RECEIVED APR 25 2024

Health Facilities Commission

HFC

NURSING HOME
APPLICATION FOR CHANGE OF OWNERSHIP

All applicable laws, rules, policies, and guidelines affecting your practice are available for viewing at https://www.tn.gov/hfc/division-of-licensure-and-regulation/hfc-licensure/licensure-applications.html. Please check this website periodically for updates.

Name of the Facility/Agency Foothills Transitional Care and Rehabilitation

Location of the Facility:

Street 1012 Jamestown Way City Maryville

County Blount State TN Zip 37803-5865

Phone Number (865) 984-7400 Fax Number (865) 681-9209

Twenty-four (24) Hour Emergency Phone Number (865) 984-7400

E-Mail Address renewals@ensignservices.net

Total Bed Capacity 185

Does the facility have a Secure Unit? Yes ____ No X Number of Secured Beds ____

Does the facility have an Alzheimer's Unit? Yes ____ No X Number of Alzheimer Beds ____

Does this facility have a Ventilator Unit? Yes ____ No X Number of Ventilator Beds ____

Does this facility offer dialysis services? Yes ____ No X

If yes, is it bedside dialysis? Yes ____ No X Number of Beds ____

Administrator Information:

Administrator Charles Dietrich Nursing Home Administrator License Number 4187

Have you (administrator) ever been convicted of a crime involving injury or harm to person(s), financial or business management (e.g., assault, battery, robbery, embezzlement, or fraud)? Yes ____ No X

If yes, what charge(s)? N/A

Location of Conviction ____ Date ____
(City) (County) (State)

Mailing address if different from the Facility location address:

Name Smoky Mountain Healthcare, Inc.

Street Attn: Licensing, 29222 Rancho Viejo Rd., Suite 127

City San Juan Capistrano State CA Zip 92675

Ownership of Building:

Name 1012 Jamestown Way TN LLC Phone ( ) 212-763-5620

Street Address 17 State Street, Suite 2525

City New York State NY Zip 10004

FEE SCHEDULE: (FEES ARE NON-REFUNDABLE)

Bed Capacity	Fee	Bed Capacity	Fee
Less than 25	$1,040	100 thru 124	$2,080
25 thru 49	$1,300	125 thru 149	$2,340
50 thru 74	$1,560	150 thru 174	$2,600
75 thru 99	$1,820	175 thru 199	$2,860

Facilities with 200 beds or more shall pay a flat rate of $2,860 + $200 for each additional 25 beds or fraction thereof (i.e., 200-224 pays $3,060; 225-249 pays $3,260).

OWNERSHIP OF BUSINESS:

1. a. Check the type of Legal Entity:

   Individual _____ Partnership _____ Corporation X Limited Liability Company _____
   Church Related _____ Government/County _____ Other _____

   b. Check One: For Profit _____ Non-profit _____

   c. Legal Entity Checked in 1.a:

   Name Smoky Mountain Healthcare, Inc. Phone Number (949) 487-9500

   Street 1012 Jamestown Way

   City Maryville State TN Zip 37803-5865

   d. List name(s) and address(es) of individual owners, partners, directors of the corporation, or head of the governmental entity:

   Tyler Albrechtsen, Director - 29222 Rancho Viejo Rd., Suite 127, San Juan Capistrano, CA 92675
   Name Street City, State, Zip

   Soon Burnam, Treasurer - 29222 Rancho Viejo Rd., Suite 127, San Juan Capistrano, CA 92675
   Name Street City, State, Zip

   Craig Fitch, Treasurer - 29222 Rancho Viejo Rd., Suite 127, San Juan Capistrano, CA 92675
   Name Street City, State, Zip

   (If additional space is needed, please use a separate sheet)

   e. If a government/county owned facility, does the administrator have authority to act on behalf of the government/county as it relates to the operation of this facility? Yes ______ No X

   f. If no to e., who has said authority? ______

2. a. In accordance with Rule 0720-18-.02, is this CHOW a lease of operation? Yes _____ No _____

   b. If yes, please provide the lessor's information below:

   Name ______ Phone Number ( ) ______

Address ______________________

3. a. Is your facility/organization accredited by a **federally approved** accrediting body including but not limited to JCAHO, CARF, etc? **Provide proof of accreditation.**
Yes _____ No X Expiration Date ______________________

4. Is this facility chain affiliated? Yes _____ No X

5. If you have a parent company, please provide the following information:

Name N/A Phone Number ( )

Address ______________________

6. a. If a corporation, is there a holding company? Yes _____ No X

b. If yes, list the name, address, and phone number of the holding company:

Name N/A Phone Number ( )

Street ______________________

City ______________________ State ______________________ Zip ____________

7. a. Are any owners of the disclosing entity also owners of other health care facilities in Tennessee and/or other states?
Yes _____ No X

b. If yes, list names and addresses of all such facilities. ***(If additional space is needed, please use a separate sheet)***
N/A

8. a. Do you have a contract with a management firm to operate this facility? Yes _____ No X
If yes, specify dates: From_____ To _____

b. If yes, specify nameof firm: N/A

Phone Number ( )

Address ______________________

9. For any item in (7) a-h below, please identify, explain, and provide documentation of the item(s) noted if response is "Yes". Have either the licensed entity for any of the other health care facilities in Tennessee and/or other states on the list in question (5.b.) above, OR the management firm listed in question (6.) above; been subjected to any of the following within the last (5) years:

a. Licensure

i) denied a license? Yes _____ No X
ii) had a license suspended or revoked by any state licensure action? Yes _____ No X
iii) been subject to a final order or judgement in a state licensure action? Yes _____ No X

b. Convictions

i) convicted of a criminal offense related to that person's involvement in any program under any state or Federal health care program (including Medicare, Medicaid, and Tricare)? Yes _____ No X

c. Exclusion

i) excluded from participation in Federal health care programs (Medicare, Medicaid, CHIP, or Tricare) in the past?
Yes _____ No X

CALIFORNIA JURAT WITH AFFIANT STATEMENT **GOVERNMENT CODE § 8202**

☒ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], *not* Notary)

1 ______________________________

2 ______________________________

3 ______________________________

4 ______________________________

5 ______________________________

6 ______________________________ ______________________________

Signature of Document Signer No. 1 *Signature of Document Signer No. 2 (if any)*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

Subscribed and sworn to (or affirmed) before me on this 22nd day of February, 2024, by
Date *Month* *Year*

(1) Soon Burnam

(and (2) ______________________________),

Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

JUSTINE W. QUINTOS
Notary Public - California
Orange County
Commission # 2431603
My Comm. Expires Dec 19, 2026

Signature Justine Quintos
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ______________ Document Date: ______________

Number of Pages: _____ Signer(s) Other Than Named Above: ______________

(Note: "Excluded" is defined as a provider or entity has been told by the Department of Health and Huma Services, Office Inspector General (HHS-OIG) that they may no longer be a provider for any federally funded healthcare program).

d. Termination/Suspension

i) suspended or terminated from participation in Medicare or Medicaid/TennCare programs? Yes _____ No X

(Note: This would include involuntary termination of a nursing facility or skilled nursing facility by the Centers for Medicare and Medicaid and Medicaid Services (CMS) or state Medicaid agency).

e. Fraud and Abuse

i) paid through settlement, or civil or criminal fines, any monies to the federal government or any state as a result of any administrative or judicial proceeding based on allegations of fraud or abuse involving claims related to the provision of health care items and services? Yes _____ No X

f. Corporate Integrity Agreement

i) Is presently an entity covered by and subject the terms of a corporate integrity agreement? Yes _____ No X

(Note: If yes, provide a copy of CIA)

g. Bankruptcy

i) filed bankruptcy under any provision of the United States Bankruptcy Code? Yes _____ No X

h. Civil Monetary Penalty (CMP)

i) paid to the Centers for Medicare and Medicaid Services or any state Medicaid agency a civil money penalty equal to or greater than $250,000.00 as a result of an enforcement action during a survey? Yes _____ No X

VERIFICATION BY NOTARY PUBLIC:

Signee for application certifies that he or she is of responsible character and able to comply with the minimum standards and regulations established by Tennessee pertaining to the type of facility or agency for which application for licensure is made and with the rules promulgated under Tennessee Code Annotated (TCA) § 68-11-201.

Signee also certifies that a policy has been implemented to inform all employees of their obligation under TCA § 71-6-103 to report incidents of abuse or neglect.

Signee acknowledges that the State of Tennessee may share information regarding the activities and compliance of the licensee, if the submitted CHOW application is a lessor and/or lessee transaction as described in the above Ownership of Business section of this application.

Applicant Signature	Soon Burnam, Treasurer Title or Position	02/22/2024 Date

STATE OF TENNESSEE

County of ______________ See attached

The above-named applicant (print name)______________, being by me duly sworn on his/her oath, deposes and says that he/she has read the forgoing application and knows the contents thereof: that the statements concerning the above-named facility or agency, therein contained, are correct and true to his/her own knowledge.

Subscribed to and sworn to me before this______________day of ______________
(Month) (Year)

RDA-10139

Notary Public: ___________________________

My commission expires: ___________________________

State of Tennessee
Health Facilities Commission
665 Mainstream Drive, 2nd Floor, Nashville, TN 37243
www.tn.gov/hfc Phone: 615-741-7221

July 2, 2024 Sent Via Email

Charles Dierich
Foothills Transitional Care and Rehabilitation
1012 Jamestown Way
Maryville, Tennessee 37803

Facility Type: Nursing Home
License Number: 13

Dear Administrator:

It is my pleasure to inform you that your application for change of ownership of Foothills Transitional Care and Rehabilitation located at 1012 Jamestown Way, Maryville, Tennessee 37803 has been initially approved; effective May 1, 2024. The license number shall be 13. For this initial approval to become final and permanent, your application must be ratified by the Commission pursuant to T.C.A. §68-11-206. The Commission will consider your application at its next meeting, scheduled for July 31, 2024. **You are hereby authorized to commence operation pending the final decision of the Board**. No further action is necessary on your part at this time.

If the Commission **does** ratify the approval of your application, the license number listed above will become your permanent license number and a letter will be forwarded to you within three (3) business days; notifying you of the Board's final decision.

If the Commission **does not** ratify the initial approval of your application, a letter will be forwarded to you providing an explanation and specific instructions as to any action(s) you may take to have the decision reviewed, at which time this authorization shall cease to be effective.

Please contact me if I can be of further assistance.

Sincerely,
Victoria Salmeri

Victoria Salmeri, A.S.A II
Health Facilities Commission
665 Mainstream Drive, 2nd Floor
Nashville, TN 37243
p. 615-741-7300
Victoria.salmeri@tn.gov

cc: East Tennessee Regional Administrator

HFC

CHANGE OF OWNERSHIP (CHOW) APPROVAL/DENIAL FORM

(For Health Facilities Commission USE ONLY)

Instructions: This form is to be completed upon receipt of a CHOW application for all facility types. The effective date of a change of ownership will be the date the closing documents are signed & dated by seller/buyer or lessee; or the date recommended by the Regional Office if occurring after the date of the signed closing documents.

Facility Type: 021 NH Dual Cert County: Blount

Facility Name (Current D/B/A): Foothills Transitional Care and Rehabilitation

Facility Name (New D/B/A if applicable): Foothills Transitional Care and Rehabilitation

Street Address: 1012 Jamestown Way

City/State/Zip Code: Maryville, TN 37803

Health Licensure Last Survey Date: 1/10/24 Annual or Complaint (circle one) Survey

****Review of three (3) year survey history including both annual and/or complaint surveys**

Outstanding Complaint(s): Y or N **(circle one; if yes, proceed to next question)**

Number of Outstanding Complaint(s): 2

Date(s) of Outstanding Complaint(s): 5/28/24, 4/5/24

Life Safety Last Survey Date: 1/9/24 Annual or Complaint (**circle one**) Survey

****Review of three (3) year survey history including both annual and/or complaint surveys**

Outstanding Complaint(s): Y or N **(circle one; if yes, proceed to next question)**

Number of Outstanding Complaint(s): ______

Date(s) of Outstanding Complaint(s): ______

Approved: ✓ Denied: ______

Reason for denial: ______

Recommended CHOW Approval Date: ______

Debra Verna
Regional Administrator Signature

6/24/24
Date

State of Tennessee
Health Facilities Commission
665 Mainstream Drive, 2nd Floor, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-7221

MEMO

To: Debra Verna, East Tennessee Regional Office Administrator (emailed)

From: Victoria Salmeri

Date: February 9, 2024

Subject: CHOW

A change of ownership will be occurred on or about May 1, 2024 for Smoky Mountain Healthcare, Inc who will be doing business as (d/b/a) Foothills Transitional Care and Rehabilitation located at 1012 Jamestown Way Maryville, Tennessee 37803. This facility was previously owned by Maryville Jamestown OPCO, LLC (Lic #13).

Please review your files to determine if there has been a survey conducted within the last fifteen (15) months with no major deficiencies. If a survey has not been conducted due to the facility being accredited, please review the file to determine if there have been any complaints that would prevent a recommendation for approval of the change of ownership at this time.

If you are unable to approve this change of ownership due to the survey being beyond the fifteen (15) months, please schedule an on-site survey as soon as possible.

If you have any questions, please call me at 615-741-7300 or email me at Victoria.Salmeri@tn.gov.

OFFICE OF HEALTHCARE FACILITIES, LICENSURE DOES NOT HAVE TO WAIT FOR AN APPROVED 855 TO MOVE FORWARD, IF APPLICABLE.

ENSIGN SERVICES

Kristin Osuna-Larson
Licensing Manager
Ensign Services, Inc.

direct line (949) 540-1270
direct fax (949) 540-3007
kosunalarson@ensignservices.net

February 20, 2024

Tennessee Department of Health
Division of Health Licensure and Regulation
Office of Health Care Facilities
665 Mainstream Drive, Second Floor
Nashville, TN 37228-1254

Re: Change of Ownership Letter of Interest for Maryville Jamestown OPCO, LLC dba Foothills Transitional Care and Rehabilitation, License No. 0000000013 ("Seller") located at 1012 Jamestown Way, Maryville, TN 37803 and Smoky Mountain Healthcare, Inc. dba Foothills Transitional Care and Rehabilitation ("Prospective Buyer")

To Whom It Concerns:

Pursuant to the requirements established by the Tennessee Department of Health, this correspondence serves as formal notice of the pending change of ownership for the above-mentioned Facility. Please be advised that the operation at the facility is scheduled to transfer on May 1, 2024. Please see below for additional details surrounding the transaction:

- Current Licensee/Operator: Maryville Jamestown OPCO, LLC
- Current License No.: 0000000013
- Name of Facility: Foothills Transitional Care and Rehabilitation
- Address: 1012 Jamestown Way, Maryville, TN 37803
- Prospective Licensee: Smoky Mountain Healthcare, Inc dba Foothills Transitional Care and Rehabilitation

Please be advised that the Prospective Licensee intends to keep the Facility Medicare/Medicaid certified and will request to transfer the current Medicare/Medicaid numbers upon transition of the Facility.

