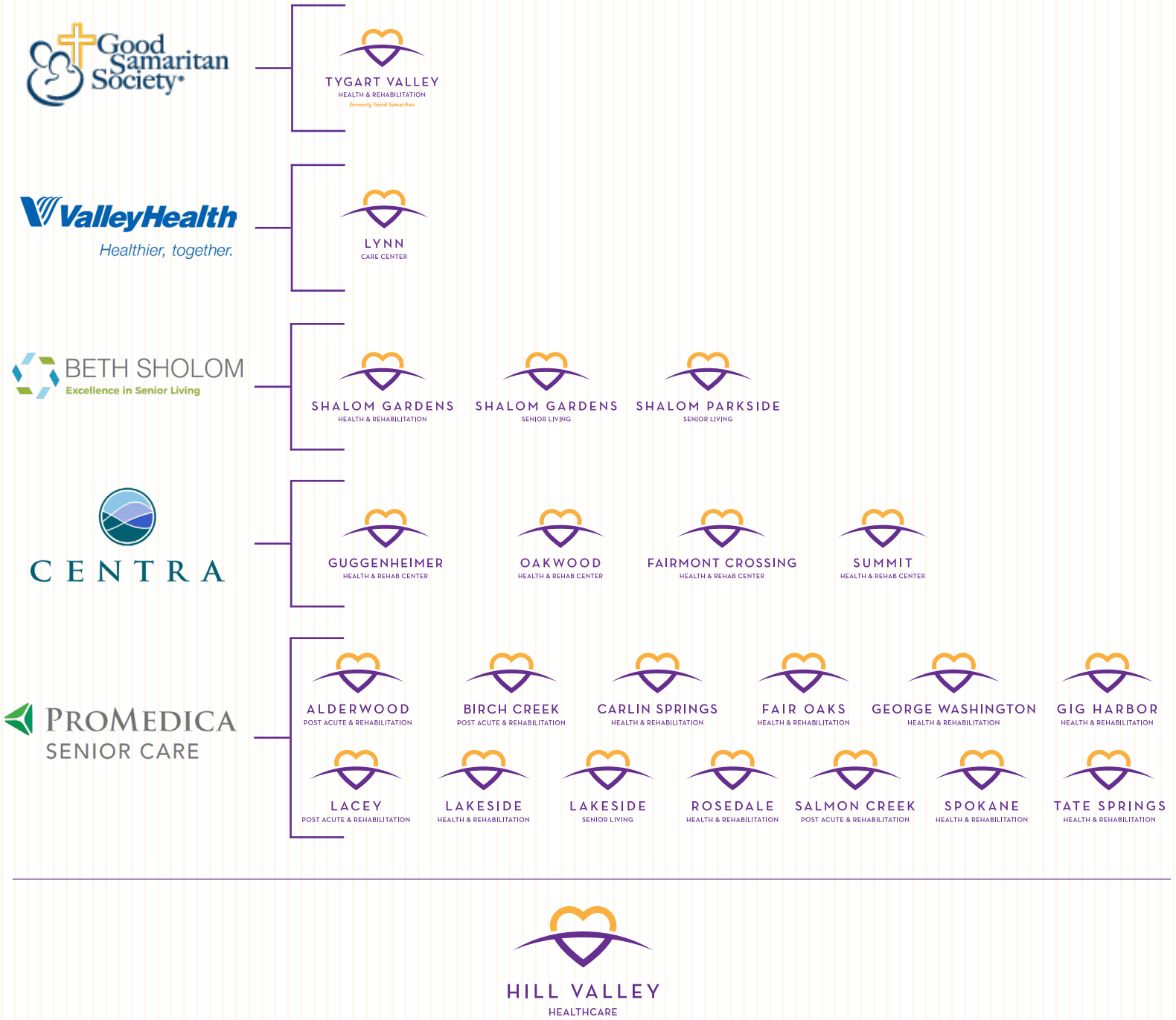
VICE PRESIDENT OF CLINICAL REIMBURSEMENT

As Vice President of Clinical Reimbursement, Melissa Bartlett works with the skilled nursing teams to ensure they are accurately capturing the care and services they provide. Melissa has expert-level knowledge in SNF reimbursement methodologies, 5-star ratings, and healthcare regulatory compliance.

She enjoys teaching and training most of all. According to Melissa, "My mother always said I should have been a teacher, turns out that's exactly what I love to do!" She really embraces finding new and exciting ways to make the M.D.S process more efficient, accurate, and effective. She loves to empower M.D.S and to help them realize how much of a positive impact that they can have on their patients and communities.

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Celebrating an Award-Winning 2023-2024!









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2023 Resident & Family Satisfaction Surveys

We collaborate with Pinnacle Quality Insight to conduct routine Family and Resident satisfaction surveys. Pinnacle serves over 3,600 senior care sites and has administered over 1.5 million surveys.

The following locations have earned their esteemed Customer Experience Award and rank within the top 15% nationwide:

MOUNTAIN VIEW
CARE CENTER
Ripley, WV

FAIRMONT CROSSING
HEALTH & REHAB CENTER
Amherst, VA

LAWRENCEVILLE
HEALTH & REHABILITATION
Lawrenceville, VA

SUMMIT
HEALTH & REHAB CENTER
Lynchburg, VA

THE WOODLAND
THE COURTS | BROOKVIEW | HOLLY MANOR
Stuart, VA

THE LANDMARK
CENTER
Farmville, VA

WILLIAMSBURG
POST ACUTE & REHABILITATION
Williamsburg, VA

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5-Star CMS Quality Measures

BIRCH CREEK
POST ACUTE & REHABILITATION

Tacoma, WA
124 Beds

FAIRMONT CROSSING
HEALTH & REHAB CENTER

Amherst, VA
120 Beds

LACEY
POST ACUTE & REHABILITATION

Lacey, WA
120 Beds

OAKWOOD
CARE CENTER

Middle River, MD
130 Beds

TLC
CARE CENTER

Henderson, NV
255 Beds

WINCHESTER
HEALTH & REHABILITATION

Winchester, VA
60 Beds

HILL VALLEY
HEALTHCARE

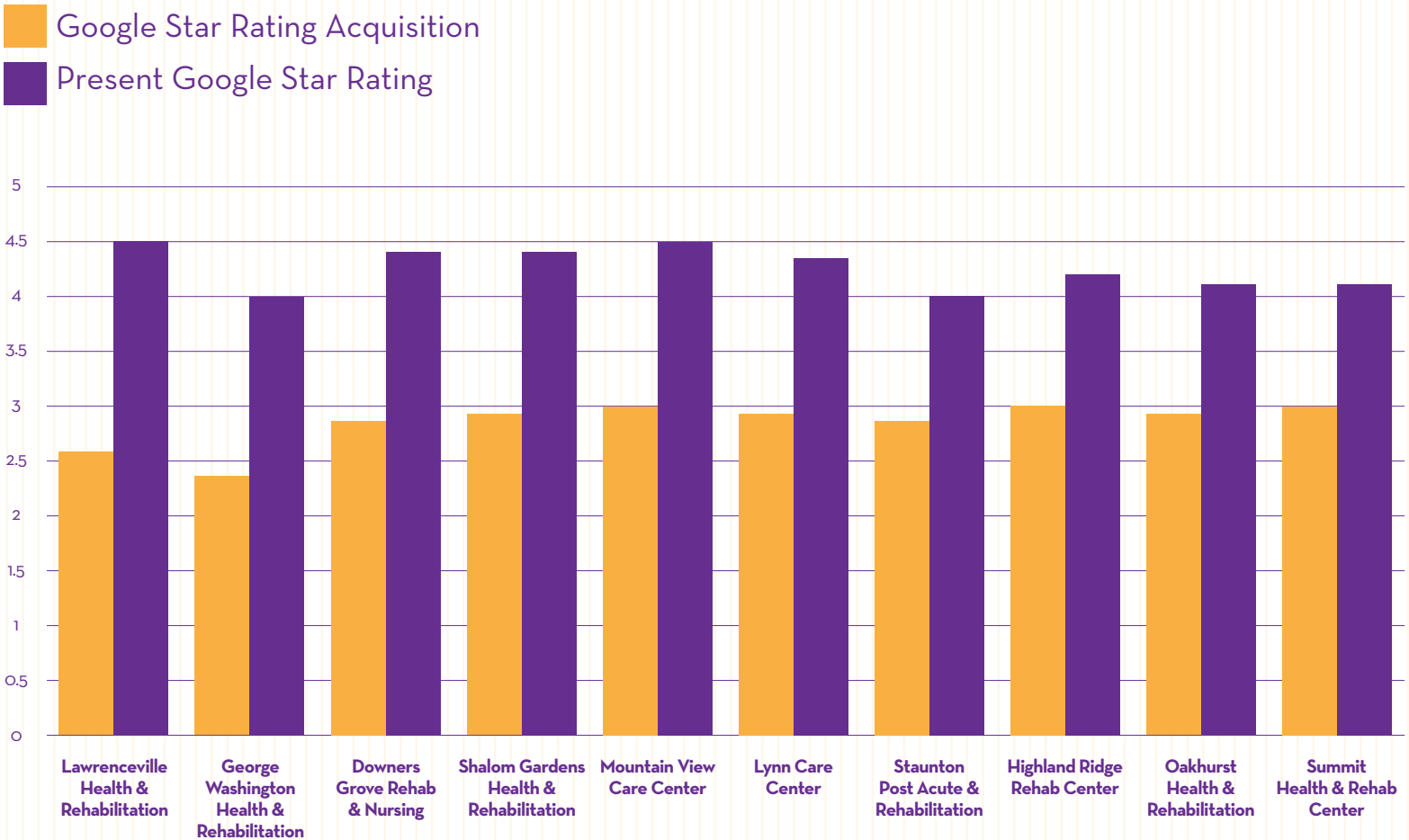
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4+ Star Google Ratings

