ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, together with all exhibits and schedules (this "***Purchase Agreement***"), dated as of August 22, 2024 (the "***Execution Date***"), is by and among Covenant Care California, LLC, a California limited liability company ("***Principal Transferor***") and CTR Partnership, L.P., a Delaware limited partnership ("***Principal Transferee***," and together with each Designated Assignee (as defined below), the "***Transferee***"). Principal Transferee, Principal Transferor, and the Transferors (as defined below) may be referred to herein as a "***Party***" and collectively as the "***Parties***." A glossary of capitalized terms is set forth in Exhibit B attached hereto.

WHEREAS, each entity listed on Exhibit A operates the applicable skilled nursing facility and/or assisted living facility with the number of licensed and certified beds and located at the address set forth next to its name on Exhibit A (each such facility individually, a "***Facility***," and collectively, the "***Facilities***") as a "Transferor Opco" (individually and collectively, "***Transferor***");

WHEREAS, each Transferor owns certain Assets used in connection with the operations of its respective Facility;

WHEREAS, each Transferor desires to sell, transfer, convey and/or assign to the Transferee, and Transferee desires to purchase from such Transferor, the Assets (including the Facilities owned by such Transferor), upon the terms and conditions contained in this Purchase Agreement; and

WHEREAS, the Parties wish to provide for an orderly and lawful transition of the operations of the Facilities from the applicable Transferor to Transferee.

NOW, THEREFORE, in consideration of the premises, the mutual obligations of the Parties contained in this Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
PURCHASE PRICE

1.1. Payment. Subject to the terms and the conditions of this Purchase Agreement, Transferor agrees to sell, and Transferee agrees to purchase, Transferor's Assets for a total purchase price of (a) Twenty-Five Million Dollars ($25,000,000.00) *plus* (b) the Lease Deposit Amount (the "***Purchase Price***"). The Purchase Price shall be paid in accordance with Section 3.3.

1.2. Deposit. On March 21, 2024, Principal Transferee deposited with the Escrow Agent an earnest money deposit in the amount of [redacted] (the "***Deposit***"), held on the terms set out in the Escrow Agreement attached hereto as Exhibit C-1 (the "***Escrow Agreement***"). At Closing, Principal Transferor and Principal Transferee shall deliver a joint written instruction (the "***Deposit Release Instructions***") to the Escrow Agent to release the Deposit to Principal Transferor, which amount shall be applied against the Purchase Price. If Principal Transferor or Principal Transferee, as applicable, does not deliver the Deposit Release Instructions to the Escrow Agent as required pursuant to this Section 1.2, such Party shall also be liable for, and shall pay the other Party for, any reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by the other Party in connection with its collection efforts (such costs and expenses, the "***Escrow Collection Costs***") to receive such Deposit. If the Transaction does not close, and this Purchase Agreement is terminated in accordance with its terms, the Deposit shall be released in accordance with the provisions of Article VIII of this Purchase Agreement. The amount of the Deposit shall be allocated to each Facility in proportion to its Allocated Value (as defined

below). The amount of the Deposit allocated to each Facility shall be referred to herein individually as an "***Allocated Deposit***," and collectively as the "***Allocated Deposits***."

1.3. [redacted]