Should you have any questions or require further information, please do not hesitate to contact me at the phone number listed above or via e-mail at kosunalarson@ensignservices.net. Thank you for your time and attention to this matter.

Sincerely,

Kristin Osuna-Larson
Licensing Manager
Smoky Mountain Healthcare, Inc.

State of Tennessee
Health Facilities Commission
665 Mainstream Drive, 2nd Floor, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-7221

February 29, 2024 Sent Via Email

Norman W. Haley
Foothills Transitional Care and Rehabilitation
1012 Jamestown Way
Maryville, Tennessee 37803

Dear Administrator:

This letter acknowledges receipt of the application and fee for a change of ownership for Foothills Transitional Care and Rehabilitation Nursing Home, license number13, located at 1012 Jamestown Way Maryville, Tennessee 37803.

A closing document showing the effective date of transfer to the new owner must be submitted to this office after the transaction is finalized. Prior to issuing a license the charter will be verified with the office of the Secretary of State in Tennessee to ensure that the legal entity is registered as a Limited Liability Company.

Your application and fee will be held in a pending status until your application is recommended by the regional office for a change of ownership. Once the recommendation for a change of ownership is received from the regional office you will be initially approved, and your application will then be presented before the **Board for Licensing Health Care Facilities** for ratification at the next regularly scheduled board meeting.

This application will only be good for two (2) years from the date of receipt. If the change of ownership has not occurred within that two (2) year period you will be required to submit a new application and fee, unless you have contacted our office in writing extending your application.

Should you have any questions or need further assistance please feel free to contact me at (615) 741-7221.

Sincerely,
Victoria Salmeri

Victoria Salmeri, A.S.A II
Health Facilities Commission
665 Mainstream Drive, 2nd Floor
Nashville, TN 37243
p. 615-741-7300
Victoria.salmeri@tn.gov

THIS ASSIGNMENT AND ASSUMPTION, is made as of the 1st day of May 2024, by Maryville Jamestown Opco LLC, a Tennessee limited liability company ("Assignor"), to SMOKY MOUNTAIN HEALTHCARE, INC., a Nevada corporation ("Assignee").

WITNESSETH:

WHEREAS, by Operations Transfer Agreement (the "OTA"), dated as of February 5, 2024, by and among Assignor and Assignee, Assignor agreed to sell to Assignee certain personal property and such other assets, as more fully described in the OTA (the "Transferred Assets") (capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA); and

WHEREAS, the OTA provides, inter alia, that Assignor shall assign to Assignee, the Permits, the Patient Trust Funds and Property, the Warranties, the Assumed Contracts, the Resident Agreements and such other items applicable to the Transferred Assets, as more fully provided in the OTA; and

WHEREAS, the OTA provides, inter alia, that Assignee shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations under the Permits, Patient Trust Funds and Property, the Warranties, the Assumed Contracts and the Resident Agreements arising on or after the Closing Date;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Transfer of Permits**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under the Permits.

2. **Transfer of Warranties**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under the Warranties.

3. **Transfer of Patient Trust Funds and Property**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to and under the Patient Trust Funds and Property.

4. **Contracts and Resident Agreements**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to the Assumed Contracts, as well as all Resident Agreements.

5. **Assumption.** Assignee hereby accepts the foregoing assignments set forth in Sections 1, 2, 3, and 4 hereof; provided, that said assignment and assumption shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

6. **Miscellaneous.** This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the OTA, shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of Tennessee(without giving effect to any choice or conflict of law provision or rule, whether of the

State of Tennessee or any other jurisdiction) and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the day and year first above written.

ASSIGNOR

MARYVILLE JAMESTOWN OPCO LLC,
a Tennessee limited liability company

DocuSigned by:
By: Akiva Schonfeld
Name: AKIVA SCHONFELD
Its: Authorized Signatory

ASSIGNEE

SMOKY MOUNTAIN HEALTHCARE, INC.
a Nevada corporation

By: ______________________________
Name:
Its:

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the day and year first above written.

ASSIGNOR

MARYVILLE JAMESTOWN OPCO LLC,
a Tennessee limited liability company

By: ______________________________
Name: AKIVA SCHONFELD
Its: Authorized Signatory

ASSIGNEE

SMOKY MOUNTAIN HEALTHCARE, INC.
a Nevada corporation

By: ______________________________
Name: Soon Burnam
Its: Treasurer

OPERATIONS TRANSFER AGREEMENT

by and among

Maryville Jamestown Opco LLC and Knoxville Opco LLC

("Old Operator")

and

Smoky Mountain Healthcare, Inc. and First Creek Healthcare, Inc.

("New Operator")

Dated as of: February 5, 2024

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OPERATIONS TRANSFER AGREEMENT

This OPERATIONS TRANSFER AGREEMENT (this "Agreement") is entered into this 5th day of February, 2024 (the "Effective Date") by and between Maryville Jamestown Opco LLC and Knoxville Opco LLC, each a Tennessee limited liability company (collectively "Old Operator"), Smoky Mountain Healthcare, Inc. and First Creek Healthcare, Inc., each a Nevada corporation (collectively, "New Operator") and, solely for purposes of Section 28 of this Agreement, FL SNF Propco Holdings LLC, a Delaware limited liability company and Simcha Hyman, an individual (collectively, "Guarantor").

WITNESSETH:

WHEREAS, Maryville Jamestown Propco LLC and Knoxville Propco LLC (collectively "Seller") and 1012 Jamestown Way TN LLC, a Delaware limited liability company, and 3300 North Broadway Street TN LLC, a Delaware limited liability company (collectively "Purchaser") have entered into that certain Contract of Sale (the "PSA") dated of even date herewith, pursuant to which Purchaser will purchase from Seller that certain real property located at: (i) 1012 Jamestown Way, Maryville, TN as more particularly described in the description attached as Schedule 1, which is improved by a duly licensed 185-bed skilled nursing facility commonly known as "Foothills Transitional Care and Rehabilitation" (the "Foothills Facility") and (ii) 3300 North Broadway Street, Knoxville, TN as more particularly described in the description attached as Schedule 1, which is improved by a duly licensed 91-bed skilled nursing facility commonly known as "Creekview Health and Rehabilitation" (the "Creekview Facility" together with the Foothills Facility, collectively, the "Facility"), as more particularly described on Schedule 1 annexed hereto (the "Property");

WHEREAS, New Operator for each Facility will be entering into a lease of the Facility and other related assets from Purchaser pursuant to a lease agreement effective as of the Closing Date (the "Lease"), and the lease of the Facility between Old Operator of each Facility and Seller (the "Prior Lease") will be terminated at Closing;

WHEREAS, Old Operator currently has the sole rights to act as operator of the Facility and wishes to facilitate the transition of such rights to New Operator;

WHEREAS, Old Operator currently owns certain supplies, equipment, vehicles and other personal property used in connection with the operation of the Facility (the "Personal Property"); and

WHEREAS, in order to ensure an orderly transition of operations of the Facility, the parties hereto desire to enter into this Agreement.

NOW, THEREFORE, for the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged by the parties hereto, the parties hereto agree as follows:

1. **CLOSING**. The closing ("Closing") under this Agreement shall occur on the first day of the calendar month immediately following all the closing conditions set forth in Section 3 below are satisfied or such other date as mutually agreed upon by the Old Operator and New Operator, but not prior to the date of the Closing under the PSA (the "Closing Date"). New Operator shall file its regulatory and notice letters within seven (7) days after February 15, 2024, which represents the Due Diligence Expiration Date, as defined in the PSA. New Operator shall use its best efforts to obtain all governmental or quasi-governmental approvals that are necessary or appropriate in order for New Operator to operate the Facility

under Tennessee law, including a Certificate of Need, if applicable, and all other licenses (collectively, the "License") issued by the Office of Health Care Facilities or other applicable governmental authority (the "Department") necessary or desirable for the operation of the Facility, as a skilled nursing facility, and also use best efforts to begin to obtain Medicare and Medicaid provider agreements (collectively, the "Provider Agreements") with respect to the Facility as provided herein (the License and Provider Agreements collectively, the "Regulatory Approvals").

2. DUE DILIGENCE; COOPERATION; INTERIM OPERATIONS OF THE FACILITY.

a. Old Operator agrees to cooperate with New Operator, and New Operator agrees to cooperate with Old Operator to effect an orderly transfer of the operation of the Facility. Upon reasonable prior notice to Old Operator, New Operator and its agents, employees and contractors shall have the right until the Due Diligence Expiration Date to enter the Facility during reasonable business hours to conduct any necessary diligence, inspections, investigations, tests and studies as New Operator shall reasonably deem necessary, including, without limitation, non-invasive environmental site assessments, engineering tests and studies, and physical examinations of the Facility. Prior to the Closing Date as mutually agreed to by New Operator and Old Operator, but in no event later than twenty-one (21) days, and no sooner than thirty (30) days, prior to Closing, Old Operator and New Operator shall hold a joint meeting at each Facility to announce that the Facility will be transferred to New Operator. Notwithstanding anything to the contrary herein, at any time after this joint meeting, New Operator will be entitled to meet with and interview on-site staff. Old Operator has previously provided or within a reasonable period after the date hereof will endeavor to provide, New Operator with the materials listed on the attached Schedule 2(a) to the extent that such materials are in Old Operator's possession and are readily accessible. Subject to availability, Old Operator will endeavor to provide for New Operator's review copies of any additional due diligence documents as may be reasonably requested by New Operator prior to the Due Diligence Expiration Date provided, however, that the failure by Old Operator to provide any materials referenced in this ¶ 2(a) shall not be a basis to extend the Due Diligence Period, nor shall it give rise to any claim of an Old Operator breach or failure by Old Operator to comply with the terms of this Agreement. If, prior to the Due Diligence Expiration Date, New Operator, as a matter of its sole discretion, determines for any or no reason whatsoever that the Facility is not suitable for New Operator's use, New Operator, by written notice given to Old Operator before the Due Diligence Expiration Date, shall have the right to terminate this Agreement. If this Agreement is terminated as provided in this paragraph, except as otherwise expressly provided in this Agreement, the parties shall have no further obligations hereunder.

b. From the Effective Date until the earlier of the Closing Date or the date this Agreement is terminated, Old Operator shall operate the Facility in substantially the same manner as it has heretofore operated, use commercially reasonable efforts to preserve intact the business operations and relationships of the Facility with third parties and use commercially reasonable efforts to keep available the services of all of the Facility's employees. Without limiting the generality of the preceding sentences, until the earlier of (i) the Closing Date, or (ii) the termination of this Agreement, Old Operator shall:

i. operate the Facility in the normal course of business and in compliance with all laws, ordinances, orders, rules, regulations and requirements of any federal, state or municipal governmental agency or authority;

ii. maintain the Facility's licensure status, and Medicare and Medicaid provider agreements, in material compliance with all applicable laws, rules and regulations;

iii. not sell, transfer or otherwise dispose of any of the Supplies (as hereinafter defined) or Personal Property except in the ordinary course of business consistent with the prior practices of Old Operator;

iv. not enter into any contract, other than admission agreements, which shall become the obligation of New Operator nor modify, cancel, accept the surrender of or renew (except when any such acceptance of surrender or renewal is non-discretionary) any Contract (as hereinafter defined) which exists at present except in the ordinary course of business consistent with the prior practices of Old Operator for Contracts that are terminable upon 30 days' notice, without New Operator's prior written consent;

v. maintain records in accordance with all applicable federal and state laws and in such manner so that all records will be prepared in a consistent manner and will be current, complete, accurate and true;

vi. not increase or promise to increase any wages or benefits of, or grant or promise to grant any bonuses to, any of the employees of the Facility without the prior written consent of New Operator, consent not to be unreasonably withheld, except those reasonable bonuses and wage increases in the ordinary course of business consistent with Old Operator's past practice;

vii. not take any action which will or would cause any of the representations or warranties in this Agreement to become untrue or be violated in any material respect;

viii. keep the Property free and clear of all liens, claims and encumbrances and promptly remove any created or caused by Old Operator or its employees or agents;

ix. perform all of its obligations in respect of the Facility whether pursuant to any contracts, or other requirements; and

x. cooperate with New Operator as reasonably necessary for New Operator's receipt of licensure and enrollment of New Operator in the Medicare and Medicaid programs;

xi. use reasonable commercial efforts to preserve the present residency occupancy levels of each Facility and the goodwill with all of the suppliers, residents and others having business relations with the Old Operator or the Facility provided, however, that a decrease in resident occupancy or good will of suppliers shall not, by itself and absent evidence of bad faith, constitute evidence of New Operator's failure to comply with this subparagraph (xi);

xii. promptly inform New Operator in writing of any Material Adverse Change as defined in ¶ 26(e) below; and

xiii. not reduce or allow to be reduced, either permanently or temporarily, the number of licensed beds at any Facility, unless required by applicable rule, law or regulation.

3. CONDITIONS PRECEDENT.

a. New Operator's obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and as of the Closing Date to the reasonable satisfaction of New Operator or the waiver thereof by New Operator, which waiver shall be binding upon New Operator only to the extent made in writing and dated as of the Closing Date:

i. Old Operator shall have duly and timely performed and fulfilled all of its duties, obligations, promises, covenants and agreements hereunder in all material respects;

ii. Each of the representations and warranties of Old Operator contained in this Agreement shall be true and correct in all material respects as of and on the Closing Date;

iii. Old Operator shall not be in breach of any term, provision or condition of this Agreement in any material respect;

iv. Old Operator shall deliver to New Operator on or before the Closing Date the following, each of which shall be in form and substance satisfactory to New Operator:

A. A duly executed assignment by Old Operator, in substantially the form annexed hereto as Exhibit A (the "General Assignment"), of all of Old Operator's right, title and interest in, to and under, which shall exclude Old Operator's cash, cash equivalents and accounts receivable owned by Old Operator or used by Old Operator in connection with the operation of or underlying the Facility:

i. the Patient Trust Funds and Property (as defined herein);

ii. the Assumed Contracts (as defined herein);

iii. all resident contracts or other agreements with residents of the Facility (the "Resident Agreements"), to the extent legally assignable;

iv. all licenses, permits, accreditations, Medicaid and Medicare contracts, and other regulatory approvals, and all rights of Old Operator under any government or non-government provider agreements or any other third party payor programs, if any, issued by any federal, state, municipal or local governmental authority relating to the use, maintenance or operation of the Facility running to, or in favor of, Old Operator, to the extent legally assignable (including all modifications thereto or renewals thereof) (the "Permits");

v. all guaranties or warranties then in effect, if any, with respect to the Facility and the Personal Property (the "Warranties"); and

vi. all intellectual property owned by Old Operator, including without limitation, trademarks, trade names, including without limitation, the exclusive rights to the names "Foothills Transitional Care and Rehabilitation" and "Creekview Health and Rehabilitation".