STATE	COMMUNITY NAME	BEDS	GOOGLE STAR RATING
WV	Bluestone Health & Rehabilitation	60	5
WV	New Martinsville Health & Rehabilitation	100	5
VA	The Landmark Center	75	5
VA	Oakwood Health and Rehab Center	108	4.6
VA	Lawrenceville Health & Rehabilitation	77	4.5
WV	Mountain View Care Center	112	4.5
IL	Saratoga Grove Retirement & Assisted Living	94	4.5
VA	Blue Ridge Therapy Connection	178	4.4
IL	Downers Grove Rehab & Nursing	104	4.4
VA	Fairmont Crossing Health and Rehab Center	120	4.4
VA	Shalom Gardens Health & Rehabilitation	101	4.4
VA	Lynn Care Center	120	4.3
VA	Highland Ridge Rehab Center	132	4.2
VA	Oakhurst Health & Rehabilitation	60	4.1
VA	Summit Health and Rehab Center	96	4.1
WA	Lacey Post Acute & Rehabilitation	120	4

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EXAMPLES OF COMPLEX CLINICAL PROGRAMS & SERVICES	HILL VALLEY SNFS	TYPICAL SNFS
HEART FAILURE PROGRAMS TO REDUCE RISK*	●	
SEPSIS PROGRAM TO PREVENT RE-HOSPITALIZATIONS	●	
PULMONARY PROGRAMS WITH SPECIALISTS ON STAFF*	●	
VENTILATOR CARE*	●	
BILIARY DRAINS	●	
PERITONEAL DIALYSIS ON-SITE*	●	
CONTINUOUS WALL OXYGEN*	●	
COMPREHENSIVE TRACHEOSTOMY CARE	●	
SPECIALTY STROKE REHABILITATION PROGRAM	●	
OSTOMY BAGS & TEACHING	●	
LIFE VESTS	●	
DIABETES MANAGEMENT PROGRAM	●	
PLEURX CATHETER CARE	●	
LEFT VENTRICULAR ASSIST DEVICE (LVAD)*	●	
TRILOGY 100 PORTABLE VENTILATOR CARE*	●	
IV SOLU-MEDROL PUSH ADMINISTRATION*	●	
IV LASIX PUSH ADMINISTRATION	●	
BLOOD DRAWS FROM CENTRAL LINES*	●	
SECURE UNIT FOR ALZHEIMERS / DEMENTIA CARE WITH BEHAVIORS*	●	
ON-SITE PSYCHIATRIST ROUNDING*	●	
ON-SITE PULMONOLOGIST ROUNDING*	●	
ON-SITE CARDIOLOGIST ROUNDING*	●	
ON-SITE GASTROENTEROLOGIST ROUNDING*	●	
ON-SITE ORTHOPEDIC SURGEON ROUNDING*	●	

* Not offered at all locations

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Specialty Services
Peak Rehab

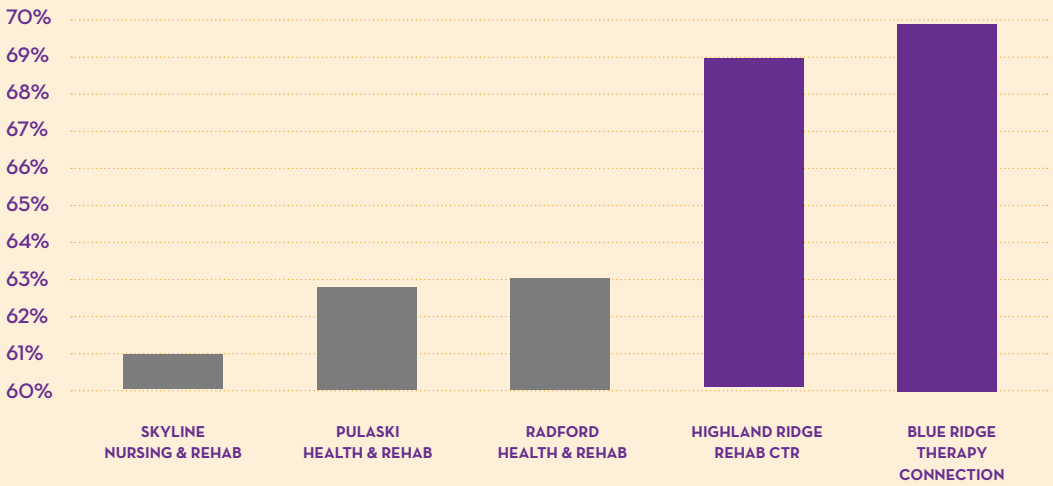
Our Peak Rehab Program has the clinical capabilities to care for all patients, even those with complex medical conditions.

PEAK REHAB

Provided 7-days per week, Peak Therapy includes:

- Physical therapy
- Occupational therapy
- Speech therapy
- Post-surgical rehab
- Orthopedic rehab
- Stroke rehab
- Cardiac care
- Respiratory therapy
- Wound care
- IV management
- Pain management
- And much more

PEAK REHAB'S PROVEN OUTCOMES



Percentage of short-stay residents who improved in their ability to move around on their own.

Source: Nursing Home Compare

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Specialty Services
On-Site Dialysis

Hill Valley is establishing an exclusive partnership with DaVita Kidney Care to be one of the few SNFs in the country to provide on-site dialysis. DaVita is nationally recognized as a leader in dialysis care and has the most top-rated dialysis centers in America.

By providing on-site dialysis, Hill Valley residents will not have to travel off-site multiple times per week to receive care. This will not only improve their dialysis care, it will have a profound impact on their quality of life at Hill Valley by being able to focus on their rehab needs and participate in additional recreational and social programming. Having on-site dialysis will also help reduce unnecessary rehospitalizations.

THRIVE
ON-SITE DIALYSIS

DaVita®
Kidney Care

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Specialty Services
On-Site Pulmonary & Ventilator Care

Local pulmonologists lead our Rhythms Pulmonary Care teams to deliver evidence-based on-site pulmonary & ventilator care.

RHYTHMS
PULMONARY CARE

Rhythms focuses on achieving each patient's particular goals and objectives, including:

- Assess and evaluate to determine specific patient needs.
- Manage symptoms and complications of the patient's disease.
- Reverse the effects of de-conditioning.
- Improve overall quality of life.
- Provide treatment for specific medical conditions and strategies to comply with medication and exercise regimens.

Rhythms Pulmonary Care provides a breath of fresh air.

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Specialty Services
Enhanced Alzheimer's & Memory Care

Through partnerships with the Alzheimer's Association and local neurologists and specialized staff training, Hill Valley has a more comprehensive and impactful memory loss care program. Going beyond the traditional secured unit, our Alzheimer's & memory care focuses on creating compassionate human interactions with each resident. We focus on the whole person, sharing common attitudes, interests, and goals with each resident and his or her family.

SERENITY
MEMORY CARE

Serenity Memory Care residents benefit from:

- A serene environment
- A brain-healthy and delicious dining program
- A caring and dedicated staff
- A specially developed therapy program, featuring:
  - Art therapy
  - Pet therapy
  - Music therapy
  - Aroma therapy

While residents are enjoying life, their families have peace of mind knowing they are in a safe and loving environment.

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Specialty Services
Cardio-Pulmonary Care

Through our partnerships with Cardiologists and Pulmonologists, we are able to enhance our clinical services for cardio-pulmonary patients. In addition to improved patient care, these advancements will help reduce readmissions that result in hospital penalties - CHF, COPD, Pneumonia, AMI and CABG.

The benefits of our specialized cardio-pulmonary program include:

- Enhanced on-site physician coverage
- Advanced staff and family training by Pulmonologist & Cardiologist
- Reduces patient length of stay at the hospital and at Hill Valley
- Maximizes ability for patient to regain ADL skills and independence
- STAT availability of Labs, X-Ray and other diagnostic tools

Patients and their families breathe easier knowing they are receiving physician-directed advanced care.

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American Heart Association.