1.4. Allocation of Purchase Price. Within thirty (30) days after the Execution Date, Principal Transferor and Principal Transferee shall negotiate in good faith and, acting reasonably, agree on the allocation of the Purchase Price among each of the Facilities (each, the "***Allocated Value***"), which Allocated Value for each Facility shall be as set forth in Schedule 1.4 attached hereto. Within ninety (90) days of Closing, Principal Transferor shall prepare and deliver to Principal Transferee an allocation statement (the "***Allocation Statement***") setting forth the value of Transferor's Assets at each Facility that shall be used for the allocation of the Allocated Value for each Facility among Transferor's Assets in accordance with Section 1060 of the Code and Treasury Regulation thereunder (including Section 1.1060-1, or any comparable provisions of state or local Tax Law) or any successor provision. If, within thirty (30) days after the delivery of the Allocation Statement, Principal Transferee notifies Principal Transferor in writing that Principal Transferee accepts the allocation set forth in the Allocation Statement, Principal Transferee and Principal Transferor shall report and file all Tax Returns (including any amended Tax Returns and claims for refund) consistent with such Allocation Statement, and shall take no position contrary thereto or inconsistent therewith (including in any audits or examinations by any taxing authority or any other proceedings). If Principal Transferee does not accept the allocation set forth in the Allocation Statement (with a failure to respond during such thirty (30)-day period constituting Principal Transferee not accepting such allocations), each of Principal Transferor and Principal Transferee shall adopt their own allocation and complete and execute a Form 8594 in accordance with such allocation. Transferee and Transferor shall file

or cause to be filed any and all forms (including U.S. Internal Revenue Service Form 8594), statements and schedules with respect to such allocation, including any required amendments to such forms.

ARTICLE II
ASSETS, LIABILITIES AND OTHER MATTERS

2.1. Assets. Upon the terms and subject to the conditions set forth in this Purchase Agreement, on the Closing Date, and except for the Excluded Assets, to the fullest extent of its interest, each Transferor shall sell, transfer, convey and/or assign to each Transferee, free and clear of all Encumbrances of any nature whatsoever except for Permitted Encumbrances and the Assumed Liabilities, all of such Transferor's right, title and interest in and to all of the assets, properties, claims and rights exclusively used or held for use in the Business and, with respect to tangible assets, located at the Facilities (the "***Assets***"). In furtherance of the foregoing, the Assets shall include the items set forth below:

(a) all rights, title and interests of Transferor under each Realty Lease (including any amendments entered into between the Execution Date and the Closing in accordance with the terms and provisions of this Purchase Agreement) with respect to each of the Facilities;

(b) all computers, computer equipment and hardware, office equipment, trucks, vehicles and other transportation equipment, parts, supplies and all other tangible personal property owned by and in Transferor's possession as of the Closing Date which are exclusively used (and in the case of computers and computer equipment and hardware, which are located in the Facilities) and in connection with the operation of the Facilities;

(c) trademarks, trademark registrations, trademark applications, service marks, trade names, business names, brand names, copyrights, copyright registrations, proprietary software programs, web sites, web addresses, and all rights to any of the foregoing related exclusively to the operation of the Facilities;

(d) all inventory and supplies including, but not limited to, office, foodstuffs, medical, disposables, prescription medications and pharmaceutical inventories and supplies and other inventories, supplies and articles of personal property of every kind and nature attached to or used in connection with the Facilities, but only to the extent such inventory and supplies are owned by Transferor, which shall, at the minimum, be in an amount sufficient for seven (7) days of operations in substantially the same manner as presently conducted by Transferor (collectively, "***Inventory***");

(e) other than Realty Leases (which are addressed in Section 2.1(a)), those contracts, agreements and purchase orders relating exclusively to the Facilities and the operation of the Business of the Facilities (collectively, the "***Contracts***"), as set forth on Schedule 2.1(e) (collectively, the "***Assumed Contracts***");

(f) all collective bargaining agreements and other agreements between Transferor and any union or other labor organization (the "***Collective Bargaining Agreements***");

(g) all Resident Agreements for all Residents of each Facility residing at each Facility as of the Closing Date;

(h) all menus, operating manuals for equipment at the Facilities, marketing, sales and promotional materials;

(i) to the extent of Transferor's interest therein, all rights to telephone and facsimile numbers used by the Facilities, any "yellow page" and other advertising rights of such Facility, and all of the rights of Transferor in the name used for the Facilities;