B. a duly executed Bill of Sale;

C. a certificate of Old Operator, in a form reasonably acceptable to New Operator, executed by a duly authorized Manager of Old Operator, dated the Closing Date, to the effect that the representations and warranties of Old Operator set forth in this Agreement are true and complete in all material respects on and as of the Closing Date;

D. a certificate from Old Operator, executed by a duly authorized Manager of Old Operator, certifying the resolutions authorizing the transactions contemplated hereby, and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement and all documents to be executed and delivered pursuant hereto (the "Other Documents");

E. counterpart copies of all Warranties;

F. copies of all Permits; and

v. As of and on the Closing Date, all Recapture Claims (defined below) shall have been satisfied in accordance with Section 6(e);

vi. On or before the Closing Date, Old Operator shall have transferred to New Operator the Patient Trust Funds and Property on the Closing Date in compliance with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Property and in accordance with the provisions of Section 5 below;

vii. Between the date of this Agreement and the Closing Date, there shall not have been any Material Adverse Change (defined below);

viii. There shall not be any actions, suits, claims or other proceedings, pending or threatened, or injunctions or orders entered, pending or threatened against Old Operator, to restrain or prohibit the consummation of the transactions contemplated hereby;

ix. New Operator and Purchaser shall have entered into and performed all of their obligations required to close the transactions contemplated by the Lease;

x. New Operator shall have been issued or otherwise obtained all consents and all Permits that are not otherwise assigned under the General Assignment and

Assumption that are necessary for New Operator's legal operation of the Facility as of the Closing Date in substantially the same manner as operated by Old Operator (other than the License, which is subject to clause (xi) below);

xi. New Operator shall have received notice from the Department advising that, upon the consummation of the transactions contemplated under this Agreement and the Department is prepared to issue the License effective upon the Closing pending final receipt of evidence of the effectiveness of the Closing, and shall have received reasonable assurances that CHOW approval shall be issued post-Closing with a retroactive payment date of the Closing Date ("License Confirmation"), provided that such licensure contingency shall only be valid if New Operator has filed its regulatory and notice letters within seven (7) days after the Due Diligence Expiration Date.

xii. none of the following will have been done by, against or with respect to Old Operator: (A) the commencement of a case under Title 11 of the U.S. Code, as now constituted or hereafter amended, or under any other applicable federal or state bankruptcy law or other similar law; (B) the appointment of a trustee or receiver of any property interest; (C) an assignment for the benefit of creditors; (D) an attachment, execution or other judicial seizure of a substantial property interest; (E) the taking of, failure to take, or submission to any action indicating an inability to meet its financial obligations as they accrue; or (F) a dissolution or liquidation;

xiii. Old Operator shall have, at its sole and exclusive cost and expense, corrected all violations cited by the Department or any governmental agency in any survey prior to the Closing Date, as detailed in any statement of deficiencies (the "Statement"), if any, accompanying said survey, and fulfilled all proposed or imposed remedies, including but not limited to any civil money penalty imposed upon the Facility prior to the Closing Date or as a result of an undisclosed action or inaction of Old Operator that is imposed prior to or on the Closing Date, until the same are cured and, if applicable, corrected any proposed denial of payment by, or termination of certification to participate in, the Medicare or Medicaid programs set forth in the Statement or otherwise resulting from the survey or Statement. Old Operator shall have the option at Closing to deposit, the cost to correct any condition required to be cured, which funds shall be used to effectuate such cures post-closing. Notwithstanding anything to the contrary in this subparagraph (xiii), failure by Old Operator to strictly comply with the provisions of this subparagraph (xiii) shall not be deemed a failure by Old Operator to satisfy a condition precedent to Closing, and shall not relieve New Operator of its obligation to proceed to Closing, unless such failure by Old Operator to comply results in the continuance of a condition that adversely impacts or otherwise limits the ability of New Operator to operate the Facility in its current, after Closing.

b. Old Operator's obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and through the Closing Date to the reasonable satisfaction of Old Operator or the waiver thereof by Old Operator, which waiver shall be binding upon Old Operator only to the extent made in writing and dated as of the Closing Date:

i. New Operator shall have duly and timely performed and fulfilled all of its duties, obligations, promises, covenants and agreements hereunder in all material respects;

ii. Each of the representations and warranties of New Operator contained in this Agreement shall be true and correct in all material respects as of and on the Closing Date;

iii. New Operator shall not be in breach of any term, provision or condition of this Agreement;

iv. New Operator shall have executed and delivered to Old Operator the Other Documents, as applicable;

v. New Operator shall deliver to Old Operator on or before the Closing Date the following, each of which shall be in form and substance reasonably satisfactory to Old Operator: (1) a certificate of New Operator, executed by a duly authorized manager of New Operator, dated the Closing Date, to the effect that the representations and warranties of New Operator set forth in this Agreement are true and complete on and as of the Closing Date and (2) a certificate from New Operator, executed by a duly authorized manager of New Operator, certifying the resolutions authorizing the transactions contemplated hereby and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement;

vi. There shall not be any actions, suits, claims or other proceedings, pending or threatened, or injunctions or orders entered, pending or threatened against New Operator, to restrain or prohibit the consummation of the transactions contemplated hereby;

vii. Seller and Purchaser shall have entered into and performed all of their obligations required to close the transactions contemplated by the PSA.

c. Conditions Generally. In the event that either of the parties hereto (a "Waiving Party") waives a condition precedent to its performance hereunder, or otherwise elects to proceed with the Closing despite the fact that one or more conditions precedent to its performance have not been satisfied, such action by the Waiving Party shall in no way be deemed a waiver of any payment, indemnification or other rights of the Waiving Party with respect to such condition, and the Waiving Party shall be entitled, following the Closing, to pursue any and all available remedies at law or equity with respect thereto; provided, however, if the Waiving Party had actual knowledge of such condition when the condition was waived, then the Waiving Party shall not be entitled to pursue any remedies at law or equity with respect thereto.

4. CONVEYANCE OF SUPPLIES.

a. In consideration of this Agreement, on the Closing Date, Old Operator shall deliver to New Operator a bill of sale (the "Bill of Sale") for the Supplies and Personal Property, in the form annexed hereto as Exhibit C, as shall be necessary to convey to New Operator good and marketable right, title and interest in and to the Supplies and other Personal Property, free and clear of all liens, claims, encumbrances, charges, restrictions, rights or interests of others of any kind.

b. Old Operator shall have no obligation to deliver the Supplies or other Personal Property to any location other than that at which each item of Supplies and Personal Property is currently located, and New Operator agrees that the presence of the Supplies and Personal Property at the Facility on the Closing Date shall constitute delivery thereof.

5. TRANSFER OF PATIENT TRUST FUNDS.

a. On or prior to the Closing Date, Old Operator shall provide to New Operator a true, correct and complete accounting , correct and complete by Old Operator of any patient trust funds and an inventory of all residents' property held by Old Operator on the Closing Date for patients at the Facility, a copy of which shall be attached hereto as Schedule 5(a) ("Patient Trust Funds and Property").

b. Old Operator hereby agrees to transfer, or to cause to be transferred, to New Operator the Patient Trust Funds and Property on the Closing Date. Old Operator shall comply with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Property. New Operator hereby agrees that it will accept the Resident Trust Funds and Property in trust for the residents, in accordance with applicable statutory and regulatory requirements.

c. Old Operator will indemnify, defend and hold New Operator harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event the amount of funds, if any, transferred to New Operator did not represent the full amount of the funds delivered to Old Operator as custodian as of the Closing Date, or with respect to any Patient Trust Funds and Property delivered, or claimed to have been delivered, to Old Operator, but which were not delivered by Old Operator to New Operator, or for claims which arise from actions or omissions of Old Operator with respect to the Patient Trust Funds and Property prior to and on the Closing Date.

d. New Operator will indemnify, defend and hold Old Operator harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event a claim is made against Old Operator by a patient for his/her Patient Trust Funds and Property where said funds were transferred to New Operator pursuant to the terms hereof, or for claims which arise from actions or omissions of New Operator after the Closing Date with respect to Patient Trust Funds and Property actually received by New Operator.

6. REGULATORY APPROVALS; COST REPORTS; OVERPAYMENTS, CIVIL MONETARY PENALTIES.

a. Effective on the Closing Date, Old Operator shall, upon the request of New Operator, sell, assign and convey to New Operator the Medicare provider agreement and number in use at the Facility (the "Existing Medicare Provider Number"). Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to the existing Medicare Provider Number relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of the Existing Medicare Provider Number. During the pendency of New Operator's CMS Form 855A, New Operator may bill Medicare under Old Operator's name and the Existing Medicare Provider Number, until the intermediary changes the electronic funds transfer account or special payment address to the New Operator. Notwithstanding the foregoing, New Operator shall be responsible for all rights and liabilities relating to the existing Medicare Provider Number relating to any and all periods on or after the Closing Date. This Section 6 is intended to satisfy the requirements of Chapter Section 15.7.7.1.5 of the Medicare Program Integrity Manual.

b. Effective on the Closing Date, subject to applicable law, Old Operator shall, upon the request of New Operator, sell, assign and convey to New Operator the Medicaid provider agreement and number in use at the Facility (the "Existing Medicaid Provider Number"). Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to the existing Medicaid Provider Number relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of the Existing Medicaid Provider Number. New Operator may bill Medicaid under Old Operator's name and the Existing Medicaid Provider Number, until the intermediary changes the electronic funds transfer account or special payment address to the New Operator. New Operator shall be responsible for all rights and liabilities relating to the existing Medicaid Provider Number relating to any and all periods on or after the Closing Date.

c. Effective on the Closing Date, subject to applicable law, Old Operator shall, upon the request of New Operator and to the extent assignable, sell, assign and convey to New Operator all other third party payor agreements affecting the Facility. Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to such third party payor agreements relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of such third party payor agreement. New Operator may bill such third party payors under Old Operator's name until it enters into a new agreement with such payors. New Operator shall be responsible for all rights and liabilities relating to any third party payor agreement assigned to it relating to any and all periods on or after the Closing Date.

d. Old Operator shall prepare and file with the appropriate Medicare and Medicaid agencies its final cost reports in respect to its operation of the Facility as soon as practicable after the Closing Date, but in any event prior to the expiration of the period of time as may be required by law for the filing of each such final cost report under the applicable third party payor program, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursement paid to New Operator for the period beginning on the Closing Date is not delayed, reduced or offset in any manner as a result of Old Operator's failure to timely file such final cost reports. Old Operator agrees to reasonably cooperate with New Operator as necessary for enrollment of New Operator in the Medicare and Medicaid programs.

e. Each party hereto agrees to notify the other in writing to the contacts provided herein within fourteen (14) business days after receipt of any notice of any claim of recapture by the Department, or the office within the Department responsible for Medicaid reimbursement, CMS, OIG, any other governmental or quasi-governmental authority or any third party payor with respect to an alleged overpayment or any alleged underpayment of any tax or assessment for periods relating prior to the Closing Date (collectively "Recapture Claim"). To the extent ascertainable on or prior to the Closing Date, Old Operator shall pay or cause to be paid any Recapture Claim which is for the periods prior to or on the Closing Date; provided, however, nothing herein shall be deemed to prevent or restrict Old Operator from contesting any such Recapture Claim, and, if, based on the advice of its attorneys, by paying such Recapture Claim, Old Operator shall have forfeited its right to such contest, Old Operator may delay paying such Recapture Claim until final resolution of such contest.

f. In the event the Department, CMS, OIG or any other governmental or quasi-governmental authority or agency making payments to New Operator for services performed at the Facility on or after the Closing Date make any Recapture Claim for any period prior to the Closing Date, then Old Operator shall be entitled to contest such Recapture Claim; provided however, that New Operator shall be provided with copies of all audit adjustments and workpapers. Old Operator and New Operator shall cooperate to resolve such audit to their mutual satisfaction. In the event Old Operator fails to pursue any issue or issues raised in any such appeal, New Operator may, at its own expense, pursue an appeal of such issue or issues and Old Operator will reasonably cooperate with New Operator in such appeal, including by providing copies of any documentation required to substantiate costs reported on the cost reports.

g. If Old Operator does not prevail with regard to such contest, Old Operator hereby agrees to save, indemnify, defend and hold New Operator harmless from and against any loss, damage, injury or expense incurred by New Operator arising from or related to any such Recapture Claim in accordance with Section 16 of this Agreement.

h. Old Operator shall be and remain obligated for and shall pay on or before the date due thereof all amounts of any license fees/taxes or other amounts payable to any other government authority with jurisdiction over the Facility accrued through the Closing Date, including but not limited to any Medicaid provider taxes owed to the Department or state bed tax or assessment, other than such taxes that are being contested in good faith. Old Operator shall provide to New Operator, on or before the Closing Date, evidence reasonably satisfactory to New Operator of payment of all of such fees and taxes.

i. Intentionally omitted.

j. Old Operator shall deliver to New Operator copies of any Medicare and Medicaid cost reports for the Facility that have not been filed as of the Effective Date, for New Operator's review, at least ten (10) days prior to filing of such reports, and provide New Operator with reasonable access to the underlying documentation for such reports.