Providing residents with educational worksheets to monitor and track trends in weight gain, appetite change, shortness of breath, swelling, urine input and output, heart rate and medication management. In the first 6 months of ownership, **Hill Valley Healthcare lowered readmission rates back to the hospital for congestive heart failure patients to 10.7%**—a vast improvement from historical trends.

CDC
Centers for Disease Control and Prevention

Daily education is provided to residents, employees, and visitors to help **prevent the spread of infections within each of our Hill Valley Healthcare communities.** Reminders are placed throughout communities to keep sepsis prevention forefront and monitored by unit managers, rounding daily.

American Lung Association.

Under ownership of Hill Valley Healthcare, readmissions rates for Chronic Obstructive Pulmonary Disease or COPD patients **lowered to 7.8%**

Alzheimer's Association®

Ongoing staff education and training to ensure **our memory care residents remain engaged**. Activate sponsor in annual Alzheimer's Walks.

ALS Association

Staff training and program development to **maximize management & treatment capabilities.**

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HILL VALLEY

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hillvalleyhc.com

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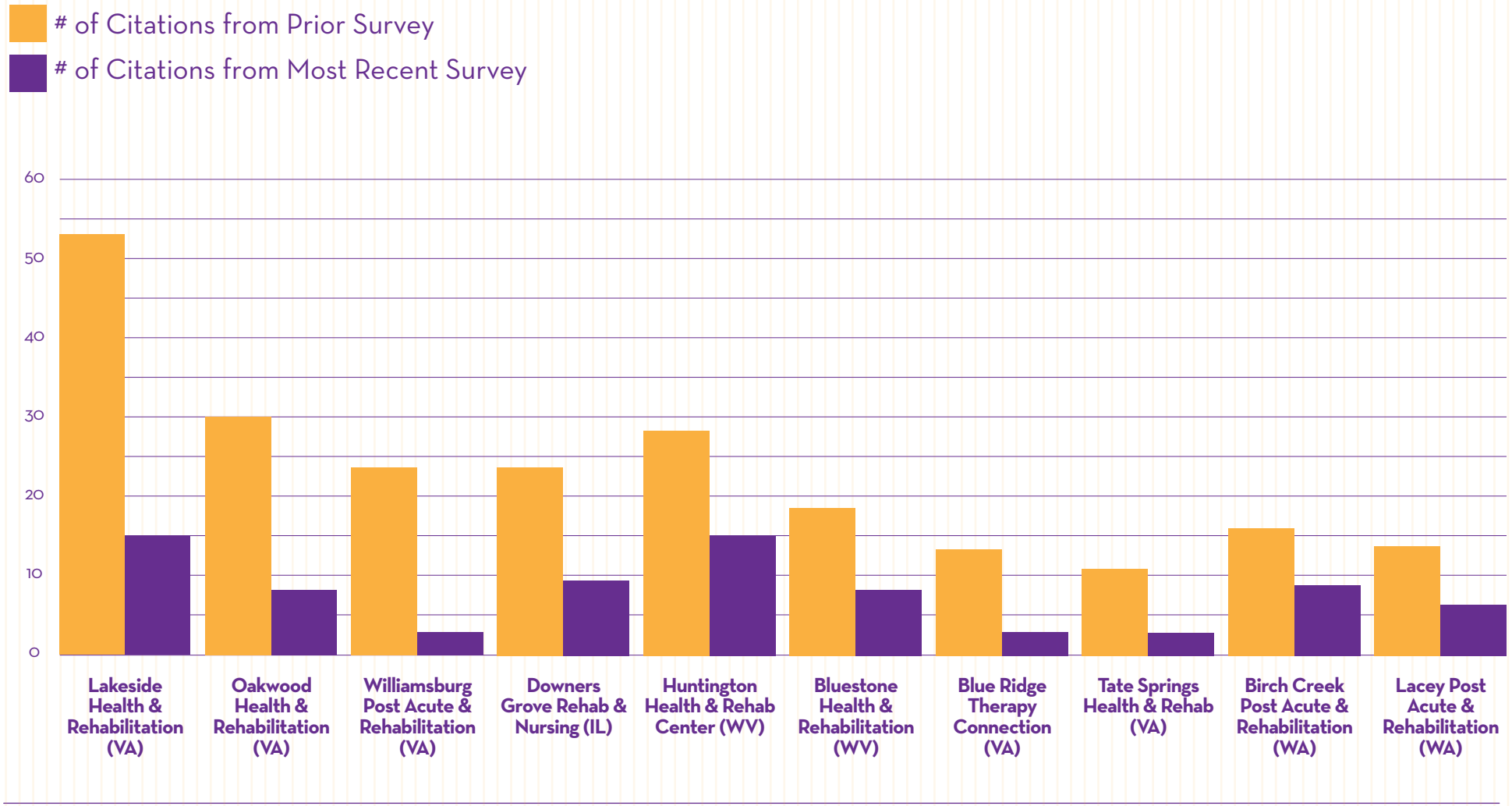
HILL VALLEY

HEALTHCARE

Where **Hospitality** Meets **Healthcare**

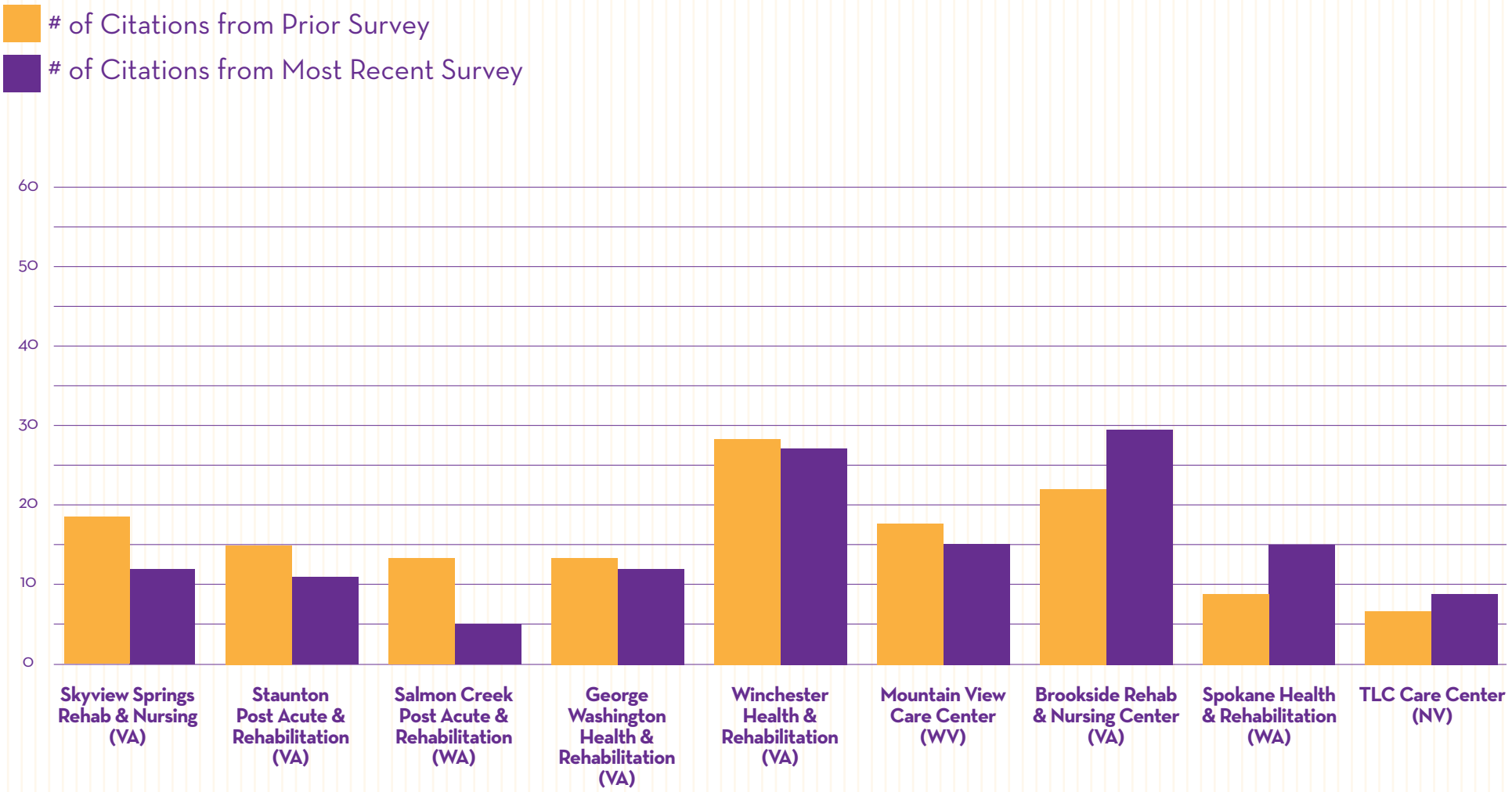
Standard Survey Citations

At Hill Valley Healthcare, we have reaffirmed our commitment to quality improvement by appointing a Chief Nursing Officer (CNO). The CNO has since assembled a team of experienced clinicians who have collectively developed and implemented robust clinical systems and processes. As a result of our unwavering focus on quality improvement, we have observed significant enhancements across our portfolio. These improvements are evidenced by better standard survey outcomes and a reduction in survey citations that have occurred in the last two years.