(j) to the extent permitted by Law, all files, charts, and other information located at the Facilities in Transferor's possession or control relating to all (i) current Residents of the Facilities as of the Closing Date (including, but not limited to, all Resident records, billing and collection records, medical records, therapy records, pharmacy records, clinical records, and Resident Trust Funds records), (ii) Residents who previously occupied the Facilities or used the Facilities prior to the Closing Date and are not Residents of the Facilities as of the Closing Date (including, but not limited to, all patient records, medical records, therapy records, pharmacy records, clinical records, and Resident Trust Funds records), (iii) employment records for the New Operator Employees (including all medical and health records and all non-medical records including payroll and schedule records, evaluations, etc.), (iv) administrative compliance records including, but not limited to, all state surveys and plans of correction, and (v) correspondence and any other written data which was utilized in connection with the operation of the Facilities or the Business (collectively, "***Current Records***");

(k) licenses, certificates, permits, waivers, consents, authorizations, variances, approvals, accreditations, guaranties, certificates of occupancy, utility lease agreements, covenants, commitments, and warranties relating to the Facilities and the Assets, if any, issued to or on behalf of Transferor relating to the Assets or the Facilities, in each case, to the extent transferable in accordance with Law; *provided,* that Transferee has made all requisite filings and applications and has obtained approval to acquire such Assets, as applicable, prior to the Closing ("***Permits***");

(l) such Transferor's right, title and interest as trustee or otherwise to Residents funds held in trust (collectively, "***Resident Trust Funds***") to the extent permitted by Law to be transferred to Transferee on the Closing Date. Transferee shall accept such assignment on behalf of such a Resident a [redacted];

(m) to the extent permitted by applicable Law and in accordance with the terms and conditions set forth herein, Transferor's rights and interests in and to its provider number and provider and reimbursement agreement under the Medicare and Medicaid program;

(n) any and all rights of Transferor to any security deposits or escrowed funds (e.g. taxes, insurance, capex) held by the Existing Landlords in accordance with the Realty Leases (collectively, the "***Escrowed Funds***"), a schedule of which is attached hereto as Schedule 2.1(n) as of the Execution Date; *provided,* that Transferor shall deliver an updated Schedule 2.1(n) reflecting any applicable updates prior to the Closing;

(o) all other assets, properties, rights, business and tangible personal property of every kind and nature owned by Transferor on the Closing Date, known or unknown, fixed or unfixed, choate or inchoate, accrued, absolute, contingent or otherwise, whether or not specifically referred to in this Purchase Agreement relating exclusively to the Facilities and their operations to the extent transferable and not expressly excluded pursuant to Section 2.5; and

(p) all goodwill associated with the foregoing clauses.

2.2. Assumption of Liabilities.

(a) Upon the terms and subject to the conditions set forth in this Purchase Agreement, on the Closing Date, Transferee shall pay, perform, and discharge when due, all the liabilities, obligations and commitments, subject to the provisions of Section 2.2(b), relating to the Business and the Facilities, other than the Retained Liabilities, in each case that relate to or first occur on or after the Closing Date, (collectively, "***Assumed Liabilities***"), which Assumed Liabilities include:

(i) all obligations and liabilities under the Assumed Contracts;

(ii) all liabilities under the terms of the Permits;

(iii) all *pro-rated* items specified in Section 3.4 attributable to the Transferee; and

(iv) all other liabilities arising out of the conduct or the operation of the Business from and after the Closing, in each case, that are not Retained Liabilities.

(b) Except for the Assumed Liabilities, Transferor shall retain all of its liabilities and obligations of any kind or nature, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, arising out of and by reason of the ownership or operation of the Assets and the Facilities prior to the Closing Date. Except to the extent expressly and unambiguously expressed herein to the contrary, Transferee is not the successor to liability of Transferor and is not herein assuming any liability or detriment from, arising from, out of, or relating to, Transferor's ownership of the Assets, the Facilities or any activity of Transferor prior to the Closing Date or conduct of Transferor after the Closing Date. Transferee does not and shall not assume (except to the extent included in Assumed Liabilities) any payable of Transferor, governmental claim or charge, liability of any governmental claim or charge, liability for any general liability, malpractice, professional liability, resident rights violations, or violation of employee rights or contracts, whether such claims arise in law, equity, tort, contract, statute, common law, or from any other source or precedent, arising from or related to the period prior to the Closing Date.