7. CONTRACTS: RESIDENT AGREEMENTS.

a. As soon as practicable after the date hereof, the Old Operator shall deliver to the New Operator true, accurate and complete copies of all Contracts, a schedule of which is attached hereto as Schedule 7(a).

b. New Operator shall deliver written notice to Old Operator as to which of the Contracts New Operator desires to assume pursuant to the General Assignment and continue in full force and effect after the Closing Date, within thirty (30) days of its receipt of Schedule 7(a) (the "Assumed Contracts"), a listing of which shall then be attached hereto as Schedule 7(b). Any Contracts that New Operator does not indicate it desires to assume and continue shall be deemed rejected by New Operator ("Rejected Contracts") and Old Operator shall terminate such Rejected Contracts, provided that such termination shall be made in compliance with the applicable provisions under such Rejected Contracts.

c. To the extent any third party consent is required in connection with the assignment and assumption of the Assumed Contracts, Old Operator hereby covenants and agrees to use its commercially reasonable efforts to obtain such third party consent prior to the Closing Date. To the extent Old Operator shall be unable to obtain such third party consent, Old Operator and New Operator shall cooperate and take such steps as may be necessary in order for New Operator to receive the benefits under such Assumed Contracts, provided that New Operator agrees to fulfill any obligations of Old Operator that shall arise with respect to such Assumed Contracts on and after the Closing Date.

d. Old Operator shall transfer, convey and assign to New Operator, in accordance with the terms of the General Assignment, on the Closing Date all existing Resident Agreements and any guarantees thereof, to the extent assignable by Old Operator (excluding only the right to any payments for periods prior to the Closing Date).

e. New Operator shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations under the Assumed Contracts and the Resident Agreements arising on or after the Closing Date. New Operator hereby agrees to indemnify, protect, save, defend, and hold harmless Old Operator from and against any and all liabilities, obligations, claims, demands, and causes of action of any nature whatsoever, including reasonable attorneys' fees asserted against or incurred by Old Operator arising out of and/or connected with the Assumed Contracts and the Resident Agreements arising on or after the Closing Date.

f. Old Operator hereby agrees to indemnify, protect, save, defend and hold harmless New Operator from and against any and all liabilities, obligations, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, asserted against or incurred by New Operator arising out of and/or connected with (i) any third parties claiming to have rights under contracts or other agreements that are not set forth or described in Schedule 7(a) or (ii) any Rejected Contracts.

g. Notwithstanding anything to the contrary herein, if New Operator is unable, despite the exercise of commercially reasonable efforts, to establish utility accounts any telephone service agreements and/or any cable or satellite television contracts, for a period of up to thirty (30) days following the Closing Date, Old Operator shall continue as the named party on such telephone service agreements and/or any cable or satellite television contracts. Such contracts shall continue following the Closing Date in a manner and at levels consistent with how such services were provided to the Facility immediately prior to Closing. New Operator shall pay Old Operator the then current rate charged to Old Operator by the provider of such utilities, including any applicable taxes and other charges, for such thirty (30) day period. New Operator shall use its best efforts to obtain these services directly from the current service provider or another service provider prior to the end of the 30-day term.

8. NO ASSUMPTION OF LIABILITIES.

a. New Operator shall not assume and shall not be liable for, and Old Operator shall indemnify New Operator for, any debts, liabilities or obligations of the Old Operator including, but not limited to (the "Excluded Liabilities"): any (i) expenses that accrue or arise prior to the Closing Date; (ii) liabilities or obligations of the Old Operator to its creditors, shareholders, partners, members or owners, (iii) liabilities or obligations of the Old Operator with respect to any Contracts (other than \ with respect to the Assumed Contracts on and after the Closing Date), acts, events or transactions occurring prior to, on or after the Closing Date, (iv) liabilities or obligations of Old

Operator for any federal, state, county or local taxes applicable to or assessed against Old Operator or the assets or business of Old Operator, or (v) any contingent liabilities or obligations of Old Operator, whether known or unknown by Old Operator or New Operator, (vi) liabilities or obligations of Old Operator relating to any of its employees, other than Retained Employees with respect to the period from and after the Closing Date, (vii) any Recapture Claims, (viii) any liabilities or obligations of Old Operator in connection with CARES Act Payments, Medicare Advance Payments, Other COVID-19 Funds, COVID Payments or any funds received from PPP, or (ix) any other liabilities resulting from any act or failure to act by Old Operator before the Closing Date.

b. Old Operator shall not assume and shall not be liable for, and New Operator shall indemnify Old Operator for, any debts, liabilities or obligations of New Operator including, but not limited to, any (i) expenses that accrue or arise on or after the Closing Date, (ii) liabilities or obligations of New Operator to New Operator's creditors, shareholders, partners, members or owners, (iii) liabilities or obligations of New Operator with respect to any Assumed Contracts on and after the Closing Date, and any acts, events or transactions occurring before, on or after the Closing Date, (iv) liabilities or obligations of New Operator for any federal, state, county or local taxes applicable to or assessed against New Operator or the assets or business of New Operator, or (v) any contingent liabilities or obligations of New Operator, whether known or unknown by New Operator or Old Operator, or (vi) any other liabilities resulting from any act or failure to act by New Operator on or after the Closing Date.

c. Except as specifically provided in this Agreement, New Operator shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facility prior to the Closing Date, including, but not limited to, any matters relating to Contracts, cost reports, collections, audits, hearing, or legal action arising therefrom, and Old Operator shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facility on or after the Closing Date, including, but not limited to, any matters relating to cost reports, collections, audits, hearing, or legal action arising therefrom.

9. ACCOUNTS RECEIVABLE; ACCOUNTS PAYABLE.

a. Old Operator shall retain the right to collect all unpaid accounts receivable as of the close of business on the day prior to the Closing Date with respect to the Facility, but only to the extent that such accounts receivable relate to services rendered prior to the Closing Date. All collections shall be conducted in accordance with normal business practices. Old Operator shall engage sufficient personnel to bill and collect Old Operator's accounts receivable using Old Operator's legacy billing system, which Old Operator shall maintain as required to bill and collect its accounts receivable hereunder. New Operator shall allow Old Operator reasonable access to the Facility to accomplish these tasks.

b. If at any time after the Closing Date, New Operator shall receive any payment from any federal or state agency, which payment includes any reimbursement with respect to payments or underpayments made to Old Operator for services rendered prior to the Closing Date, then New Operator shall remit such payments to Old Operator. New Operator and Old Operator shall send copies of all Medicare and Medicaid remittance advices to the other party for purposes of recording and pursuing accounts receivable for the period of twelve (12) months following the Closing Date and thereafter as reasonably requested by each party. If at any time after the Closing Date, Old Operator shall receive any payment from any federal or state agency, which payment represents reimbursement with respect to payments or underpayments made to New Operator for services rendered on or after the Closing Date, then Old Operator shall remit such payments to New Operator. Any such remittances pursuant to this Section 9(b) shall occur within ten (10) days from the date the party required to make such remittance receives payment thereof.

c. Payments received by New Operator or Old Operator from non-governmental payment sources shall be paid to the party designated in such payments entitled to the payments for the services provided thereunder within ten (10) days from the date the party required to make such remittance receives payment thereof. Any non-designated payments received by New Operator or Old Operator from non-governmental payments sources after the Closing Date, unless the parties mutually agree as to how to apply such payments, shall be applied as follows: (a) any undesignated payments received during the first forty-five (45) days after the Closing Date shall be applied first to pre-Closing Date balances for such resident until such balances have been reduced to zero, and any remaining portion shall be applied to post-Closing Date balances, and (b) any undesignated payments received after the forty-fifth (45^{th}) day after the Closing Date shall be applied first to any post-Closing Date balance due to New Operator for services provided on or after the Closing Date, with the excess, if any, applied to any pre-Closing Date balance due for services rendered by Old Operator prior to the Closing Date. Notwithstanding the foregoing, New Operator hereby acknowledges and agrees that pre-Closing Date balances are the property of Old Operator and Old Operator reserves the right to continue to directly pursue the collection of such pre-Closing Date monthly balances.

d. To the extent either party receives any payments for accounts receivable of the other party, both parties acknowledge that the party receiving the payment belonging to the other party shall hold the payment in trust, that neither party shall have any right to offset with respect to such accounts receivable, and that the party erroneously receiving the payment shall have no right, title or interest whatsoever in the payment and shall remit the same to the other within ten (10) days of receipt.

e. Nothing herein shall be deemed to limit in any way either party's rights and remedies to recover accounts receivable due and owing to it under the terms of this Agreement.

f. All accounts payable for services provided or goods furnished for or at the Facility prior to the Closing Date, notwithstanding whether such accounts payable were incurred in the name of Old Operator, shall remain the sole responsibility and obligation of Old Operator. All accounts payable for services provided or goods furnished for or at the Facility on or after the Closing Date, notwithstanding whether such accounts payable were incurred in the name of New Operator (except with respect to Rejected Contracts), shall be the sole responsibility and obligation of New Operator. To the extent accounts payable have accrued for a period that includes time both before and after the Closing Date, the parties hereto shall equitably apportion the responsibility for payment of the same. The parties hereto hereby agree to cooperate with each other and to notify the merchants, suppliers or other third parties with respect to which of Old Operator or New Operator bears responsibility for accounts payable of the Facility based on the foregoing clauses of this Section 9(f).

g. For the avoidance of doubt, New Operator and Old Operator acknowledge that the Facility may be subject to Enhanced FMAP stabilization payments ("Stabilization Payment") for dates of service that include both pre and post-Closing Date periods of operation. Such Stabilization Payment shall be prorated based upon the time periods of operation of the Facility attributable to before and after the Closing Date, the Old Operator to receive all such Stabilization Payment attributable to periods prior to the Closing Date, and New Operator to receive all such Stabilization Payment attributable to periods on and after the Closing Date.

h. Within five (5) business days of receipt thereof, each party shall transfer to the other party, any funds required to be transferred as set forth in this Section 9.

10. EMPLOYEES.

a. Old Operator shall terminate the employment of all employees providing services at the Facility, a listing of which is attached hereto as Schedule 10(a) (such listing, to include the current base salaries of all such employees) (the "Current Employees"), effective as of the Closing Date. New Operator shall be responsible for any "Continuation Coverage" (as that term is defined by COBRA Section 4980B of the tax code and Section 601, et seq. of ERISA) for any employee of Old Operator terminated at any time prior to or on the Closing Date who does not become a Retained Employee (as defined below). New Operator shall not be bound by or assume any employment contracts to which Old Operator may be a party. Old Operator shall not make any material changes in the compensation or benefits of the employees at the Facilities prior to the Closing Date.

b. New Operator shall determine, which of the Current Employees, but not less than the amount needed to comply with the WARN Act, shall be offered employment with New Operator pursuant to employment terms acceptable to New Operator (those Current Employees who accept and report for work for New Operator after the Closing, the "Retained Employees"). New Operator shall comply with the WARN Act. Nothing in this Section 10, however, shall create any right in favor of any person not a party hereto, including without limitation, the Current Employees, or constitute an employment agreement or condition of employment for any employee of Old Operator or any affiliate of Old Operator who is a Current Employee or Retained Employee.

c. New Operator shall be paid at Closing an amount equal to 50% of any and all vested and unvested, earned and unused paid time off, personal leave or vacation time, sick leave, unpaid overtime, salaries, back wages and other benefits, together with any payroll taxes (the "PTO Credit"), which is set forth on Schedule 10(c) attached hereto (collectively, the "Accrued Employee Vacation and Leave"), subject to the following post-Closing adjustment. New Operator shall not be liable and Old Operator shall indemnify and hold the New Operator harmless on account of any and all other liabilities and obligations with regard to any of the Current Employees (other than Retained Employees accruing on and after the Closing Date) that shall have accrued prior to the Closing Date.

d. New Operator and Old Operator agree and acknowledge that the employees at the Facilities provide valuable services that are crucial for the success of the Facilities, and New Operator's decision to serve as operator of the Facilities is based upon the skills and qualifications of such employees. As such, no person or entity that either directly or indirectly controls, is under common control with or is otherwise affiliated with Old Operator (any of the foregoing, an "Old Operator Party") shall, during the period beginning on the Effective Date and ending upon the date that is twelve (12) months following Closing, hire or solicit for employment any Retained Employee provided, however, that with respect to any Retained Employee who is terminated from employment with a New Operator during such twelve (12) month period by Existing Operators, the restrictions set forth in this Section 10(d) shall no longer apply. The parties agree that advertisements available to the general public, such as through website job postings and newspaper, Internet and trade journals shall not constitute solicitation for purposes of this Section 10(d) and that Old Operator shall not be in breach of this Section 10(d) if it hires any Retained Employee without other solicitation.

e. Old Operator represents that it has submitted to CMS, or will submit to CMS prior to the Closing Date, prior to any deadlines set by CMS applicable to such filing, all Payroll-Based Journal ("PBJ") data related to the period of time beginning on July 1, 2016 and ending on the Closing Date in accordance with Section 6106 of the Affordable Care Act (ACA) and related regulations. Within ten (10) days following the Closing Date, Old Operator shall deliver to New Operator a copy of such PBJ Data submitted to CMS for the most recent period preceding Closing pursuant to the immediately preceding sentence.

11. **EMPLOYMENT RECORDS.** To the extent permitted by applicable law and authorized by the applicable employee, Old Operator shall deliver to New Operator, prior to the Closing Date, either the originals or full and complete copies of all employee records for all Retained Employees in its possession (including, without limitation, all employee employment applications, W-4's, I-9's and any disciplinary reports) (collectively, the "Employee Records"). Old Operator represents and warrants to New Operator that the Employee Records delivered to New Operator represent all employee records in Old Operator's possession or control as of the Closing Date with regard to the Retained Employees.

12. **ACCESS TO RECORDS.**

a. On the Closing Date, Old Operator shall deliver to New Operator all of the records of the Facility, including patient medical and financial records, provided, however, that nothing herein shall be construed as precluding Old Operator from removing from the Facility on the Closing Date its corporate financial records which relate to its operations at the Facility or to its overall corporate operations; and provided, further, that for a three (3) year period after the Closing Date, Old Operator shall give New Operator access to any information and the right of inspection (including the right to extract or make copies) in any such removed records as is necessary for the efficient and lawful operation of the Facility by New Operator or is otherwise required by law to be maintained at the Facility.

b. Subsequent to the Closing Date, New Operator shall allow Old Operator and its agents and representatives to have reasonable access to (upon reasonable prior notice and during normal business hours), and to make copies of, the books and records and supporting material of the Facility relating to the period prior to and including the Closing Date, at its own expense, to the extent reasonably necessary to enable Old Operator to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns or any other government agency actions or notices.

c. Old Operator shall, if allowed by applicable law and subject to the terms of such applicable law, be entitled to remove and/or copy any records delivered to New Operator, for purposes of litigation involving a resident or employee to whom such record relates, as certified to New Operator in writing prior to removal by an officer of or counsel for Old Operator in connection with such threatened or actual litigation. Any record so removed shall promptly be returned to New Operator following its use.

d. New Operator agrees to maintain such books, records and other material comprising records of the Facility's operations prior to the Closing Date that have been received by New Operator from Old Operator or otherwise, including patient records and records of patient funds, to the extent required by law, but in no event less than three (3) years.

13. **USE OF TELEPHONE NUMBER**. New Operator may use the present telephone numbers of the Facility. Old Operator shall, as of the Closing Date, transfer or cause to be transferred, at New Operator's expense, the telephone numbers used by the Facility.

14. **POLICY AND PROCEDURE MANUALS**. Old Operator agrees to leave its policy and procedure manuals at the Facility and to transfer all of its right, title and interest in and to such policy and procedure manuals to New Operator.

15. **TAXES**. Old Operator shall discharge any provider tax charged by the Department, or other government agency for periods relating prior to the Closing Date. Old Operator will file all returns, reports and filings of any kind or nature, required to be filed by Old Operator on a timely basis and will timely pay all taxes or other obligations and liabilities which are due and payable with respect to the Property in the ordinary course of business, other than such taxes that are being contested in good faith. Old Operator shall pay before the same shall become due all taxes, duties and other governmental charges that accrue prior to the Closing Date.