Standard Survey Citations

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Reducing 30-Day Rehospitalizations

While caring for sicker, higher acuity patients than ever before, Hill Valley's Observed 30-Day Rehospitalization Rate is lower than the Predicted and Benchmark Rates. This success is due to our enhanced clinical programming, diligent focus on analytics and a strong collaboration between our clinical team and our hospital and physician partners.

30-Day Rehospitalization Rate

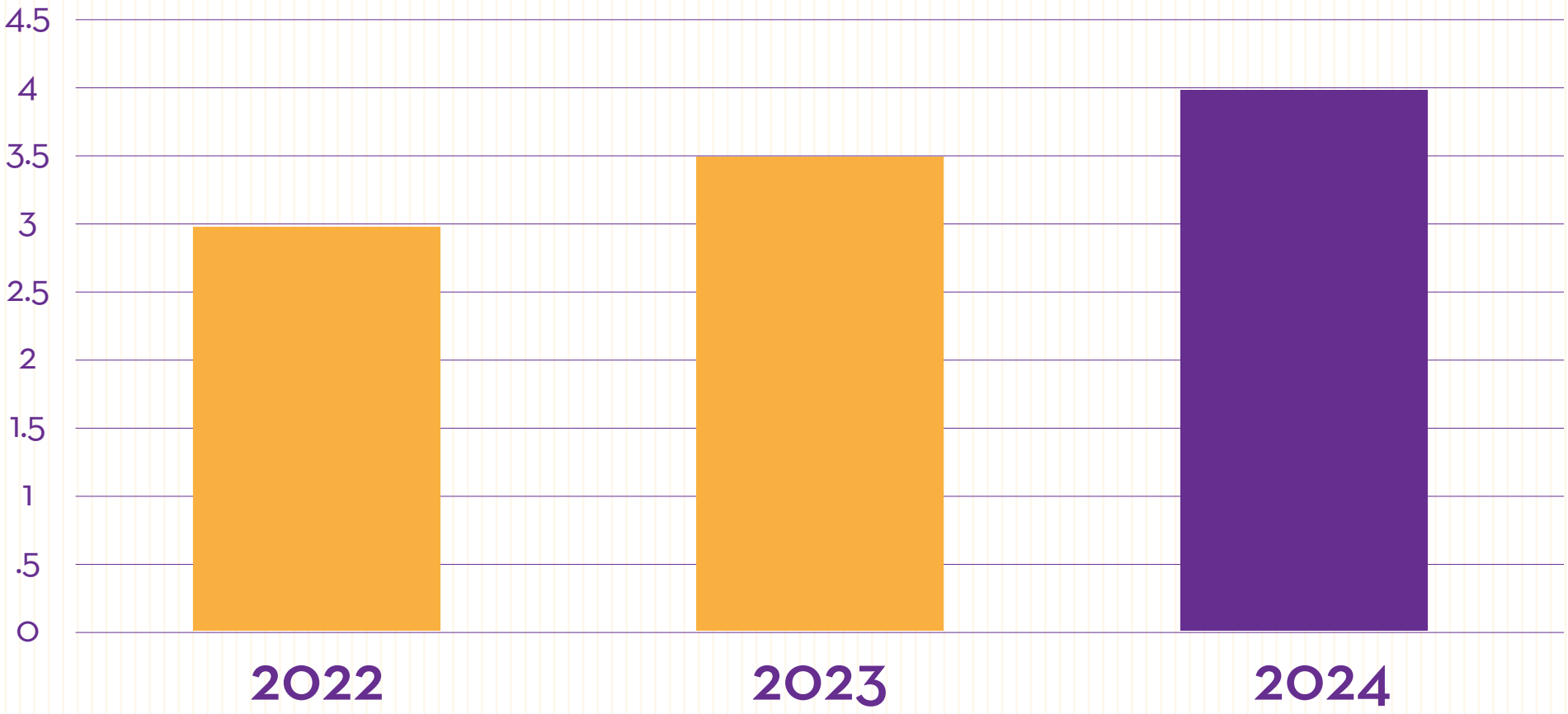


* The predicted rehospitalization rate is calculated with a proprietary machine learning algorithm engineered at SimpleLTC, trained with millions of MDS assessments from across the country.

** The Simple Benchmark is based on accumulated MDS 3.0 data from the thousands of long-term care facilities using SimpleLTC software to transmit MDS files to CMS and archive related CASPER reports.

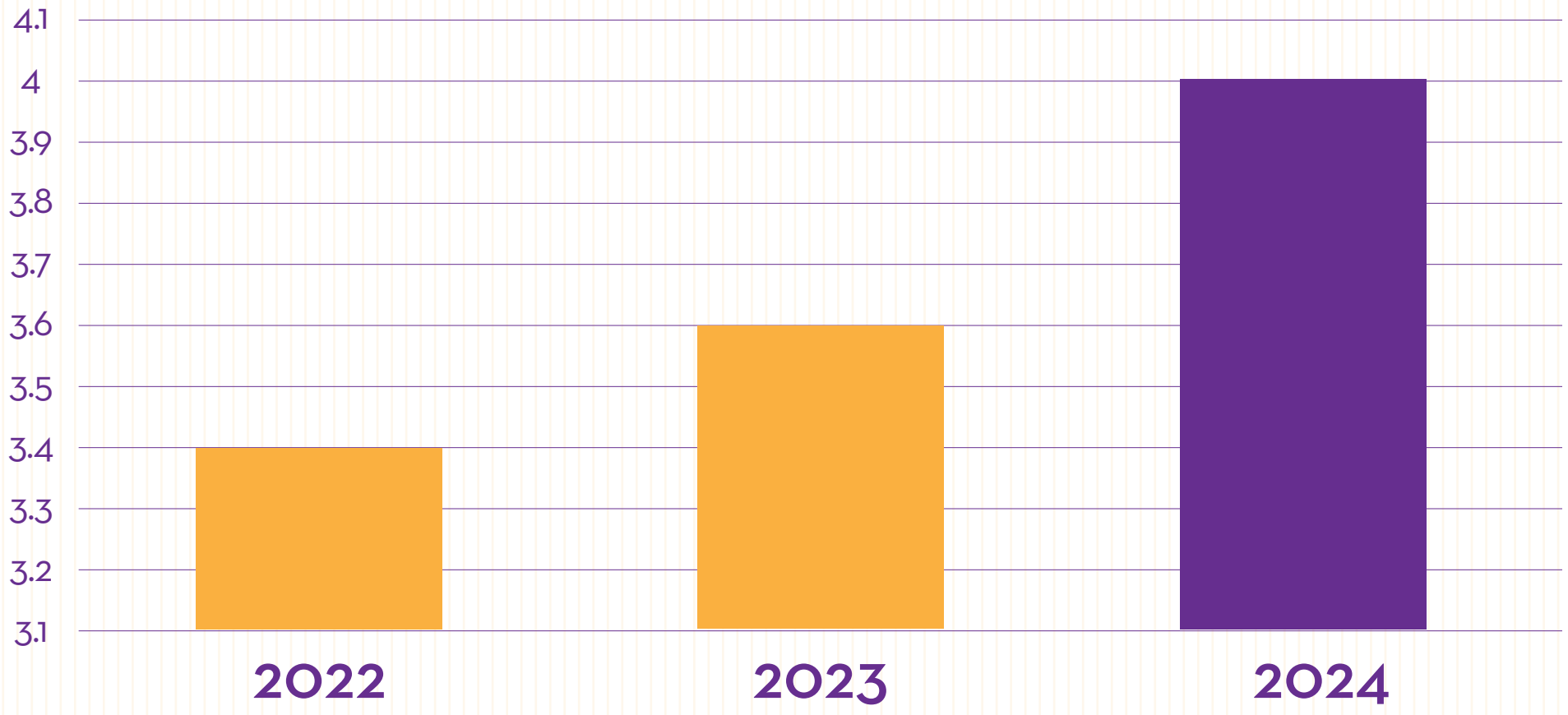
Resident & Family Satisfaction

To uphold our People First customer service philosophy and maintain awareness and responsiveness to those under our care, we collaborate with Pinnacle Quality Insight to conduct routine Family and Resident satisfaction surveys. Pinnacle serves over 3,600 senior are sites and has administered over 1.5 million surveys. We're proud that several of our facilities have earned their esteemed Customer Experience Award and rank within the top 15% nationwide. .