(c) Without limiting the generality of Section 2.2(b), Transferor shall retain, and Transferee shall not assume the following (collectively, the "***Retained Liabilities***"):

(i) Medicaid and/or Medicare liabilities for the period prior to the Closing Date, all of which Transferor agrees to satisfy in full as and when due upon expiration of any applicable period for the contesting or appeal of such liabilities;

(ii) accrued expenses which were incurred prior to the Closing Date;

(iii) liabilities or obligations of Transferor arising out of or based upon Transferor's ownership and operation of the Facilities prior to the Closing Date;

(iv) liabilities or obligations of Transferor under any Contracts that are not Assumed Contracts;

(v) liabilities or obligations of Transferor under any Assumed Contracts for periods occurring prior to the Closing Date;

(vi) liabilities, obligations, recoupments or Recapture Claims relating to any Governmental Entity (including, without limitation, CMS and the U.S. Office of Inspector General), UPIC audit, RAC, ZPIC, or MAC audits as well as any and all investigations from a Governmental Entity (including, without limitation, the CMS and the U.S. Office of Inspector General) or any entity acting with the authority of the foregoing or by a whistleblower or other private citizen claiming a violation of a healthcare related statute or a violation of the Medicare, Medicaid or other third party payor agreement, in each case for the period prior to the Closing Date, including any liability or obligation relating to any Stimulus/Relief Funds (as defined below) received by Transferor (collectively, "***Recoupments***");

(vii) liabilities or obligations relating to or arising from any Pre-Closing Imposition;

(viii) capital repairs or physical improvements required to remove or resolve a Pre-Closing Imposition;

(ix) liabilities or obligations of Transferor arising out of or based upon Transferor's ownership and operation of the Excluded Assets; and

(x) any other liabilities or obligations of Transferor that are not Assumed Liabilities, except with respect to Transfer Taxes and Taxes specified in Section 6.14.

2.3. Consents to Assignment. Notwithstanding anything to the contrary contained herein, this Purchase Agreement shall not constitute an agreement to assign or transfer any permit, authorization, contract, license, certificate, or lease, or any claim, right or benefit arising thereunder or resulting therefrom, if an attempted assignment or transfer thereof, without the consent of a third party thereto or of the issuing Governmental Entity, as the case may be, would constitute a breach thereof. The Parties shall use commercially reasonable efforts to cooperate to obtain any consents of any parties necessary to permit the assignment of the Assumed Contracts. Transferor and Transferee acknowledge that certain of the Assumed Contracts may not, by their terms, be assignable and, accordingly, none of such non-assignable Assumed Contracts shall be deemed assigned to or assumed by any Transferee unless and until the same shall become so assignable. If and when any necessary consent shall be obtained or any such Assumed Contract shall otherwise become assignable following the Closing, Transferor shall take all reasonably necessary action to assign all of its rights and obligations thereunder to Transferee and Transferee shall assume such rights and obligations. Until such time as the non-assignable Assumed Contracts are assumed by Transferee: (a) Transferee shall perform and discharge fully all of the obligations of Transferor under any of such non-assignable Assumed Contracts to the extent the same would have constituted assumed liabilities if the Assumed Contracts had been assumed by Transferee as of the Closing Date and to the extent the same relate to the period of time after the Closing Date, and (b) [redacted]. Transferor shall be solely responsible for the payment of all costs and expenses necessary to obtain consent to assignment of the Assumed Contracts, which includes, for the avoidance of doubt, the Realty Leases.