16. INDEMNIFICATION.

a. New Operator shall indemnify, save, protect, defend and hold harmless Old Operator and its respective employees, affiliates, members, managers, partners, officers, directors and agents, from and against all claims, liabilities, losses, damages, demands and causes of action of any nature whatsoever (including demands and causes of action relating to injury or death to persons or loss of or damage to property), and all costs and expenses (including penalties and reasonable attorneys' and other professional fees and disbursements incurred in the investigation or defense of any such claims, or in asserting, pursuing or enforcing any such claims), whether or not resulting from third-party claims (collectively, "Losses") arising from, out of, or relating to (i) operation of the Facility by New Operator on or after the Closing Date, (ii) New Operator's use or occupancy of the Property or the condition thereof on or after the Closing Date, and (iii) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the Other Documents.

b. Old Operator agrees to indemnify, save, protect, defend and hold harmless New Operator and its employees, affiliates, managers, members, officers, directors and agents, from and against all Losses arising from, out of, or relating to (i) operation of the Facility by Old Operator prior to the Closing Date, (ii) Old Operator's use or occupancy of the Property prior to the Closing Date, (iii) the Excluded Liabilities; and (iv) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation of Old Operator contained in this Agreement or in any of the Other Documents.

c. 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 Agreement ("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 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 two (2) calendar 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. 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, 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.

d. This Section 16 is effective from and after the Closing. Each Party hereby waives any provision of law to the extent that it would limit or restrict the agreement contained in this Section 16.

e. The parties shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder, including by making commercially reasonable efforts to mitigate or resolve any such claim or liability. Each party shall use commercially reasonable efforts to address any claims or liabilities that may provide a basis for an indemnifiable claim hereunder such that each party shall respond to any claims or liabilities in the same manner it would respond to such claims or liabilities in the absence of the indemnification provisions of this Agreement. In the event that any party shall willfully fail to make such commercially reasonable efforts to mitigate or resolve any claim or liability, then notwithstanding anything else to the contrary contained herein, the other party shall not be required to indemnify any person for any Loss that could reasonably be expected to have been avoided if such party, as the case may be, had made such efforts.

f. All indemnification obligations of Old Operator and New Operator under this Agreement shall survive the Closing Date and shall continue in effect for a period of eighteen (18) months after the Closing Date; provided that if there is an Indemnitee's Claim made prior to the eighteen (18) month anniversary of the Closing Date, such indemnification obligation shall continue to survive until the final, non-appealable resolution of such Indemnitee's Claim. The foregoing to the contrary notwithstanding, all indemnification obligations relating to the Recapture Claims, CARES Act Payments, Medicare Advance Payments, Other COVID-19 Funds, COVID Payments, funds received under the PPP and any other Losses relating to the Medicaid and Medicare programs shall survive indefinitely, subject to any applicable statutes of limitations.

17. **REPRESENTATIONS AND WARRANTIES OF NEW OPERATOR**. As an inducement to Old Operator to enter into this Agreement, New Operator covenants and makes the following representations and warranties set forth below, which are true and correct as of the date hereof and which shall be true and correct on the Closing Date:

a. Organization and Authority. New Operator is a corporation, duly organized, validly existing and in good standing under the laws of the State of Nevada. As of the Closing Date, New Operator will have all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by New Operator and is enforceable against New Operator in accordance with its terms.

b. No Violations. Neither the execution and delivery of this Agreement, nor any agreement referred to or contemplated hereby, by New Operator will:

i. violate any provision of its Certificate of Formation or Operating Agreement; or

ii. be in conflict with or constitute a default or create a right of termination or cancellation under any agreement or commitment to which New Operator is a party.

c. No Consent Required. No consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by New Operator of this Agreement, or the performance by New Operator of this Agreement, prior to, or as of or at the Closing Date, or as a consequence thereof, or with the consummation by New Operator of transactions contemplated hereby to be consummated prior to, as of or at the Closing Date, except (i) such consents, certifications or licenses from the Department, CMS or any other governmental agency with jurisdiction over the Facility as necessary to permit New Operator to operate the Facility from and after the Closing Date, and (ii) if applicable, such other consents or licenses required to operate a skilled care nursing home in Tennessee.

d. Approvals. To the knowledge of New Operator, no fact, issue, concern or other matter, either past or present, exists that would materially adversely affect New Operator's ability to obtain the approvals set forth in Section 3(a)(xii).

e. Accuracy of Representations and Warranties of New Operator. No representation or warranty by or on behalf of New Operator contained in this Agreement and no statement by or on behalf of New Operator in any certificate, list, exhibit, schedule or other instrument furnished or to be furnished to Old Operator by or on behalf of New Operator pursuant hereto contains any untrue statement of material fact, or omits or will omit to state any facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

f. Survival of Representations and Warranties of New Operator. Each representation and warranty of New Operator hereunder shall be true, complete and correct as of the Closing 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 Closing Date for a period of twenty-four (24) months; provided that, the foregoing to the contrary notwithstanding, the representations and warranties provided for in Section 17(a) and Section 17(b) shall survive indefinitely, subject to any applicable statutes of limitations.

18. **REPRESENTATIONS AND WARRANTIES OF OLD OPERATOR**. As an inducement to New Operator to enter into this Agreement, Old Operator covenants and makes the following representations and warranties, which are true and correct as of the date hereof and which shall be true and correct as of the Closing Date:

a. Organization and Authority. Each Old Operator is a limited liability company, duly organized and validly existing and in good standing under the laws of the state of Tennessee. Old Operator has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by Old Operator and is enforceable against Old Operator in accordance with its terms.

b. No Violations. Neither the execution and delivery of this Agreement, nor any agreement referred to or contemplated hereby, by Old Operator will:

i. violate any provision of its Certificate of Formation or Operating Agreement;

ii. be in conflict with or constitute a default or create a right of termination or cancellation under any agreement or commitment to which Old Operator is a party or which pertains to the Facility; and

iii. result in the creation or imposition of any security interest, lien or other encumbrance upon any of the assets of Old Operator.

c. No Consent Required. No consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by Old Operator of this Agreement, or the performance by Old Operator of this Agreement, prior to, or as of or at the Closing Date, or as a consequence thereof, or with the consummation by Old Operator of transactions contemplated hereby to be consummated prior to, as of or at the Closing Date, except (i) such consents, certifications or licenses from the Department, CMS or any other governmental agency with jurisdiction over the Facility as necessary to permit New Operator to operate the Facility from and after the Closing Date, and (ii) if applicable, such other consents or licenses required to operate a skilled care nursing home in Tennessee.

d. Litigation. Except as set forth on Schedule 18(d), there are no pending, nor, to Old Operator's knowledge, threatened claims, lawsuits, governmental actions or other proceedings, including without limitation, any desk audit or full audit described in below, involving the Facility or the operation thereof before any court, agency or other judicial, administrative or other governmental body or arbitrator.

e. Overpayments. Except as set forth on Schedule 18(e), there are no pending, nor, to Old Operator's knowledge threatened claims, demands or other notices of or action alleging the overpayment of Medicaid, Medicare or other governmental or quasi-governmental reimbursements or demanding the return of such alleged overpayments by any third party payor, nor is Old Operator aware of any grounds for such a claim or demand.

f. Audits. Old Operator agrees to reasonably cooperate with New Operator in connection with any desk audit or full audit by CMS, the Department or other applicable governmental regulatory agency in connection with the desk audit or full audit of any Medicaid or Medicare cost reports filed by Old Operator, including but not limited to providing New Operator with any and all necessary documentation, supporting schedules and personnel in its possession in order to properly support the dollar figures and classifications/characterizations contained in Old Operator's cost reports so that New Operator's Medicaid or Medicare reimbursements are maximized.

g. Status of Licensure and Certification. Old Operator currently holds licenses issued by the Department for (i) a skilled nursing facility of 195 beds at the Foothills Facility, and (ii) a skilled nursing facility of 91 beds at the Creekview Facility, and said licenses are and shall through the Closing Date be unrestricted, unconditional, in good standing and in full force and effect and subject to no waivers or limitations. There are no pending actions or claims or to Old Operator's knowledge, any threatened actions or claims, which, if adversely determined, could materially and adversely affect such licenses. Old Operator has not received any written notice from the Department, or any other governmental agency requiring the correction of any condition with respect to such license which has not been the subject of a plan of correction for which compliance has been affected and Old Operator has no reason to believe that the good standing of any such license is in jeopardy. Furthermore, Old Operator has not received any written notice from the Department, or any other governmental or quasi-governmental organization of any life safety code or similar violations, nor does Old Operator have any reason to believe that any condition exists at the Property that would violate any life safety codes or any similar regulations. The Facility is, and shall on the Closing Date be, certified for participation in the Medicaid and Medicare reimbursement program and such certification is in full force and effect and in good standing and subject to no restrictions or limitations. There are no pending actions or claims or, to the best of Old Operator's knowledge, any threatened actions or claims, which, if adversely determined, could materially and adversely affect such certification. Old Operator has not received any notice from the Department, CMS or any other governmental agency requiring the correction of any condition with respect to such certification which has not been the subject of a plan of correction for which compliance has been affected. Old Operator shall promptly comply with any violation notices concerning the Facility received after the date hereof and before the Closing Date to the extent that any such notice requires compliance activities. In addition to, and not in any manner limiting the generality of, the foregoing, during the three-year period prior to the Closing Date, except as set forth in Schedule 18(g), Old Operator has not received any of the following with respect to the Facility:

i. A notice of violations with a scope and severity level of "F" or higher;

ii. A notice of termination of its licenses issued by the Department to operate the Facility as a skilled nursing facility;

iii. A notice of termination of the certification issued by the Department or CMS of the Facility to participate in the Medicare and/or Medicaid reimbursement programs;

iv. A notice that the Facility is not in substantial compliance with the requirements for participation in the Medicare and/or Medicaid reimbursement programs;

v. A notice of a material Life Safety Code deficiency cited by CMS, the Department, or state or local building, fire safety or health authorities that have not been corrected as of the date hereof; and

vi. A notice of imposition of civil monetary penalties or other intermediate sanctions in accordance with 42 CFR § 488.430 et seq.

h. Cost Reports; Audits. Old Operator has filed, or will file, within the appropriate reporting period and with the appropriate authority, all cost reports required to be filed pursuant to Titles XVIII and XIX of the Social Security Act prior to the date hereof with respect to the Facility. All such reports have been or will be prepared in all material respects in accordance with all applicable laws, rules and regulations.

i. Compliance with applicable laws. Except as set forth in Schedule 18(i):

i. To its knowledge, Old Operator is in compliance (without waivers) and as of the Closing Date will be in compliance (without waivers), in all material respects, with all applicable municipal, county, state and federal laws, regulations, ordinances, standards and orders, including without limitation, all health, building, fire and zoning ordinances and life safety codes and the Americans with Disabilities Act, as the same may be amended.

ii. To Old Operator's knowledge, the Property has been and is presently used and operated in compliance in all material respects with, and in no material way violates any applicable statute, law, regulation, rule, licensing requirement, ordinance, order or permit of any kind whatsoever affecting the Property or any part thereof, including without limitation, any laws governing skilled nursing facilities, Environmental Laws, and any rules or regulations promulgated thereunder, as well as any thereof relating to wages, hours, hiring, promotions, retirement, working conditions, nondiscrimination, health, safety, pensions and employee benefits.

iii. To its knowledge, Old Operator has not received written notice of any claim, requirement or demand of any licensing or certifying agency supervising or having authority over Old Operator or otherwise to rework or redesign it so as to conform to or comply with any existing law, code or standard which has not been fully satisfied prior to the date hereof or which will not be satisfied prior to the Closing

Date.

iv. All billing practices of Old Operator to all third party payors, including the Medicare and Medicaid programs and private insurance companies, have been in compliance in all material respects with all applicable laws, regulations and policies of such third party payors and the Medicaid and Medicare programs.

j. Life Care Contracts. The Facility is not a party to any life care contract with respect to any resident of the Facility.

k. Personal Property and Residents. Unless specifically permitted pursuant to the terms of this Agreement, Old Operator shall not remove any items of personal property from the Facility nor shall it transfer residents from the Facility to a skilled care nursing facility or similar facility owned or operated by an entity which is owned in whole or part, directly or indirectly, by the principals of Old Operator. To Old Operator's knowledge, the information set forth in the admission agreements and patient rolls pertaining to residents of the Facility is true and correct in all material respects as of the respective dates of such admission agreements and patient rolls, and there are no patient care agreements with respect to any resident of the Facility which differs materially from the standard form used at the Facility.

l. Personal Needs Allowance. To its knowledge, Old Operator is currently in material compliance with all state and federal regulations relating to maintaining and accounting for the personal needs allowance ("PNA") for residents who request the establishment of a PNA account. Except as set forth in Schedule 18(l), Old Operator has no knowledge of and has not received any notice from any governmental authority citing or alleging any violation by Old Operator or the Facility of any state or federal PNA regulations.

m. Furniture. Except as set forth in Schedule 18(m), Old Operator does not own any of the beds or furnishings at the Facility.

n. Supplies. Each and every item constituting the Supplies has been purchased by Old Operator and is owned by Old Operator free and clear of claims of all other parties. Such supplies and linens are sufficient in quantity for the proper conduct and operation of the Facility as a skilled care nursing home facility for at least that number of residents residing at the Facility as of the Closing Date in substantial compliance with all applicable laws.

o. Old Operator's Accrued Employee Vacation and Leave. Schedule 10(c) is a complete and accurate list of Old Operator's Accrued Employee Vacation and Leave, and except as provided in Schedule 10(c), as of the Closing Date, Old Operator has no outstanding obligations with respect to vacation and holiday pay to any of the Retained Employees.

p. Labor Unions. Except as set forth in Schedule 18(p), Old Operator is not party to any collective bargaining agreement with any labor union or similar organization, nor does Old Operator know of any such organization which represents or claims to represent any of Old Operator's employees or intends to organize any of Old Operator's employees.

q. Multi-Employer Plans. Except as provided in Schedule 18(q), Old Operator does not, and is not required to, contribute (and has not ever contributed or been required to contribute) to any multi-employer plan, as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to the Current Employees.

r. Employee Benefit Plans. Except as provided in Schedule 18(r):

i. Old Operator does not maintain or contribute to any non-qualified deferred compensation or retirement plans, contracts or arrangements;

ii. Old Operator does not maintain or contribute to any qualified defined contribution plans (as defined in Section 3(34) of ERISA, or Section 414(i) of the Internal Revenue Code of 1986, as amended (the "Code"));

iii. Old Operator does not maintain or contribute to any qualified defined benefit plans (as defined in Section 3(35) of ERISA or Section 414(j) of the Code);

iv. Old Operator does not maintain or contribute to any employee welfare benefit plans (as defined in Section 3(1) of ERISA); and

v. Old Operator has not entered into, nor has Old Operator established or maintained, any change-in-control or severance agreements or plans.