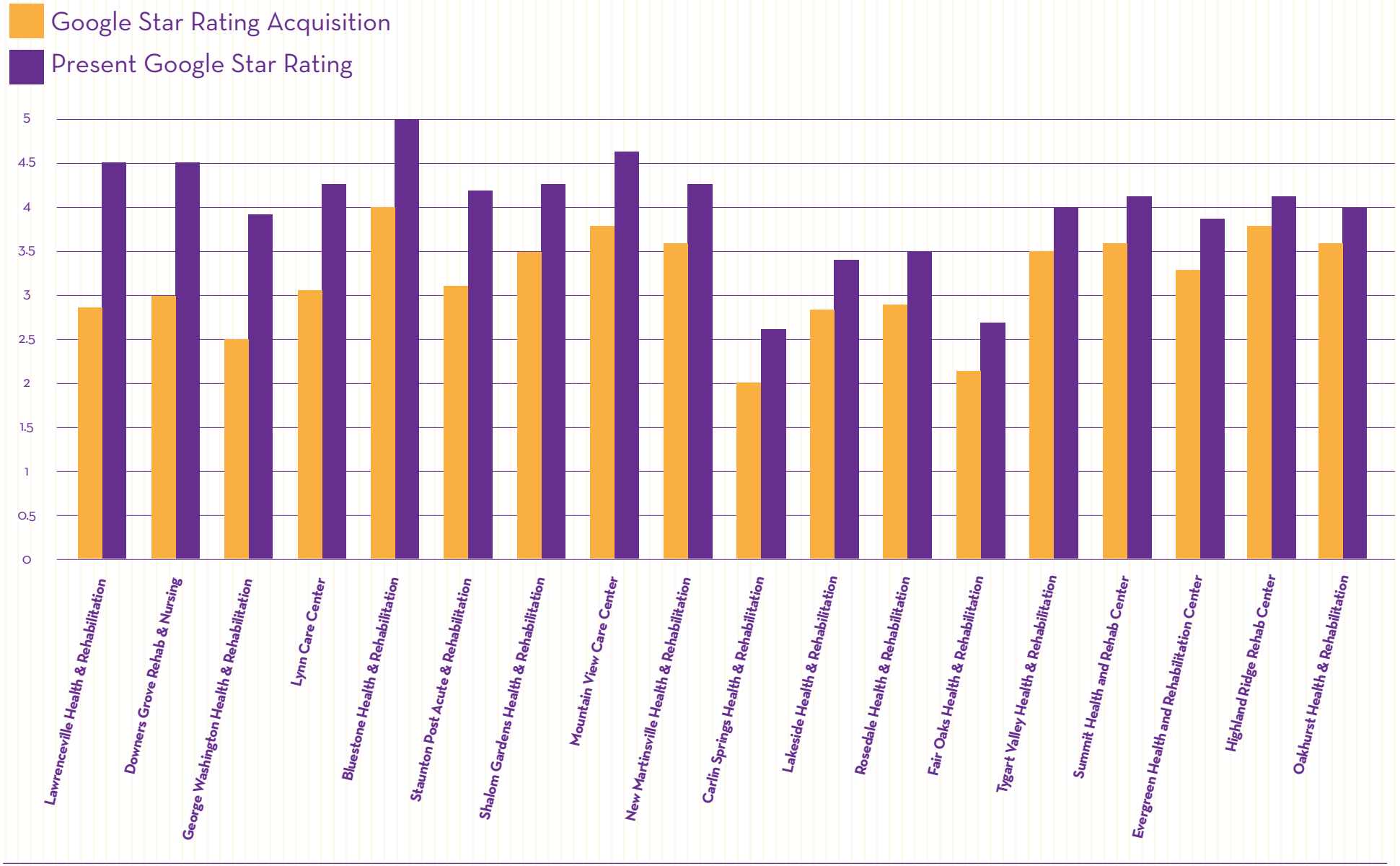


Improving Employee Satisfaction

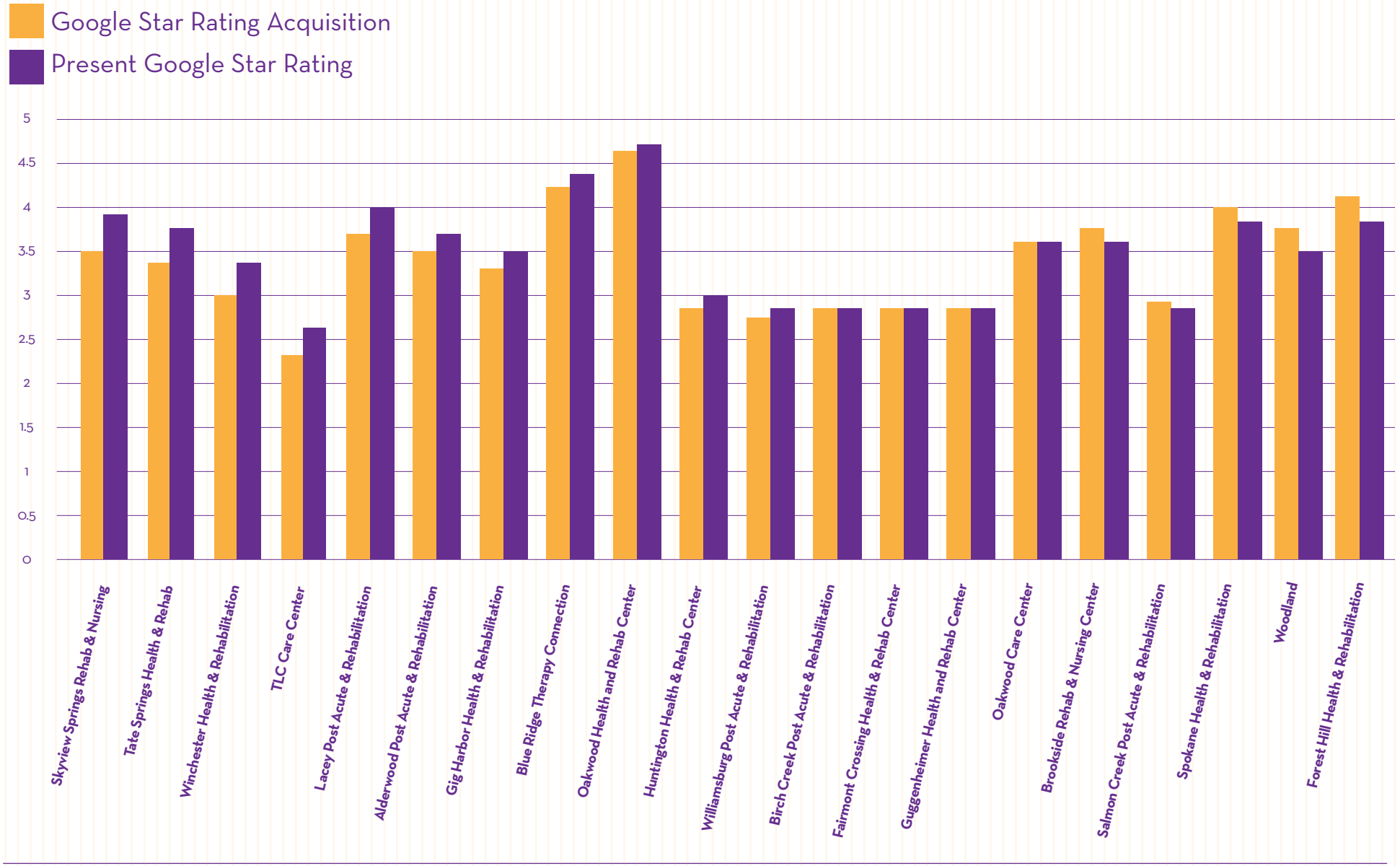
At Hill Valley Healthcare, we know that a happy staff provides superior care. So, we have invested in a team of HR and Employee Engagement leaders and programs to better recruit and retain our team. These improvements are evidenced by our survey results



Google Ratings - Now vs. Acquisition



Google Ratings - Now vs. Acquisition



HILL VALLEY

HEALTHCARE

hillvalleyhc.com

State of Tennessee
Health Facilities Commission
Andrew Jackson Building, 9th Floor
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

July 5, 2024

Wells Trompeter, Legal Counsel
Holland and Knight, LLP
511 Union Street, Suite 2700
Nashville, TN 37219

RE: Certificate of Need Application CN2406-017
McKendree Post Acute and Rehabilitation

Dear Mrs. Trompeter:

This will acknowledge our July 1, 2024 receipt of your application for a Certificate of Need for the addition of thirty (30) skilled care beds dually certified by Medicare and Medicaid to its existing one-hundred eighty (180) Medicare certified skilled care beds for a total of ninety (210) nursing home beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses electronically by 4:30 p.m., Friday July 12th. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Item 3A., Proof of Publication**

   It appears that the notice of intent was published on both the 13th and 20th of June. Is there a reason it was published a second time?

   Response: No. The Newspaper chose to do so, and the Applicant did not object as the legal requirements were met by the publication on the 13th, and the 20th only provided additional notice to the public.

2. **Item 8A., Management**

   It appears that the facility operated with a facility management company prior to the change in ownership. Please confirm that the facility will be self-managed rather than managed through a third-party agreement.