2.4. Existing Landlord Consents. Solely with respect to those Realty Leases which require consent of the Existing Landlord in connection with the Transaction, Transferor shall use its commercially reasonable efforts to obtain from each such Existing Landlord its written consent to the assignment of each such Realty Lease to the applicable Transferee(s) on the Closing Date (each, an "***Existing Landlord Consent***," and collectively, the "***Existing Landlord Consents***"). In connection therewith, promptly following the execution of this Purchase Agreement, Transferor shall introduce Transferee to each Existing

Landlord via email for the purpose of obtaining each Existing Landlord Consent and allowing Transferee to conduct its diligence under Section 2.8 below with respect to the applicable Realty Lease. Additionally, Transferor shall reasonably cooperate with Transferee in requesting a commercially reasonable estoppel certificate from each Existing Landlord as to each Realty Lease (each, an "***Estoppel Certificate***").

2.5. Excluded Assets. Transferee shall not purchase, and Transferor shall retain, any right, title and interest in any of the following (collectively, "***Excluded Assets***"):

(a) any assets of Caregivers Holding Co, Inc. or related to or used in the business thereof;

(b) any equity interests in HCS Holdco, LLC or its subsidiaries, or any assets related to or used in the "Home Health" business;

(c) any equity interests in AFFIRMA Rehabilitation, Inc. or CliniTrack, LLC, or any assets related or used in the businesses thereto;

(d) any Contract that is not an Assumed Contract;

(e) any asset that is not exclusively used or held for use in the Business;

(f) amounts of any nature which are or might be due to Transferor for goods provided, services rendered, or any other transaction of any type prior to the Closing;

(g) any amount in respect of the ERC Filing;

(h) all WQIP Payments (as defined in the OTA) attributable to qualifying Medi-Cal days occurring prior to the Closing, which attribution is to be made in accordance with the applicable OTA;

(i) all insurance proceeds received from any Transferor's insurance carrier, including with respect to a Casualty/Condemnation Loss;

(j) all Licensee's A/R (as defined in the OTA) and any other assets designated as assets of the Licensee under the applicable OTA; and

(k) the items listed on Annex 2.5(j).

2.6. Operations Transfer Agreements. On or before the Due Diligence Expiration Date, each applicable Transferor and each applicable Designated Assignee shall have executed and delivered an operations transfer agreement substantially in the form of Exhibit D attached hereto with respect to each Facility (each, an "***OTA***" and collectively, the "***OTAs***"). Each Transferor and each Designated Assignee agree that they will timely perform their respective obligations under the OTAs and failure to do so shall constitute a breach by such Transferor or such Designated Assignee, as applicable, of the applicable OTA (subject to the terms and provisions of such OTA, including any notice requirement or cure period).

2.7. Risk of Loss.

(a) If, on or before the Closing Date, all or any portion of any Facility is damaged or destroyed by fire or other casualty or taken by condemnation (collectively, a "***Casualty/Condemnation Loss***"), Principal Transferor shall promptly notify Principal Transferee and the applicable Designated Assignee regarding such Casualty/Condemnation Loss. Principal Transferor shall use commercially reasonable efforts to share with Principal Transferee and the

applicable Designated Assignee all material communications with its insurance carrier concerning the casualty, the cost to rebuild or restore the Facility (if applicable), and the amount of the insurance proceeds to be paid for such purpose (if any), together with all reports from any adjustors who have been engaged by the applicable Transferor or its insurer.

(b) Promptly following any Casualty/Condemnation Loss, the applicable Transferor shall promptly commence and diligently pursue the completion of the restoration and remediation work required to restore the Facility to its condition prior to the occurrence of such Casualty/Condemnation Loss. With respect to any Casualty/Condemnation Loss for which the applicable restoration and remediation will not be completed prior to the Closing, Principal Transferor covenants that it will reasonably cooperate with Principal Transferee to determine a reasonable estimate of the costs to rebuild, restore or correct the damages as a result of such Casualty/Condemnation Loss following the Closing, including, without limitation, the loss of business income reasonably anticipated to be suffered in the period between the Closing with respect to such Facility and the completion of reconstruction (the "***Remediation Cost***"). The Parties agree if they are not able to determine the Remediation Cost within [redacted] of any Casualty/Condemnation Loss, they shall mutually select an independent third party specializing in restoration services to determine the reasonable estimate of such costs. [redacted].