s. Environmental Condition. To Old Operator's knowledge, Old Operator has not generated, stored or disposed of any Hazardous Substances on the Facility or the Property, and Old Operator does not have any knowledge of any previous or present generation, storage, disposal or existence of any Hazardous Substance or hazardous waste on the Facility or the Property, except in such quantities that is customary in the operation of a skilled care facility, and in all events in compliance in all material respects with all Environmental Laws.

t. Taxes. Except as set forth in Schedule 18(u), Old Operator has timely filed all tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges due and payable with respect to such returns, other than such taxes being contested in good faith.

u. Insurability. Old Operator has not received any written notice or request from any insurance company or underwriters setting forth any defects in the Property which might affect the insurability thereof, requesting the performance of any work or alteration of the Property or setting forth any defect or inadequacy in Old Operator's operation of the Property which would materially and adversely affect the ability of New Operator to insure the Facility following Closing.

v. Financial Statements. Old Operator will provide a profit and loss statement for the annual periods ending December 31, 2021, and December 31, 2022, as well as interim statements for the period ending November 30, 2023 with periodic updates thereof (such unaudited financial statements being herein called "Old Operator Financial Statements"). To the knowledge of Old Operator, the Old Operator Financial Statements are materially true, complete and accurate, have been based upon the information contained in the books and records of Old Operator and present fairly the assets, liabilities and financial condition of Old Operator as at the respective dates thereof and the results of its operations for the periods ended at the respective dates thereof, in each case prepared in conformity with GAAP applied on a consistent basis throughout the periods involved and with prior periods, except for the profit and loss statement for the annual periods ending December 31, 2021, and December 31, 2022, the Old Operator Financial Statements are unaudited, and do not contain "audit adjustments" or footnotes. To the knowledge of Old Operator, the Old Operator Financial Statements do not contain any material inaccuracy and do not suffer from any material omissions in accordance with GAAP.

w. Medicaid Pending. Except as set forth on Schedule 18(w), which shall be updated as of three (3) days prior to the Closing Date, there are no residents of the Facilities that are "pending Medicaid."

x. Accuracy of Representations and Warranties of Old Operator. To the actual knowledge of the Old Operator, no representation or warranty by or on behalf of Old Operator contained in this Agreement and no statement by or on behalf of Old Operator in any certificate, list, exhibit or other instrument, including the due diligence materials and financial statements, furnished or to be furnished to New Operator by or on behalf of Old Operator pursuant hereto contains any untrue statement of material fact, or omits or will omit to state any facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

y. Survival of Representations and Warranties of Old Operator. Each representation and warranty of Old Operator hereunder shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as though such representation or warranty was made on such date. All representations and warranties shall survive the Closing Date for a period of twenty-four (24) months; provided that, the foregoing to the contrary notwithstanding, the representations and warranties provided for in Section 18(a) and Section 18(b) shall survive indefinitely, subject to any applicable statutes of limitations.

19. **NON SOLICITATION**. Neither Old Operator nor any of its affiliates shall knowingly and intentionally solicit any residents of the Facility to terminate their residency thereof, for a period of twelve (12) months following the Closing. This provision shall not in any way limit such other remedies as may be available to New Operator at law or in equity. Old Operator further acknowledges that the scope and duration of the provisions of this Section 19 are reasonable.

20. **NO JOINT VENTURE**. Nothing contained herein shall be construed as forming a joint venture or partnership between the parties hereto with respect to the subject matter hereof. The parties hereto do not intend that any third party shall have any rights under this Agreement.

21. **EXHIBITS AND SCHEDULES**. If any schedule required to be attached hereunder is incomplete or not otherwise attached hereto on the Effective Date, Old Operator agrees to attach such completed schedules hereto as soon as reasonably practicable, but in any event no later than three (3) days following the Effective Date (the "Schedule Deadline Date"). The parties hereby acknowledge and agree that if any schedule is incomplete or is not delivered to New Operator and attached hereto by the Schedule Deadline Date, the Due Diligence Expiration Date will automatically extend to the date that is seven (7) days following the delivery of all such completed schedules required hereunder.

22. **EVENTS OF DEFAULT; REMEDIES**. Except as to those specific notices and cure periods, if any, particularly set forth elsewhere herein, the breach by either party ("Defaulting Party") hereto of any term, provision, condition, promise, covenant, agreement, representation, warranty, guaranty, indemnity, duty or obligation if not cured within five (5) business days of the earlier of said Defaulting Party's receipt or refusal of written notice of the same from the other party ("Non-Defaulting Party") hereto

shall automatically and without further notice hereunder be an immediate event of default ("Event of Default") entitling the Non-Defaulting Party to exercise any and all remedies available to it hereunder or in law or equity, provided, however, that if a non-monetary breach is not reasonably capable of being cured within the aforesaid five (5) business days but the Defaulting Party promptly commences to cure within said period, within said period notifies the Non-Defaulting Party in writing of the commencement of said cure, and thereafter diligently pursues the same to conclusion and successfully completes said cure within thirty (30) calendar days of its first receipt of notice of said breach or violation, it shall not be an Event of Default hereunder. The Non-Defaulting Party's rights and remedies hereunder shall be cumulative and not mutually exclusive and the exercise by the Non-Defaulting Party of one or more rights or remedies granted it hereunder or in law or equity shall not be deemed, interpreted or construed as an election of the same or to bar, prevent or preclude the simultaneous or consecutive exercise of any other right or remedy granted to the Non-Defaulting Party hereunder or in law or equity, including but not limited to the simultaneous or successive pursuit of money damages and injunctive relief. The Non- Defaulting Party shall not be required to post any bond, surety or security of any nature whatsoever to pursue injunctive relief, the necessity or requirement for the same being hereby waived by the Defaulting Party.

23. **CHOICE OF LAW**. **THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF TENNESSEE AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT, AND IN ALL OTHER RESPECTS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TENNESSEE OR ANY OTHER JURISDICTION).**

24. JURISDICTION; VENUE. ANY ACTION OR PROCEEDING IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREIN SHALL BE BROUGHT BEFORE ANY COURT HAVING SITUS IN THE COUNTY IN WHICH THE FACILITY IS LOCATED. EACH OF THE PARTIES HERETO HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN SAID COUNTY AND STATE. TO THE EXTENT LEGALLY WAIVABLE, EACH OF THE PARTIES HERETO HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH PARTIES BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH PARTY, AT THE ADDRESS SET FORTH FOR NOTICE IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST SUCH PARTY IN ACCORDANCE WITH THISSECTION.

25. **ATTORNEYS' FEES IN THE EVENT OF DISPUTE.** In the event any dispute between the parties hereto that results in arbitration or litigation (including any enforcement action of an arbitration award or any action to compel arbitration or change venue), the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorneys' fees.

26. **DEFINITIONS**. For purposes of this Agreement, the following terms shall have the following meanings (all terms used in this Agreement which are not defined in this paragraph shall have the meanings set forth elsewhere in this Agreement):

a. "CMS" shall mean the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

b. "Contracts" shall mean all contracts, agreements, leases, commitments and arrangements (whether written or oral), including all service contracts, maintenance contracts and consulting agreements, and all of Old Operator's duties, obligations, covenants, promises, rights and privileges therein or thereunder to which the Old Operator or its predecessors or agents is a party and which relate to the Facility and the operations thereof.

c. "Environmental Laws" shall mean all federal, state and local environmental, health, or safety laws or regulations now or hereafter enacted.

d. "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 ("CERCLA") 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.

e. "Material Adverse Change" shall mean any circumstance, event, effect or change that, individually or in the aggregate, is or would reasonably be expected to be materially adverse to (1) the business, assets, operations, results of operations, employees, vendor or third payor relations or financial condition of the Facilities taken as a whole (including, but not limited to, by reason of (i) the occurrence of a Survey at the Facilities that results in or, after the exit interview conducted by the surveyors, is expected to result in any citations or deficiencies that rise to "harm-level" of "G" or higher or (ii) census at any Facility drops at a rate of 12% or more between the date hereof and the Closing Date), or (2) the ability of the Old Operator to perform its obligations under this Agreement or to consummate the transactions contemplated herein; provided, however, that in no event shall any of the following facts, circumstances, events, changes, occurrences or effects, alone or in combination, be deemed to constitute, or be taken into account, in determining whether there is a Material Adverse Change: (i) any change in general economic, business, financial, credit or market conditions internationally, nationally or locally; (ii) any action taken by Old Operator that is expressly permitted or required by this Agreement; (iii) any occurrence generally affecting the residential health care or senior living industry, including any changes to reimbursement methodology or the prevailing rental market; (iv) any change in GAAP or applicable law or the interpretation thereof; (v) any act of terrorism, war (whether or not declared), national disaster or any national or international calamity affecting the United States; (vi) any losses arising or incurred in the ordinary and usual course of operating the Old Operator's business; or (vii) any effect resulting from the execution of this Agreement, the announcement of this Agreement, the consummation of the transactions contemplated hereby, the identity of New Operator or any breach by New Operator of any provision hereof.

f. "OIG" shall mean the United States Department of Health and Human Services, Office of Inspector General.

g. "Supplies" shall mean the food, central supplies, linens and housekeeping supplies and other consumable and non-consumable inventory present at the Facility as of the Closing Date and any other property of Old Operator used in connection with the operation of the Facility.

27. COVID-19 PAYMENTS.

a. New Operator acknowledges that Old Operator or their affiliates have received, and may continue to receive after the Closing Date: (1) funds made available to Old Operator pursuant to the Coronavirus Aid, Relief and Economic Security Act ("CARES Act Payments"), (2) advanced payments from CMS pursuant to the CMS Accelerated and Advance Payment Program related to COVID-19 ("Medicare Advance Payments"), and/or (3) certain other stimulus funds related to COVID-19 which are not CARES Act Payments or Medicare Advance Payments ("Other COVID-19 Funds"). Old Operator or their affiliates shall be entitled to retain any CARES Act Payments received prior to the Closing Date. To the extent that additional CARES Act Payments are received by Old Operator after the Closing Date, and such payments are required to be used for costs and expenses related to the Facility for the period on or following the Closing Date, Old Operator shall return all such CARES Act Payments to CMS pursuant to the guidance and procedures set forth by CMS for return of such CARES Act Payments. For the avoidance of doubt, in no event shall Old Operator or their Affiliates be obligated to transfer any CARES Act Payments to New Operator or their Affiliates. Neither Old Operator nor their Affiliates shall have any obligation to transfer to New Operator or their Affiliates any Medicare Advance Payments received by Old Operator, whether received on or after the Closing Date, and will return any such Medicare Advance Payments to CMS to the extent, and within the applicable timeframe, required by any applicable legal requirements. With respect to any Other COVID-19 Funds received by Old Operator, Old Operator shall reasonably cooperate with New Operator in good faith to address such Other COVID-19 Funds in accordance with applicable legal requirements. To the extent that any CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds, which relate to the period prior to the Closing Date or are received under Old Operator's provider numbers or tax identification numbers, are received by New Operator after the Closing Date, to the extent permitted by applicable legal requirements, New Operator shall remit any such funds received by New Operator to Old Operator in the same manner as Old Operator's accounts receivable under Section 9 hereof. To the extent that New Operator is prohibited from remitting such funds to Old Operator pursuant to applicable legal requirements, New Operator shall reasonably cooperate with Old Operator in good faith to address such funds in accordance with applicable legal requirements, including, without limitation, returning such funds to the applicable governmental authority if required by applicable legal requirements and reasonably cooperating with Old Operator in applying for or otherwise requesting the applicable governmental authority to reissue such funds to Old Operator. Nothing in this Agreement shall be construed to prohibit New Operator from applying for and receiving any CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds with respect to their operation of the Facility from and after the Closing Date. For the avoidance of doubt, any and all CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds received by Old Operator shall remain the sole responsibility, liability, and obligation of Old Operator. Except as expressly set forth above, New Operator shall not assume or accept any funds, proceeds, responsibilities, liabilities, and/or obligations related to, or in connection with, the CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds received by Old Operator.

b. Old Operator represents and warrants that there are no advance payments received on its Medicare, Medicaid, or other third-party payor receivables ("Advances") that have not been re-paid.

c. Notwithstanding anything in this Agreement to the contrary, in the event that Old Operator receives any grant payments, stimulus payments, retroactive rate adjustments, and any and all other payments and support paid with respect to the Facility in relation to COVID-19 relief efforts following the date of this Agreement but prior to Closing ("COVID Payments"), such amounts will be utilized by Old Operator only in the operation of the Facility to cover direct, actual COVID-19-related expenses incurred by Old Operator prior to Closing and in accordance with the laws governing such COVID Payments. In the event that all such COVID Payments cannot or otherwise have not been expended by Old Operator on COVID-19-related expenses prior to the Closing Date, then prior to returning any such COVID Payments to the applicable governmental authority, if required by applicable law, Old Operator shall, at New Operator's direction, cooperate in good faith with New Operator to take whatever steps are reasonably necessary to ensure that the Facility receives the benefit of such COVID Payments on and after the Closing Date. Without intending to limit the foregoing, Old Operator shall ensure that the Facility will have on hand an adequate stock of personal protective equipment for the Facility, in any event not less than 7 days' worth based on the Facility's then current usage rate, all of which shall transfer to New Operator at Closing.

d. If, at the time of Closing, Old Operator has received funds from the Paycheck Protection Program ("PPP") which funds have not been either (i) forgiven in writing by the Small Business Administration or the PPP lender as applicable, or (ii) repaid in full, then Old Operator shall comply with the requirements set forth in the SBA Procedural Notice effective as of October 2, 2020 (the "SBA Notice"), including, but not limited to, completion and submission of a forgiveness application to the PPP lender and establishing an escrow with such lender as required by the SBA Notice.

e. The Parties shall comply with all applicable laws related to the COVID Payments, PPP loans, and Advances described herein. The Parties will reasonably cooperate with any information requests related to COVID Payments, PPP loans, and Advances in order to comply with regulatory and reporting requirements.

28. GUARANTY. Until the date that is eighteen (18) months following the Closing Date, Guarantor hereby guarantees all of the obligations and performance of Old Operator under this Agreement (the "Guaranty"). Guarantor hereby covenants and agrees to maintain sufficient capitalization necessary for any performance or payment required under this Guaranty. The obligations of Guarantor hereunder are independent of the obligations of Old Operator under this Agreement, and a separate action or actions may be brought and prosecuted against Guarantor regardless of whether any action is brought against Old Operator or whether Old Operator is joined in any such action or actions. The Guaranty is a guaranty of performance and payment when due and not merely of collection. The Guaranty shall be unconditional regardless of any lack of enforceability of this Agreement or any bankruptcy, insolvency or similar action or proceeding with respect to New Operator.