   Response: The facility will be managed by itself but has a consulting arrangement with Hill Valley.

3. **Item 9A., Legal Interest in the Site**

   The attached lease document is marked Confidential. Please note that the documents submitted with the application are public record.

   The lease document also contains redactions concealing the identities of parties to the lease agreement. Please provide a lease document demonstrating site control for the project identifying all parties to the lease.

   Please revise and resubmit (labeled as Attachment 9AR.)

   Response: Resubmitted as Attachment 9AR. Please note that the lease agreement encompasses several parties and other facilities the Applicant initially thought would create more confusion and thus redacted.

4. **Item 10A., Floor Plan**

   Please provide a floor plan that identifies the location of the existing (180) beds and the location of the additional (30) beds in relation to the existing beds.

   Response: A narrative was added to the submitted floor plan showing existing beds vs. expanded beds.

5. **Item 1E., Overview**

   Please clarify the following in the Executive Summary:

   Response: The McKendree Post Acute & Rehabilitation (the "McKendree"), a 180-bed nursing home, is seeking approval for the addition of thirty (30) Medicare and Medicaid-certified beds, resulting in a total of 210 nursing home beds. Mckendree SNF Operations, LLC ("Operator") acquired the assets of McKendree from Nashville Senior Care, LLC, the prior operator out of bankruptcy on June 17, 2024 ("Bankruptcy Proceeding").

Prior to Operator's acquisition, the facility, formerly known as McKendree Village was struggling, as evidenced by serious survey deficiencies and federal penalties. By acquiring the facility out of bankruptcy, Operator has made a sincere commitment to making major operational changes in order to improve quality of care and ensure patients in Davidson County continue to have access to care.

Operator receives consulting support from Hill Valley Healthcare, an affiliate of Operator (Hill Valley and Operator are collectively referred to as "Operator" hereafter). Hill Valley is an experienced "turn-around" operator specializing in consulting facilities that have historically underperformed in terms of quality and investing time and resources to improve the operations and quality of care provided. Operator has robust clinical systems and processes in place, as well as a team of dedicated and experienced clinicians and administrative staff who work diligently to ensure patients receive the highest quality care. See attached "Accountability Chart" which shows the extensive team Hill Valley and Operator have in place to support operations at the facility.

As part of this process, Operator and its dedicated team provide comprehensive, ongoing training to all staff, implement improved clinical systems and processes, and utilize data analytics to identify risk areas and focus resources to efficiently prioritize areas of concern. Operator goes to great lengths to ensure that its processes function as intended, including working closely with local staff to provide ongoing support and education.

As evidence of Operator's successful achievement of quality improvements, see the attached "Summary of Quality Improvements and Achievements After Acquisitions", "Clinical Data" and "Company Overview" documents. These documents provide a brief overview of the steps Operator takes to make substantive improvements in operations leading to enhanced clinical outcomes of its communities. The sharp decrease in survey deficiencies and CMS star ratings shown in these documents are tangible evidence of the quality improvements Operator is able to make.

The facility, now known as The McKendree Post Acute & Rehabilitation, was established in 1963. In 1978, an independent living facility was added to the campus. Renovations to the nursing home wing and executive offices were completed in July 2018.

As part of the Operator's improvement efforts, the Applicant plans to renovate an existing building that will house the additional thirty beds. The additional beds will be located in a building that is physically connected to McKendree and

was previously licensed as a nursing home until 2008 (the "South Building"). The South Building was closed and de-licensed in 2008.

Because the South Building space was previously licensed as a nursing home, no structural changes will be required to meet licensure requirements, including life safety requirements. While Operator plans to renovate this space to provide a top-of-the-line environment for its patients, these renovations will not require structural changes to the space.

- Describe the history of the nursing home facility including the following:
  - When was it established?
  - What major renovations have occurred since it was opened?
  - Where is the building space located relative to the existing (180) beds at the facility?
  - When was the proposed expansion site last operated as a licensed nursing home facility?
  - Why was it closed and no longer licensed?
  - What modifications are necessary to meet licensure requirements including life safety?
  - What is the square footage being renovated?

- When did the ownership of the facility change?

- Which other SNFs are operated by the owner(s) of the facility?

  Mckendree SNF Operations, LLC only owns and operates the Applicant. As disclosed on the ownership chart, the parent owner, TN 2 SNF Operations Holdings LLC, owns another SNF located in Tennessee that was acquired as part of the Bankruptcy Proceeding—Waynesboro Health and Rehabilitation Center License No 278.

  Subsequent to the submission of the application, a website was created for McKendree that we have updated the application and are providing here for convenience https://www.themckendree.com/

6. **Item 2E., Rationale for Approval**

Does the applicant currently have a waitlist for patients at the facility?

Please note that nursing homes are licensed by the Tennessee Health Facilities Commission and not the Tennessee Department Health as is referenced on Pages 8 and 16 of the application. Please revise the responses provided in these

sections of the main application.

Does the applicant currently maintain a Charity Care policy? If so, please include as an attachment.

Response: Currently, there is no waitlist. However, the requested beds will not be used immediately but are anticipated to become operational in May 2026, barring any delays. The Applicant has taken and will continue to take steps to steadily increase its patient census. We have provided a more in-depth discussion of these steps below, but will provide a brief summary here as well. As part of Applicant's overall efforts to improve quality of care and operations at the facility, Applicant has been working to improve its relationships with referral sources, which has increased referrals and which expected to continue to lead to increased referrals in the coming years. Additionally, the Applicant is investing in improving its independent living and assisted care living operations, which are located on the same campus as the facility. As these operations reach full capacity, there will be a natural increase in Applicant's nursing home patients as individuals who previously resided in Applicant's independent and assisted living facilities age and need nursing home care. Further, the Applicant has joined the Tennessee Health Care Association post Bankruptcy Proceeding to increase visibility and strengthen relationships across Tennessee.

The Applicant updated the references on Pages 8 and 16 of the application.

The Charity Care policy as been Attached.

7. **Item 4E., Project Cost Chart**

Why are there no facility lease costs included with the project cost chart?

Please update the project cost chart to reflect the lease costs for the space associated with the (30) bed expansion. Please submit payment for any change in the CON Filing Fee that results from this revision.

Please complete the following FMV calculation worksheet supporting the cost associated with the lease.

Response: Nothing was acquired or will be acquired for this project to be calculated in the cost projections. There is no specific lease for the 30 beds

To be accommodating, the Applicant has attempted to assign cost but maintains no cost should be allocated to the Lease. Assigning a facility lease cost 100%

accurately is practically impossible. Of the Base Rent, the Applicant has assigned 60% to McKendree. In addition to Skilled Nursing, the lease covers assisted living and independent living. Therefore, the 60% has been assessed in three ways. The amount assessed to the SNF has been assessed over the total bed capabilities and applied to the 30 beds.

8. **Item 4N., Special Needs of the Service Area Population**

How does the applicant's payor mix differ from other existing providers in the service area? Does it serve a higher percentage of TennCare patients than other facilities?

Response: Over half of Operator's patients are Medicaid which is a higher percentage than other facilities in Davidson County. Further, at least two facilities in Davidson County did not treat Medicaid patients in 2022 based on JAR data –The Health Center at Richland Place and Woodcrest at Blakeford.

Are there any demographic considerations that differentiate the applicant's nursing home patient base from other service area providers?

Response: During our recent discussions with area providers, it was highlighted that Skyline Medical Center has introduced a new level 2 burn unit, which presents a significant clinical opportunity for McKendree. With Hill Valley's extensive experience in specialty care, including wound care and dialysis units, McKendree is uniquely positioned to meet this emerging need. Hill Valley has a proven track record of delivering specialized healthcare services. Our facilities have successfully managed complex wound care and dialysis treatments, showcasing our capability to handle high-acuity cases. This experience underscores our readiness to elevate the level of care at McKendree.

The introduction of Skyline Medical Center's level 2 burn unit opens up a substantial opportunity for McKendree to support patients requiring advanced wound and infectious disease management. By leveraging our specialty care expertise, McKendree can provide seamless post-acute care for burn patients and those with complex wounds, ensuring continuity of care and improving patient outcomes. Additionally, our medical director, Dr. Shah, is a strong advocate for McKendree and would be highly supportive of partnering on wound care and infectious disease initiatives with the hospital systems in need.

We are confident in our clinical outcomes, with a strong focus on reducing re-hospitalization rates. Our team is well-versed in best practices for re-hospitalization reduction, ensuring that our patients receive the most effective

and efficient care possible. This focus on quality care and patient outcomes will be a key factor in the success of the proposed expansion.

The addition of 30 licensed beds at McKendree is a strategic and necessary step to enhance the level of care available to our community. By capitalizing on the new opportunities presented by Skyline Medical Center's level 2 burn unit and our existing specialty care capabilities, we can provide comprehensive, high-quality care to a broader patient population. With a robust business development team, the strong advocacy of Dr. Shah, and a commitment to reducing re-hospitalization rates, we are poised to meet the growing healthcare needs of the Nashville community. We respectfully request approval for this Certificate of Need to better serve our community and fulfill our commitment to excellence in healthcare.