(c) [redacted]

2.8. Due Diligence Period.

(a) Transferee shall have until 5:00 p.m., Pacific Time, on the date that is [redacted] from the Execution Date (the "***Due Diligence Expiration Date***"), to complete its inspection of the Facilities and the Assets in accordance with the terms hereof, and satisfy itself as to all matters relating to the Facilities and the Assets. If Transferee determines (in its sole discretion) that the Facilities and the Assets are unsuitable for its purposes for any reason or no reason at all, then Principal Transferee may terminate this Purchase Agreement in its entirety by delivering written notice to Principal Transferor and Escrow Agent at any time prior to 5:00 p.m., Pacific time on the Due Diligence Period Expiration Date. If Transferee terminates this Purchase Agreement pursuant to this Section 2.8(a), then [redacted]

[redacted], and no Party shall have any further rights or obligations under this Purchase Agreement except those which expressly survive termination of this Purchase Agreement. Transferee's failure to terminate this Purchase Agreement on or before the Due Diligence Expiration Date shall be deemed a waiver by Transferee of the condition contained in this Section 2.8. If Transferee does not elect to terminate this Purchase Agreement on or before the Due Diligence Expiration Date, then [redacted].

(b) From and after the Execution Date, to the extent not previously provided to Transferee, Transferor shall make available to Transferee for Transferee's inspection and copying, at Transferee's expense, the contents of Transferor's Contracts, the Realty Leases, title, maintenance, property condition reports, environmental reports and third party reports and studies, if any, concerning any of the Facilities and/or the Assets in Transferor's possession, unless otherwise indicated below (the "***Facilities Information***"). Such Facilities Information shall include, to the extent in Transferor's possession, the following items: any ALTA Survey, any Phase I environmental site assessment reports, any property condition report, and any other reports respecting the operation of any of the Facilities.

(c) During the period commencing on the Execution Date and expiring on the Due Diligence Expiration Date (the "***Due Diligence Period***"), Transferee, its agents, and employees shall have the right to enter upon any of the Facilities for the purpose of making non-invasive inspections at Transferee's sole risk, cost and expense. All of such entries upon any of the Facilities shall be at reasonable times during normal business hours and after at least twenty-four (24) hours' prior written notice to Transferor's designated representative. At all times, Transferee shall conduct its activities at the Facilities in a manner that does not unreasonably interfere with patient care. Transferor or Transferor's agent shall have the right to accompany Transferee during any activities performed by Transferee at any of the Facilities.

(d) The inspections under Section 2.8(c) may include a non-invasive Phase I environmental inspection of any of the Facilities, but no Phase II environmental inspection or other invasive inspection or sampling of soils or materials including, without limitation, construction materials, either as part of a Phase I inspection or any other inspection, shall be performed without the prior written consent of Principal Transferor, which consent shall not be unreasonably withheld, conditioned or delayed.

(e) If any inspection or test damages any of the Facilities, Transferee at its sole cost and expense will restore such Facility to substantially the same condition as existed before the inspection or test was performed. [redacted]. The foregoing obligations of Transferee shall survive the Closing or any termination (in whole or in part) of this Purchase Agreement.