29. GENERAL PROVISIONS.

a. Each party hereto agrees to use commercially reasonable efforts to cause the conditions to its obligations and to the other party's obligations herein set forth to be satisfied at or prior to the Closing Date. Each of the parties hereto agrees to execute and deliver any further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by the other party to perfect or evidence their rights hereunder. Each party shall promptly notify the other party of any information delivered to or obtained by such party which would prevent the consummation of the transactions contemplated hereby, or which would indicate a breach of the representations or warranties of any other party hereto.

b. All notices to be given by either party to this Agreement to the other party hereto shall be in writing, and shall be: (i) given in person; (ii) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested; (iii) sent by national overnight courier service, priority next business day service; or (iv) sent by facsimile or e-mail each addressed as follows:

Notices to New Operator:	c/o Ensign Services, Inc. 29222 Rancho Viejo Road, Suite 127 San Juan Capistrano, CA 92675 Email: legal@ensignservices.net
Notices to Old Operator:	C/O The Portopiccolo Group LLC 980 Sylvan Avenue Englewood Cliffs, NJ 07632 Attn: Akiva Schonfeld Email: akiva@theportopiccologroup.com
With a copy to:	Koss & Schonfeld, LLP 160 Broadway, 8th Floor New York NY 10038 Attn: Simcha D. Schonfeld, Esq. Email sds@kandsllp.com Fax: (212) 401-4757

Any such notice personally delivered shall be deemed delivered when actually received; any such notice deposited in, the United States mail, registered or certified, return receipt requested, with all postage prepaid, shall be deemed to have been given on the earlier of the date received or the date when delivery is first refused; any notice deposited with an overnight courier service for delivery shall be deemed delivered on the next business day following such deposit; and any such notice delivered via facsimile and email shall be deemed delivered upon the notifying party's receipt of facsimile or email confirmation. Any party to whom notices are to be sent pursuant to this Agreement may from time to time change its address for further communications thereunder by giving notice in the manner prescribed herein to all other parties hereto.

c. Each party hereto shall bear its own legal, accounting and other expenses incurred in connection with the preparation and negotiation of this Agreement and the consummation of the transaction contemplated hereby, whether or not the transaction is consummated.

d. This Agreement, together with all exhibits and schedules attached hereto and any other agreements referred to herein, constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements.

e. This Agreement may not be modified or amended except in writing signed by the parties hereto. This Agreement shall not be assignable by operation of law or otherwise without the consent of the other party.

f. No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

g. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

h. Captions of paragraphs are for convenience only and are not part of this Agreement and do not affect, change or modify the paragraphs they precede.

i. All understandings and agreements heretofore and between the parties are merged in this Agreement and all exhibits and schedules attached hereto and any other agreements referred to herein, which alone fully and completely expresses their agreement.

j. This Agreement 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.

k. All of the provisions of this Agreement 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.

l. The recitals set forth at the beginning of this Agreement constitute an integral part of this Agreement and are hereby incorporated by reference herein and made a part hereof as if fully set forth herein.

m. 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, or "any" shall mean "any and all"; "or" shall mean "and/or" and "including" shall mean "including without limitation".

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

o. The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any of the parties hereto.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

OLD OPERATOR:

MARYVILLE JAMESTOWN OPCO LLC

DocuSigned by:
By: Akiva Schonfeld
A95AF2E86755492...

Name: Akiva Schonfeld

Title: Authorized Signatory

KNOXVILLE OPCO LLC

DocuSigned by:
By: Akiva Schonfeld
A95AF2E86755492...

Name: Akiva Schonfeld

Title: Authorized Signatory

GUARANTOR:

FL SNF PROPCO HOLDINGS LLC

DocuSigned by:
By: Akiva Schonfeld

Name: Akiva Schonfeld

Title: Authorized Signatory

SIMCHA HYMAN, an individual

DocuSigned by:
By: Simcha Hyman
7D9DA3532C5F489...

NEW OPERATOR:

SMOKY MOUNTAIN HEALTHCARE, INC.

By: ______________________________
Name: Soon Burnam
Title: Treasurer

FIRST CREEK HEALTHCARE, INC.

By: ______________________________
Name: Soon Burnam
Title: Treasurer

Schedule 1
FACILITY DESCRIPTION

Exhibit A
FORM OF GENERAL ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION, is made as of the _day of _ 2024, by [____] ("Assignor"), to [_], a [____] ("Assignee").

WITNESSETH:

WHEREAS, by Operations Transfer Agreement (the "OTA"), dated as of ________________, 2024, by and among Assignor and Assignee, Assignor agreed to sell to Assignee certain personal property and such other assets, as more fully described in the OTA (the "Transferred Assets") (capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA); and

WHEREAS, the OTA provides, inter alia, that Assignor shall assign to Assignee, the Permits, the Patient Trust Funds and Property, the Warranties, the Assumed Contracts, the Resident Agreements and such other items applicable to the Transferred Assets, as more fully provided in the OTA; and

WHEREAS, the OTA provides, inter alia, that Assignee shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations under the Permits, Patient Trust Funds and Property, the Warranties, the Assumed Contracts and the Resident Agreements arising on or after the Closing Date;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Transfer of Permits**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under the Permits.

2. **Transfer of Warranties**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under the Warranties.

3. **Transfer of Patient Trust Funds and Property**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to and under the Patient Trust Funds and Property.

4. **Contracts and Resident Agreements**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to the Assumed Contracts, as well as all Resident Agreements.

5. **Assumption.** Assignee hereby accepts the foregoing assignments set forth in Sections 1, 2, 3, and 4 hereof; provided, that said assignment and assumption shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

6. **Miscellaneous.** This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the OTA, shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, shall be governed by and

construed in accordance with the laws of the State of Tennessee(without giving effect to any choice or conflict of law provision or rule, whether of the State of Tennessee or any other jurisdiction) and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the day and year first above written.

ASSIGNOR

[_] By:

Name:

Its:

ASSIGNEE

[_] By:

Name:

Its:

Exhibit B

[Reserved]

EXHIBIT C

FORM OF BILL OF SALE

[ ], a _______________ ("Old Operator"), in consideration of Ten and No/100 Dollars ($10.00), receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over to [_], a ____________ ("New Operator"), all of its right, title and interest in and to the following described personal property, to-wit:

All of the "Supplies" and other "Personal Property", as defined in that certain Operations Transfer Agreement ("OTA"), dated as of _____________, 2024, by and among Old Operator and New Operator.

Old Operator hereby represents and warrants to New Operator that Old Operator is the absolute owner of said property that said property is free and clear of all liens, charges and encumbrances, and that Old Operator has full right, power and authority to sell said personal property and to make this Bill of Sale. Except as set forth in the OTA, all warranties of quality, fitness and merchantability are hereby excluded.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Old Operator has caused this Bill of Sale to be signed and sealed in its name by its __________ thereunto duly authorized this ________ day of ________, 2023.

OLD OPERATOR

[_]

By:

Name:

Its:

NEW OPERATOR

[_]

By:

Name:

Its:

BYLAWS
OF
SMOKY MOUNTAIN HEALTHCARE, INC.,
a Nevada corporation

ARTICLE I
MEETINGS OF STOCKHOLDERS

Regular and Special meetings of the Stockholders may be held at any location within or outside of the State of Nevada, when called by the President, the Board of Directors, or by an instrument in writing signed by the holders of fifty-one percent (51%) of the issued and outstanding stock of the corporation. Written notice of such meeting shall be mailed by first class mail at least ten (10) days prior to such meeting, addressed to each of the Stockholders of record at the time of mailing at his last known address as it appears on the books of the corporation; and if no address appears on the books, Las Vegas, Nevada, shall be a sufficient address.

Whenever all of the Stockholders shall meet in person or by proxy, such meeting shall be valid for all purposes without call or notice.

At all Stockholders' meetings, the holders of fifty-one percent (51%) of the issued and outstanding stock of the corporation shall constitute a quorum. Each Stockholder shall have one (1) vote for each share of stock standing registered in its name on the books of the corporation, ten (10) days preceding any meeting.

An act of Stockholders who own at least a majority of the voting power and are present at a meeting at which a quorum is present is the act of the Stockholders.

Any action required or permitted to be taken at a meeting of the Stockholders may be taken without a meeting, if a written consent thereto, is signed by Stockholders holding at least a majority of the voting power, except that if a different proportion of voting power is required for such an action at a meeting, then that proportion of written consent is required.

In no instance where action is authorized by written consent will it be necessary for a meeting of Stockholders be called or notice given. The written consent must be filed with the minutes of the proceedings of the Stockholders.

Stockholders may participate in a meeting of Stockholders by means of a telephone conference or similar method of communication by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph constitutes presence in person at the meeting.

Any meeting of the Stockholders may be held concurrently with the Stockholders meeting of any affiliate corporation.

ARTICLE II
DIRECTORS AND THEIR DUTIES

The Board of Directors of the corporation shall not be less than one (1), nor more than five (5) persons, each of whom shall be at least 18 years of age; however, they need not be shareholders. The initial Board of Directors of the corporation shall consist of one (1) person; however, the number of Directors may be changed to more than one (but not more than five 5), at any time by written consent, Stockholders holding at least a majority of the voting power of the Stockholders.

The Directors shall be chosen by the Stockholders and shall hold office until their successors are elected and duly qualify or until such time as the Director resigns or dies. Directors shall be subject to removal at any time by the Stockholders; and, unless elected by the Stockholders, the remaining Directors, by the affirmative vote of the majority thereof, shall elect a successor to hold office for the unexpired term of any Director whose place shall have become vacant.

Whenever all of the Directors shall meet, such meeting shall be valid for all purposes without call or notice.

A simple majority of the Board of Directors at a meeting duly assembled, is necessary to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at a meeting at which a quorum is present is the act of the Board of Directors.

The Board of Directors is vested with the complete and unrestrained authority in the management of all of the affairs of the corporation and is authorized to exercise for such purposes, as the general agent of the corporation, its entire corporate authority.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if, before or after the action, a written consent thereto is signed by all of the members of the Board of Directors. The written consent must be filed with the Minutes of the proceedings of the Board of Directors.

Any meeting of the Board of Directors may be held concurrently with the meeting of the Board of Directors of any affiliate corporation.

ARTICLE III
OFFICERS AND THEIR DUTIES

The Board of Directors of the corporation shall elect a President, one or more Vice Presidents, a Secretary and Treasurer and Assistant Secretaries and Assistant Treasurers as desired, to hold office until their successors are duly elected and qualify. The Board of Directors may also, as desired, elect a Controller and a Chairman of the Board of Directors to hold office until their successors are duly elected and qualify. Any vacancy in any of the aforesaid offices may be filled by the Board of Directors, and all officers shall be subject to removal at any time by the Board of Directors without prior notice.

The President shall be the executive officer of the corporation and shall have the supervision and direction of the corporation's affairs under the Board of Directors with full power to execute all resolutions and orders of the Board of Directors not especially entrusted to some other officer. He shall preside at all Directors' and Stockholders' meetings, (except that if there is a Chairman of the Board of Directors, he shall preside at all Directors meetings, if present), and shall sign the certificates of stock issued by the corporation and shall perform such other duties as are prescribed by the Board of Directors.

The Vice Presidents shall be vested with all the powers and perform all of the duties of the President in his absence or inability to act, and shall perform such other duties as shall be prescribed by the Board of Directors.

The Secretary and any Assistant Secretaries shall keep the Minutes of all meetings of the Board of Directors and Stockholders, and perform such other duties as shall be prescribed by the Board of Directors.

The Treasurer and any Assistant Treasurers shall have the custody of all of the funds and securities of the corporation and shall perform such other duties as shall be prescribed by the Board of Directors.

The Controller (if any) shall assist the Treasurer (and any Assistant Treasurers) in the performance of his (their) duties as shall be prescribed by the Board of Directors.

The Chairman of the Board of Directors (if any) shall preside at all meetings of the Board of Directors, if present, and shall perform such other duties as are prescribed by the Board of Directors.

ARTICLE IV
CAPITAL STOCK

Ownership of stock in the corporation shall be evidenced by certificates of stock in such forms as prescribed by the Board of Directors and shall be under the seal of the corporation and signed by the President.

No transfer of stock shall be valid as against the corporation except on surrender and cancellation of the certificate therefor, accompanied by an assignment or transfer by the owner thereof, made either in person or under assignment. A new certificate shall be issued therefor.

The stock transfer books shall be closed for all meetings of the Stockholders for the period of ten (10) days prior to such meetings and shall be closed for the payment of dividends during such periods as from time to time may be fixed by the Board of Directors, and during such periods no stock shall be transferable.

Any person or persons applying for a certificate of stock in lieu of one alleged to have been lost or destroyed shall make an affidavit or affirmation of the fact, and shall deposit said affidavit with the corporation. Whereupon, at the end of six (6) months after the deposit of said affidavit and upon such person or persons giving bond of indemnity to the corporation with surety to be approved by the Board of Directors in double the current value of the stock against any damage, loss or inconvenience to the corporation which may or can arise in consequence of a new or duplicate certificate being issued in lieu of the one lost or missing, the Board of Directors may cause to be issued to such person or persons a new certificate, or a duplicate of the certificated so lost or destroyed. The Board of Directors may, in its discretion, refuse to issue such new or duplicate certificate save upon the order of some court having jurisdiction in such matters, anything herein to the contrary notwithstanding.

ARTICLE V
INDEMNIFICATION

Pursuant to the rights granted under NRS 78.7502, corporation shall indemnify any director or officer, and may indemnify any other employee or agent, who was or is a party to, or is threatened to be made a party to, or who is called as a witness in connection with, any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, including an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another domestic or foreign corporation for profit or not-for-profit, partnership, joint-venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him in com1ection with such action, suit or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

The corporation shall pay expenses incurred by an officer or director, and may elect to pay expenses incurred by any other employee or agent, in defending an action, or proceeding referred to in this Article V in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation.

The expenses of officers and Directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Director or Officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation.

ARTICLE VI
OFFICES AND BOOKS

The principal office of the corporation shall be 29222 Rancho Viejo Rd., Ste. 127, San Juan Capistrano, California 92675 and the corporation may have a principal office in any other state or territory as the Board of Directors may designate.

A copy of the By-Laws, duplicate stock ledger and Articles of Incorporation of the corporation shall be kept at its principal office, and shall be subject to the inspection of any of the Stockholders.

ARTICLE VII
MISCELLANEOUS

Unless otherwise ordered by the Board of Directors, all agreements and contracts shall be signed by the President or Vice President in the name and on behalf of the corporation or as otherwise delegated by the President or Vice President.

All monies of the corporation shall be deposited when and as received by the Treasurer or Controller in such bank or banks or other depository as may from time to time be designated by the Board of Directors, and such deposits shall be made in the name of the corporation.