9. **Item 5N., Service Area Historical Utilization**

Please include the historical utilization of service area nursing homes either directly in response to Item 5N of the main application or as an Attachment labeled as Attachment 5N.

Response: This information was initially provided as an attachment. Please see the file submitted titled Need Criteria (1) after Label **Criteria #4.**

10. **Item 6N., Applicant's Historical and Projected Utilization**

Please provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Please complete the following table for projected Year One and Year Two of the proposed project.

The McKendree Post Acute & Rehabilitation --Projected Utilization Year 1 and 2

Year	Licensed Beds	Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF Other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy
Proposed 30 bed Addition								
2026	30	30	2	9	4		15	50%
2027	30	30	4	15	6		25	83%
210 Bed Facility (180 existing beds + proposed 30 bed addition)								
2026	210	210	41	109	45		195	93%
2027	210	210	42	115	48		205	98%

Please include the historical utilization and projected utilization for the applicant's facility either directly in response to Item 6N of the main application or as an Attachment labeled as Attachment 6N.

Response: This information was initially provided as an attachment. Please see the file submitted titled Need Criteria (1) after Label **Criteria #4**, which includes the Applicant's data.

11. Item 1C., Transfer Agreements

Does the applicant maintain any transfer agreements currently? Which hospitals is the applicant planning to establish future transfer agreements with?

Response: Yes. The Applicant has attached the Agreement with TriStar Summit Medical Center.

12. Item 3C., Effects of Competition and/or Duplication

What are the key differences between this facility and other area SNF facilities in terms of referral sources, levels of care, or number of Medicare/TennCare certified beds, etc.?

Response: The McKendree is a continuing care retirement community, operating an independent living facility and assisted living facility in addition to its SNF facility. As such, the McKendree has a built-in base of individuals who are likely to need nursing facility care in the future.

Additionally, Operator has vast experience providing a higher level of care to its nursing home patients at other facilities, including on-site dialysis, on-site pulmonary & ventilator care, cardio-pulmonary care, and wound care. In the coming years, Operator plans to evaluate the need for such higher level care in the community and will add these advanced levels of care to the McKendree as needed.
Further, Operator has in place a SVP of Business Development who focuses on fostering relationships with referral sources and supporting local clinical liaisons will work with referral sources to ensure the facility is responding promptly to all referral requests. Operator's Regional Director of Operations also works closely with facility administration to implement and maintain quality improvement efforts so that clinicians know their patients will receive the highest quality of care from the facility.

13. Item 4C., Availability of Human Resources

Please discuss the staffing of the facility as it relates to the number of licensed vs. staffed beds as the applicant has listed only (155) staffed beds of the (180) total licensed beds in the bed compliment data attachment.

Response: Following Operator's acquisition of the facility last month, Operator has already begun to implement a recruiting and staff retention overhaul which enable it to employ high quality staff with low turnover. These efforts are described in greater detail below, but as evidence of Operator's success, we note that in less than a month since taking over operations of the facility, Operator has managed by decrease its staffing agency usage by 4%.

Through Hill Valley's consulting relationship, Operator has access to Hill Valley's regional Talent Acquisition Specialists. The Talent Acquisition Specialists oversee the whole hiring and recruitment process, including handling the direct hiring for direct care.. For ancillary roles, our team works closely with the Hiring Manager and Human Resource Managers to fill these positions. Once the Hiring Manager selects a qualified candidate for either Administrator, Nursing Admin or ancillary roles, the Talent Acquisition Specialist sends the offer letter and pre-hire paperwork.

We proactively identify and addresses company's hiring needs and lead the team of Talent Acquisition Specialist through pipeline of sourcing candidates and filling open requisitions. We implement creative strategies to attract qualified candidates and have successfully reduced reliance on staffing agencies in 26 of our communities.

The Talent Acquisition Specialists partner closely with their regional team and each community to make the process a great experience for the candidates. We source talent, conduct market research to identify key trends to aid recruitment planning, market segments, and audience targeting. Some key strategies we utilize are sign-on bonuses, employee referral bonuses, rate approvals, Job Fairs, targeting competitors and schools. We also have retention bonuses and benefit packages. We increase our candidate flow through our social media and website presence. Talent Acquisition Specialist will reach out to agency staff to try to convert them to in-house on a regular basis and we will reach out to previous employees to see if we can welcome them back with and without a new and approved wage grids are released.

In addition to our hiring efforts, we also place a major emphasis on employee retention. Our Human Resources team is structured to provide comprehensive support and guidance to all employees, ensuring a positive and productive work

environment. Our HR team is led by our Vice President of Human Resources, who oversees the overall strategy and implementation of HR policies and initiatives. Reporting to the VP of HR are several key roles, including the Regional Human Resources Directors & Director of Employee Engagement fully supporting our community HR Managers.

We understand that our employees are our greatest asset, and we are committed to fostering an environment where they feel valued, engaged, and satisfied. Our retention strategy begins with a comprehensive onboarding process, designed to set new employees up for success from day one. This includes thorough training programs, mentorship opportunities, and clear communication of job expectations and organizational culture.

Employee engagement is our top priority. We regularly conduct employee surveys to gather feedback and identify areas for improvement. Based on this feedback, we implement initiatives such as wellness programs, professional development opportunities, and team-building activities. Our HR team works closely with managers to ensure that employees have the resources and support they need to thrive in their roles.

To maintain high levels of employee satisfaction, we offer competitive compensation packages, comprehensive benefits, and recognition programs that celebrate employee achievements and milestones. We also promote a culture of open communication, where employees are encouraged to share their ideas and concerns. Regular performance reviews and career development discussions ensure that employees have clear paths for growth and advancement within the organization.

By prioritizing retention, engagement, and satisfaction, we aim to create a workplace where employees feel motivated, respected, and committed to delivering the highest quality of care to our patients.

14. Item 5C., Licensure, Certification, Accreditation

Please discuss the procedure for obtaining occupancy approval for the addition of (30) beds within a separate, currently unlicensed facility. What modifications are needed to make the facility compliant with licensure standards?

Please discuss regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

Response: The 30 beds are not in a separate facility. The procedures for obtaining occupancy approval for the addition of (30) beds will follow life safety regulations. They substantially comply but are modernized and meet current code compliance standards.

The applicant must comply with state and federal regulations for skilled nursing homes to obtain licensure from the Tennessee Health Facilities Commission and have the beds Medicare Certified.

15. Item 9C., Difference in Charges

Please compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas.

Response: The proposed gross charges for the project in Year One ($353.84) and Year Two ($364.50) are on par with the average gross charge of other nursing homes in Davidson County ($353.16). This average was calculated using data from the 2022 JAR.

16. Item 10C., Payor Mix

The applicant's payor mix appears to differ from the reported payor mix reported in the 2022 Joint Annual Report. Please discuss the methodology for projecting the payor mix of the project.

Response: Based on the 2023 JAR of the Applicant, Medicare was 14%, Medicaid was 58%, and Self-Pay was 22%. These percentages are all extremely close to the Applicant's projected payor mix for 2026 and 2027. The Applicant's forecasting might have captured metrics differently than the former owner, creating minimal discrepancy, but payor mixes will adjust year over year. There will be minimal adjustments from historical payor mixes – the Applicant's primary payor will still be Medicaid.

17. Item 3Q., Accreditation, Certification and Licensure Plans

Please discuss the applicant's decision not to pursue any form of third-party accreditation.

The Applicant will obtain Medicare Certification, which involves passing an extensive survey to ensure compliance with Medicare conditions of participation. Third-party accreditation is not a standard practice for nursing homes. Based on the 2022 JAR, 317 SNFs were licensed for the calendar year 2022. Of those, only

102 reported obtaining The Joint Commission Accreditation, and 10 reported obtaining a different accreditation. This equates to only 35% of Tennessee's SNFs obtaining a third-party accreditation.

18. Item 7Q., Compliance History

It appears that the applicant has not accurately represented a number of instances relevant to this application item:

- The applicant has incurred $268,485 in federal fines since 2021.
- The applicant has been cited for (26) Health Deficiencies including three Level 4 - Immediate jeopardy to resident health or safety and one Level 3 - Actual harm finding in its last survey October 3, 2023.
- The applicant received a Notice of Suspension of Admissions on January 10, 2023.
- The applicant's facility has been cited for abuse according to the CMS Care Compare website.

Please discuss the nature of non-compliance and corrective action to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

Response: As explained above, the Applicant recently acquired the facility through a Bankruptcy Proceeding from a struggling operator. The above-referenced fines, deficiencies, and citations all occurred prior to the Applicant's acquisition of the facility and as such, are not applicable to this Operator.

As part of its acquisition of McKendree, Operator is in the process of implementing operational efforts to improve quality. Operator has the support of its manager, Hill Valley, along with improved clinical trainings for staff, utilization review, and improved hiring and employee retention practices.