ARTICLE III
THE CLOSING

3.1. The Closing Date. Subject to the satisfaction or waiver of the conditions precedent set forth in Article VII of this Purchase Agreement, the Closing of the Transaction (the "***Closing***") shall occur on the first (1st) day of the calendar month immediately following the calendar month in which such conditions are satisfied or waived, other than those conditions that by their terms are to be satisfied at the Closing, but subject to the full satisfaction or waiver of those conditions at the Closing, or such other date as agreed by the Parties in writing (such date, the "***Closing Date***"); *provided*, *however*, if such conditions are satisfied or waived on or after the twentieth (20th) day of a calendar month, the Closing Date shall be extended to the first (1st) day of the subsequent calendar month (i.e., if the conditions are satisfied or waived on December 14th, the Closing Date would be January 1st; and if the conditions are satisfied or waived on December 22nd, the Closing Date would be February 1st). The Closing shall be conducted via the simultaneous delivery of the closing deliverables under Sections 3.2 and 3.3 (including, without limitation, the Closing Date Payment) to the Escrow Agent. Upon written authorization to close from each of Principal Transferor and Principal Transferee, Escrow Agent shall release the Purchase Price to Principal Transferor (or its designee), and release and deliver the remainder of the closing deliverables as required by this Purchase Agreement.

3.2. Transferor Closing Deliveries. Upon the terms and subject to the conditions set forth in this Purchase Agreement, at the Closing, Principal Transferor and each Transferor, as applicable, shall have delivered to Escrow Agent:

(a) a bill of sale, duly executed by the applicable Transferor, in a form reasonably acceptable to Principal Transferor and Principal Transferee and so agreed prior to the Due Diligence Expiration Date with respect to each Facility (collectively, the "***Bill of Sale***");

(b) a counterpart signature page, duly executed by the applicable Transferor, to an assignment and assumption of each Realty Lease for each Facility in a form reasonably acceptable to Principal Transferor and Principal Transferee and so agreed prior to the Due Diligence Expiration Date, or such other form as may be required by the landlord of any Realty Lease (collectively, the "***Realty Lease Assignment***");

(c) a counterpart signature page, duly executed by the applicable Transferor, to an assignment and assumption of each of the Assumed Contracts (other than Realty Leases) for each Facility in a form reasonably acceptable to Principal Transferor and Principal Transferee and so agreed prior to the Due Diligence Expiration Date (collectively, the "***Assumed Contracts Assignment***");

(d) a counterpart signature page, duly executed by the applicable Transferor, to an assignment and assumption of each of the Resident Agreements for each Facility in a form reasonably acceptable to Principal Transferor and Principal Transferee and so agreed prior to the Due Diligence Expiration Date (collectively, the "***Resident Agreements Assignment***");

(e) [redacted];

(f) an IRS Form W-9 for each Transferor, duly executed by such Transferor;

(g) the Deposit Release Instruction, duly executed by Principal Transferor, instructing the Escrow Agent to release the Deposit to Principal Transferor or its designee; and

(h) a certificate of the applicable Secretary of State, as of a recent date as to the legal existence and good standing of each Transferor.

3.3. Transferee Closing Deliveries. On the Closing Date, Transferee shall:

(a) pay to Escrow Agent immediately available funds in an amount equal to (i) the Purchase Price, *minus* (ii) the Deposit *plus* or *minus* (iii) any *pro-rations* specified in Section 3.4 ("***Closing Date Payment***"); and

(b) have delivered duly executed counterparts of the following documents to Escrow Agent:

(i) each Bill of Sale;

(ii) each Realty Lease Assignment;

(iii) each Assumed Contracts Assignment and each Resident Agreements Assignment;

(iv) [redacted];

(v) the Escrow Agreement; and

(vi) the Deposit Release Instructions.