The corporation may take, acquire, hold, mortgage, sell, or otherwise deal in stocks or bonds or securities of any other corporation if, and as often as, the Board of Directors shall so elect.

The Directors shall have power to authorize and cause to be executed mortgages and liens without limit as to amount upon the property and franchise of this corporation, and pursuant to the affirmative vote, either in person or by proxy, of the holders of a majority of the capital stock issued and outstanding, the Directors shall have authority to dispose in any manner of the whole or any part thereof property of this corporation.

ARTICLE VIII
AMENDMENT OF BY-LAWS

Amendments and changes to these By-Laws may be made at any meeting of the Board of Directors by a vote of not less than all of the entire Board, or may be made by a vote of, or a consent in writing signed by, the holders of fifty-one percent (51%) of the issued and outstanding capital stock.

CERTIFICATION

The undersigned; do hereby certify that I am the duly elected and acting Secretary of Smoky Mountain Healthcare, Inc., a Nevada corporation, and the foregoing By-Laws constitute the then current adoption of the By-Laws of Corporation, as duly adopted at a properly noticed meeting of the Board of Directors thereof held on December 18, 2023.

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Craig Fitch
Secretary

**MINUTES OF INITIAL MEETING OF
THE BOARD OF DIRECTORS OF
SMOKY MOUNTAIN HEALTHCARE, INC.
A Nevada corporation**

The First Meeting of the Board of Directors of SMOKY MOUNTAIN HEALTHCARE, INC., a corporation which is incorporated under the laws of the State of Nevada ("Meeting"), was held at 29222 Rancho Viejo Rd., Ste. 127, San Juan Capistrano, California 92675, on December 18, 2023, at the hour of 10:00 o'clock a.m. of said day.

The following named persons were present, being all of the Directors and stockholders of the corporation:

Tyler Albrechtsen	DIRECTOR
Brent Thatcher	PRESIDENT of Smoky Mountain Healthcare, Inc., representing the sole Stockholder

Also in attendance were the following individuals:

Beverly B. Wittekind	Counsel
Soon E. Burnam	Guest

As the sole Director, Ms. Snapper served as Chairman of the Meeting, and Ms. Wittekind was duly appointed Temporary Secretary of the meeting.

The Chairman announced that the Board of Directors named in the Articles of Incorporation waived notice of said Meeting and consented to the holding thereof at the time and place referred to above, for the conduct of any and all corporate business.

The Chairman announced that the original Articles of Incorporation of the corporation had been filed in the office of the Secretary of State of the State of Nevada on December 18, 2023.

The Chairman announced that the corporation had not as yet adopted any Bylaws for the regulation of its affairs, and presented to the Meeting a form of Bylaws for the regulation of the affairs of the corporation. The Temporary Secretary read from the form of Bylaws, which were duly considered and discussed. Upon motion duly made, and unanimously carried, the following resolutions were adopted:

RESOLVED, that the form Bylaws presented to this Meeting be and the same are hereby adopted as the Bylaws of this corporation;

The Chairman announced that the next order of business would be the election of Officers and the ratification of the appointment of Directors of the corporation, to hold office until their successors are duly elected and shall qualify. On motion duly made, and by unanimous vote, the following persons were elected to serve as Officers of the corporation until their successors are duly elected and qualify:

Brent Thatcher	**PRESIDENT**
Craig Fitch	**SECRETARY**
Soon Burnam	**TREASURER**

On a second motion duly made, and by unanimous vote, the following person(s) were ratified as duly appointed Directors of the corporation and shall serve until their successors are duly elected and qualify:

Tyler Albrechtsen	**DIRECTOR**

The persons so elected, accepted their positions, and the President presided over the meeting and the Secretary assumed her duties.

On motion duly made, seconded and unanimously carried, a seal and form of stock certificate for the corporation were adopted. An impression of the seal and a copy of the form of stock certificate are attached hereto, as **Exhibit "A",** and made a part hereof by this reference.

On motion duly made, seconded and unanimously carried, the principal office of the corporation was designated as: 29222 Rancho Viejo Rd., Ste. 127, San Juan Capistrano, California. Cogency Global Inc. was duly appointed to serve as Resident Agent of the corporation for the state of its formation and for any other state it is authorized to do business in.

In order to provide for the payment of the expenses of incorporation and organization of the corporation, on a motion duly made, seconded and unanimously carried, the following resolutions were adopted:

RESOLVED, that the President and Secretary be and they are hereby authorized and directed to pay the expenses of incorporation and organization of this corporation, including attorneys' fees; and it is

RESOLVED, FURTHER, that:

WHEREAS, Section 248 of the Internal Revenue Code authorizes an election to amortize organization expenditures ratably over a period of sixty (60) months or longer; and

WHEREAS, the corporation has expended considerable sums in defraying the organizational expenses of the corporation; and

WHEREAS, the Board of Directors had made a thorough study of the amortization method as contrasted with the capitalization method of recovering organizational expenditures; and

WHEREAS, it is the opinion of the Board of Directors that adoption of the amortization method will affect tax savings and reduce accounting costs.

NOW, THEREFORE, BE IT RESOLVED, that beginning with the month in which the corporation begins business, the corporation does hereby adopt a system of amortizing organizational expenditures ratably over a period of sixty (60) months in accordance with Section 248 of the Internal Revenue Code.

The Board next considered the applicability of Section 1244 of the Internal Revenue Code to the corporation's common stock. Section 1244 entitles shareholders to treat losses from stock that qualifies as "Section 1244 stock" as ordinary loss. The Board noted that the corporation is a small business corporation as defined in the Internal Revenue Code, Section 1244(c)(3)(A). On motion duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED, that this corporation intending to qualify its common stock for treatment under Section 1244 of the Internal Revenue Code, plans that its total equity capital and paid-in surplus shall not in any event exceed $1,000,000, that it shall be mainly an operating company, with less than 50 percent of its gross receipts coming from passive sources (royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities), and that it shall conform in all other respects to the requirements necessary to qualify its common stock for treatment under Section 1244 of the Internal Revenue Code; and it is
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> RESOLVED FURTHER, that the Secretary of this corporation is authorized and directed to keep all records, prepare all reports and returns, and take all other steps necessary to qualify this corporation's common stock for treatment under Section 1244 of the Internal Revenue Code.

The Chairman informed the Board that it would be necessary to establish one or more bank accounts for the corporation and to select a depository for the corporation's employment taxes trust funds. The Board was also informed that an SS-4 form was submitted to the Internal Revenue Service, executed by an Authorized Officer, wherein the corporation's Federal Employer Identification Number was obtained, said number being 93-4897292. On motion duly made, seconded and unanimously carried, the following resolutions were adopted:

> RESOLVED, that the corporation shall be authorized to establish one or more deposit accounts ("Accounts") in its name, at the institution(s) selected by the President, the Treasurer or the Secretary (the "Authorized Officers") or any one or more of them, that the corporation's Authorized Officers, or any one or more of them, are authorized and empowered to act on behalf of the corporation in establishing such Accounts on terms and conditions as agreed on with the bank or other financial institution, and that the corporation's employment taxes trust fund shall be deposited in an account at a bank or other financial institution selected by the Authorized Officers or any one or more of them; and it is
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> RESOLVED FURTHER, that Authorized Officers or any one or more of them acting in such capacity or through a designated employee may (a) open the Accounts and enter into such agreements regarding the Accounts as the bank or financial institution may from time to time require, (b) sign checks and other items withdrawing funds from the Accounts, including those payable to cash or to persons who sign them, (c) request funds

transfers by the bank or financial institution to and from the Accounts, (d) enter into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries, (e) endorse on behalf of the corporation, and otherwise negotiate, checks and other items payable to the corporation, and (f) close any or all of the Accounts; and it is

RESOLVED FURTHER, that the corporation is authorized to invest such funds as are in the Accounts and other funds of the corporation by purchasing U.S. government securities, state or local government securities, bank or third-party commercial paper, or other investment securities from or through the bank or financial institution, and that the corporation may enter into repurchase transactions with the bank or financial institution in connection therewith; and it is

RESOLVED FURTHER, that the corporation is authorized to enter into foreign exchange transactions with or through the bank or financial institution, and purchase such treasury management and other financial products and services as the bank or financial institution may from time to time make available, and the corporation is authorized to incur overdrafts in the accounts in connection with any of the products, services or activities authorized by these resolutions; and it is

RESOLVED FURTHER, that the corporation is authorized to enter into such agreements and execute such documents as the bank or financial institution may require with respect to any of the foregoing products, services or activities, in such form and on such terms and conditions as may be agreed to by an Authorized Officer signing such agreements and documents; and it is

RESOLVED FURTHER, that the Authorized Officers of the corporation or any one or more of them are authorized to endorse checks, drafts, or other evidences of indebtedness made payable to the corporation, but only for the purpose of deposit; and it is

RESOLVED FURTHER, that all checks, drafts, and other instruments obligating the corporation to pay money, including instruments payable to officers or other persons authorized to sign them, shall be signed on the corporation's behalf by the Authorized Officers of the corporation or any one or more of them; and it is

RESOLVED, FURTHER, that the Board has ratified and confirm the actions of the Authorized Officer in obtaining the Federal Employer Identification Number for the corporation.

The Board considered the advantages of the corporation being treated as an "S corporation" under Internal Revenue Code Subchapter S, Sections 1361-1379; however, it was noted that the corporation does not come within the definition of an "S corporation" in Section 1361(b) of the Internal Revenue Code in that its sole shareholder is not an individual, as would be required.

The President announced that it would be necessary for the corporation to qualify to do business in state(s) outside of the state of its incorporation and on a motion duly made and seconded, the following Resolution(s) was unanimously adopted:

RESOLVED, that this corporation is authorized to make application to other state(s) to qualify to do business in that state, as necessary, in the normal course of its business; and it is

RESOLVED, FURTHER, that the corporation is authorized to execute, deliver and record any and all documents, affidavits or other memoranda required in order to conduct the corporation's normal business, in any state under such trade or fictitious names as an Authorized Officer may designate.

The President then announced that One Hundred (100) shares of the capital stock of the corporation would be issued for the consideration of $10.00 per share, with all One Hundred (100) shares being issued to Rocky Top Healthcare LLC, a Nevada limited liability company.

		Consideration	
	Shares	**Percent**	**Price**
Rocky Top Healthcare LLC	100 shares	100%	$1,000.00

Upon issuance of a certificate therefore, such shares will be duly authorized, fully paid, and validly issued and outstanding.

There being no further business to come before the meeting and upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

Craig Fitch, Secretary

Actions taken at the Initial Meeting of the Board of Directors as herein transcribed are ratified, confirmed and approved in their entirety.

Tyler Albrechtsen, Director

CERTIFICATE OF SECRETARY

SMOKY MOUNTAIN HEALTHCARE, INC.,

a Nevada corporation

On behalf of Smoky Mountain Healthcare, Inc., a Nevada corporation ("Corporation"), the undersigned hereby certifies to Wells Fargo Bank, National Association that the following resolutions have been duly adopted by the Board of Directors of the Corporation:

(1) That I am the duly elected and acting Secretary of Smoky Mountain Healthcare, Inc., a Nevada corporation (herein the "Corporation"); and

(2) That as of December 18, 2023, the following Resolutions were duly adopted and approved by the Board of Directors of said Corporation, and further that the Resolutions as herein reproduced are a true and correct copy of the Resolutions so adopted, as executed and entered upon the minutes of the Corporation as of the date indicated, and that such have not been amended, modified or revoked:

> RESOLVED, that the corporation shall be authorized to establish one or more deposit accounts ("Accounts") in its name, at the institution(s) selected by the President, the Treasurer or the Secretary (the "Authorized Officers") or any one or more of them, that the corporation's Authorized Officers, or any one or more of them, are authorized and empowered to act on behalf of the corporation in establishing such Accounts on terms and conditions as agreed on with the bank or other financial institution, and that the corporation's employment taxes trust fund shall be deposited in an account at a bank or other financial institution selected by the Authorized Officers or any one or more of them; and it is
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> RESOLVED FURTHER, that Authorized Officers or any one or more of them acting in such capacity or through a designated employee may (a) open the Accounts and enter into such agreements regarding the Accounts as the bank or financial institution may from time to time require, (b) sign checks and other items withdrawing funds from the Accounts, including those payable to cash or to persons who sign them, (c) request funds transfers by the bank or financial institution to and from the Accounts, (d) enter into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries, (e) endorse on behalf of the corporation, and otherwise negotiate, checks and other items payable to the corporation, and (f) close any or all of the Accounts; and it is
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> RESOLVED FURTHER, that the corporation is authorized to invest such funds as are in the Accounts and other funds of the corporation by purchasing U.S. government securities, state or local government securities, bank or third party commercial paper, or other investment securities from or through the bank or financial institution, and that the corporation may enter into repurchase transactions with the bank or financial institution in connection therewith; and it is

RESOLVED FURTHER, that the corporation is authorized to enter into foreign exchange transactions with or through the bank or financial institution, and purchase such treasury management and other financial products and services as the bank or financial institution may from time to time make available, and the corporation is authorized to incur overdrafts in the Accounts in connection with any of the products, services or activities authorized by these resolutions; and it is

RESOLVED FURTHER, that the corporation is authorized to enter into such agreements and execute such documents as the bank or financial institution may require with respect to any of the foregoing products, services or activities, in such form and on such terms and conditions as may be agreed to by the officer signing such agreements and documents; and it is

RESOLVED FURTHER, that the Authorized Officers of the corporation or any one or more of them are authorized to endorse checks, drafts, or other evidences of indebtedness made payable to the corporation, but only for the purpose of deposit; and it is

RESOLVED FURTHER, that all checks, drafts, and other instruments obligating the corporation to pay money, including instruments payable to officers or other persons authorized to sign them, shall be signed on the corporation's behalf by the Authorized Officers of the corporation or any one or more of them.

IN WITNESS WHEREOF, I have hereunto subscribed my name and the Corporation's seal on December 18, 2023.

Craig Fitch, Secretary

Smoky Mountain Healthcare, Inc.

INCUMBENCY CERTIFICATE

I, Craig Fitch, Secretary of Smoky Mountain Healthcare, Inc., a Nevada corporation (the "Company"), do hereby certify that each of the following individuals are duly elected, qualified and acting officers of the Company, each holds the office set forth opposite their name as of the date hereof, and the signature set forth opposite their names and titles are the true and authentic signatures:

Name	**Title**	**Specimen Signature**
Brent Thatcher	President	
Craig Fitch	Secretary	
Soon Burnam	Treasurer	
Tyler Albrechtsen	Director	

IN WITNESS WHEREOF, I have signed this Incumbency Certificate as of December 18, 2023.

Craig Fitch
Secretary