19. Item 8Q., Staffing Chart

Please list the contracted position types.

Response: The Applicant has several of the same position types it directly employs in contracted positions, including licensed practical nurses, certified nurse aides, dietary managers, occupational therapists, and physical therapists.

The Applicant has great relationships with contracting agencies to ensure proper staffing, with full-time and part-time staff positions adequately staffed.

Please respond to the following service specific criteria questions as an attachment labeled Attachment 1N-Supplemental #1.

20. Item 1N., Project Specific Criteria, General

Please include page numbers in the response to the Criteria and Standards for Nursing Home Services as Attachment 1N.

Response: Numbers have been added and Attached to this submission.

21. Item 1N., Project Specific Criteria, Nursing Home Services, Item #9, Adequate Staffing

It appears that the facility has a One Star Staffing Rating through CMS according to its Care Compare website with high levels of nursing staff turnover relative to national and state averages. Please provide additional support for the applicant's ability to properly recruit and retain adequate staff to support this facility expansion.

Response: As described above, the facility was acquired during a Bankruptcy Proceeding, during which the prior operator struggled to adequately support the staff and implement adequate quality control processes.

Operator has begun implementing its processes to improve staff recruiting and retention, including improved trainings, mentoring, professional development opportunities and employee recognition programs, as described in further detail above. By virtue of Operator's experience taking over struggling facilities, Operator is uniquely positioned to address the staffing issues which plagued facility in the past.

Operator has already significantly decreased their use of staffing agencies in the month they've operated the facility. Operator is confident that they will be able to recruit and maintain an excellent workforce by implementing the programs described above.

22. Item 1N., Project Specific Criteria, Nursing Home Services, Item #12, Quality Control and Monitoring

Please identify and document the applicant's existing and proposed plan for data reporting, quality improvement, and outcome and process monitoring systems,

including in particular details on its Quality Assurance and Performance Improvement program as required by the Affordable Care Act. As an alternative to the provision of third party accreditation information, applicant may provide information on any other state, federal, or national quality improvement initiatives. An applicant that owns or administers other nursing homes should provide detailed information on their surveys and their quality control programs at those facilities, regardless of whether they are located in Tennessee.

Response: The Applicant is providing Quality Assurance Performance Improvement ("QAPI") Committee Documentation that outlines the QAPI program as an attachment. Additionally, the Applicant has provided its QAPI plan. In addition to these documents, the Applicant maintains scheduled and ad hoc QAPI audits of the program and develops QAPI Actions plans labeled as (QAPI) Committee The McKendree and The QAPI Plan.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 3, 2024. If this application is not deemed complete by this date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the fifteenth day of the month after the application has been deemed complete by the staff of the Health Facilities Commission. Any communication regarding projects under consideration by the Health Facilities Commission shall be in accordance with T.C.A. ' 68-11-1607(d):

No communications are permitted with the members of the Commission once the Letter of Intent initiating the application process is filed with the Commission.

Communications between Commission members and Commission staff shall not be prohibited. Any communication received by a Commission member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt
HFC Health Planner

Enclosure

State of Tennessee
Health Facilities Commission
Andrew Jackson Building, 9th Floor
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

July 14, 2024

Wells Trompeter, Legal Counsel
Holland and Knight, LLP
511 Union Street, Suite 2700
Nashville, TN 37219

RE: Certificate of Need Application CN2406-017
McKendree Post Acute and Rehabilitation

Dear Mrs. Trompeter:

This will acknowledge our July 12, 2024 receipt of your supplemental responses for a Certificate of Need for the addition of thirty (30) skilled care beds dually certified by Medicare and Medicaid to its existing one-hundred eighty (180) Medicare certified skilled care beds for a total of ninety (210) nursing home beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses electronically by 4:30 p.m., Monday July 15th. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Item 10A., Floor Plan**

   What is the square footage being renovated?

   Response: Approximately 15,000. The total amount will be finalized after consultation with Life Safety.

2. **Item 4E., Project Cost Chart**

Please clarify where the revised lease costs have been submitted as referenced in the applicant's supplemental responses.

Please submit a revised copy of the main application with an updated Item 4E. Project Cost Chart which includes facility lease costs for the space associated with the 30 additional SNF beds. This must be based on the square footage and pro-rated lease costs associated with the space. Please attach a copy of FMV calculation worksheet. Please confirm any change in the total project cost that results from this revision to the Project Cost Chart.

Response: The Project Cost was updated directly in the application.

3. **Item 5N., Service Area Historical Utilization**

It is noted that the requested data is provided in Attachment 1N. Please include the historical utilization of service area nursing homes either directly in response to Item 5N of the main application or as an Attachment labeled as Attachment 5N.

Response: The data was uploaded to the main application.

4. **Item 6N., Applicant's Historical and Projected Utilization**

Please provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

It is noted that the requested data is provided in Attachment 1N. Please include the historical utilization and projected utilization for the applicant's facility either directly in response to Item 6N of the main application or as an Attachment labeled as Attachment 6N.

Response: The data was uploaded to the main application.

5. **Item 4C., Availability of Human Resources**

Please clarify whether the applicant is currently staffing (155) beds or (180) beds?

Response: The Applicant currently has the physical components of the 180 beds set up and operational, meaning the beds and linens are ready for a patient. Certain aspects of the beds are staffed, such as dietary and janitorial. Due to the poor management of the prior Operator, the Facility is not staffed at full capacity,

so the Applicant cannot accurately attest that all 180 beds are staffed, but as described in the prior submission, plans are in place to be able to do so!

6. **Item 9C., Difference in Charges**

The applicant's calculations in the supplemental response are noted. Please include a table showing this data for the applicant and other providers in the service area.

Response: Please see below chart.

2022 JAR Data			
Facility Name	**Gross Operating Revenue**	**Utilization Data: Patient Days**	**Gross Charge**
Signature Healthcare of Madison	$3,950,652.00	13,310	$296.82
Creekside Health and Rehabilitation Center	$17,602,456.00	48,674	$361.64
The Health Center at Richland Place	$16,543,137.00	37,001	$447.10
Trevecca Center for Rehabilitation and Healing, LLC	$24,805,065.00	80,583	$307.82
Vanco Health and Rehabilitation, Inc.	$8,650,156.33	26,481	$326.66
Stoneridge Health Care, LLC	$2,981,782.00	9,716	$306.89
Bethany Center for Rehabilitation and Healling, LLC	$21,935,594.00	60,388	$363.24
Good Samaritan Health and Rehab Center	$6,943,572.00	26,066	$266.38
AHC Cumberland	$10,793,809.00	35,115	$307.38
West Meade Place, LLP	$15,446,223.00	32,735	$471.86
NHC Place at the Trace	$11,651,811.00	26,806	$434.67
Grace Healthcare of Whites Creek	$11,731,966.00	36,896	$317.97
Lakeshore Heartland	$5,870,209.00	20,102	$292.02
The Meadows	$10,855,583.00	32,327	$335.81
Greenhills Health and Rehabilitation Center	$12,708,759.00	36,275	$350.34
Woodcrest at Blakeford	$7,707,102.00	29,800	$258.63
Life Care Center of Hickory Woods	$10,202,965.00	23,827	$428.21
Life Care Center of Old Hickory Village	$11,256,452.00	32,125	$350.40
Nashville Center for Rehabilitation and Healing, LLC	$17,706,139.00	36,416	$486.22
		Average	**$353.16**

7. **Item 7Q., Compliance History**

Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;
- Criminal fines in cases involving a Federal or State health care offense;
- Civil monetary penalties in cases involving a Federal or State health care offense;
- Administrative monetary penalties in cases involving a Federal or State health care offense;
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

Response: Please note that Operator is a newly formed entity, which was created to purchase the assets of the facility from prior operator. As such, the answers to the above are "no" with respect to Operator.

Please respond to the following service specific criteria questions as an attachment labeled Attachment 1N-Supplemental #2.

8. **Item 1N., Project Specific Criteria, Nursing Home Services, Item #12, Quality Control and Monitoring**

   It is noted that a QAPI for the applicant is attached. Please confirm whether the attached Quality Assurance and Performance Improvement program is specific to the applicant and currently in use.

   Response: The QAPI provided are specific to the Applicant and are currently in place.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 3, 2024. If this application is not deemed complete by this date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be

submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the fifteenth day of the month after the application has been deemed complete by the staff of the Health Facilities Commission. Any communication regarding projects under consideration by the Health Facilities Commission shall be in accordance with T.C.A. ' 68-11-1607(d):

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Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt
HFC Health Planner

Enclosure

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: The McMinnville Post Acute & Rehabilitation

I, Dillon Carr, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

RVO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 15th day of July, 2024, witness my hand at office in the County of DAVIDSON, State of Tennessee.

Carmen M. Salazar
NOTARY PUBLIC

My commission expires July 7th, 2025.

CARMEN M. SALAZAR
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires JULY 7, 2025

HF-0043

Revised 7/02