3.4. Closing and Post-Closing Adjustments: Costs and Prorations. In addition to any other items agreed upon by the Parties, the following items are to be apportioned between Transferor and Transferee on a *pro-rata* basis as to ownership as of the Closing Date, in accordance with the general principle that Transferor shall be entitled to the revenue attributable to, and responsible for such expenses and obligations attributable to, the Facilities for the period up to the Closing Date, and Transferee shall be entitled to the revenue attributable to, and responsible for such expenses and obligations attributable to, the conduct of the Facilities on and after the Closing Date:

(a) real property taxes and assessments, water, gas, electric, telephone and other utility charges, and sewer and wastewater charges, to the extent possible prior to the Closing Date. For metered service, Transferor shall pay or cause to be paid the utility bills for services rendered prior to the readings, and Transferee shall pay the utility bills for the services rendered after the readings. If any metered utility is read on any day other than the Closing Date, Transferor and Transferee shall *pro-rate* such utility charges consistent with the most recent bills, and then reconcile following the Closing as provided in Section 3.4(e). In furtherance of the foregoing, Transferee shall use commercially reasonable efforts to transition the utilities serving the Facilities into the name of Transferee effective as of the Closing Date, and Transferor shall reasonably cooperate with Transferee regarding such transition;

(b) all revenue (including rent and Residents' occupancy fees) attributable to services provided during any period ending prior to the Closing Date shall belong to Transferor, and all revenue (including rent and Residents' occupancy fees) attributable to services provided during any period on or after the Closing Date shall belong to Transferee;

(c) any bed Tax or similar provider Taxes or fees shall be *pro-rated* between Transferor and Transferee, based on the period of its operation of the Facilities occurring immediately prior to and after the Closing Date, as the case may be, including, but not limited to,

any such assessments made by the applicable State in which a Facility is located and/or paid by Transferor prior to or on the Closing Date that would apply to operation of the Facilities after the Closing Date;

(d) in the event that there is a governmental assessment against the property upon which a Facility is situated, Transferor shall be responsible for that which relates to the period prior to the Closing Date and Transferee shall be responsible for that which relates to the period after the Closing Date; and

(e) all such *pro-rations* shall be made on the basis of actual days elapsed in the relevant accounting, billing or revenue period, and shall be based on the most recent information available to Transferor and Transferee. Transferor and Transferee shall reasonably cooperate to produce, prior to the Closing, a schedule of *pro-rations* to be made under this Section 3.4(e) at the Closing. All *pro-rations* that can be accurately or reasonably estimated as of the Closing shall be made at the Closing. All other *pro-rations*, and adjustments to initial estimated *pro-rations*, shall be made by the Parties with due diligence and cooperation within [redacted] following the Closing, or such later time as may be required to obtain necessary information for *pro-ration*, by payment in immediately available funds by wire transfer to one or more bank accounts designated in writing of the Party yielding a net credit from such *pro-rations* from the other Party.

3.5. QA Fees and Bed Taxes. On the Closing Date, Transferee shall receive a credit to the Purchase Price in an amount equal to the amount estimated by Principal Transferor of Pre-Closing QA Fees for each applicable Facility as of such Closing Date, which Pre-Closing QA Fees shall be assumed by the applicable Transferee on the Closing Date (the "***Assumed QA Fees***"). Transferor and Transferee agree that as soon as final information regarding the unpaid QA Fees for each Facility as of the Closing Date has been obtained from the applicable Governmental Authority, Transferor shall, as promptly as possible after Closing, complete an accounting to determine the actual amount of the unpaid quality assurance fees/bed taxes due with respect to each applicable Facility attributable to periods prior to the Closing Date (the "***Actual QA Fees***"). If the Actual QA Fees for any Facility exceed the Assumed QA Fees for such Facility, then the applicable Transferor shall pay to the applicable Transferee the amount by which the Actual QA Fees exceed the Assumed QA Fees for such Facility (a "***QA Fee Deficiency Payment***") within [redacted] after the determination of the Actual QA Fees for such Facility. [redacted]. If the Actual QA Fees for a Facility are less than the Assumed QA Fees for such Facility, then the applicable Transferee shall pay to Principal Transferor the amount by which the Assumed QA Fees exceed the Actual QA Fees for such Facility within [redacted] after the determination of the Actual QA Fees for such Facility. The terms and provisions of this Section 3.5 shall survive the Closing.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF TRANSFEROR

In order to induce Transferee to enter into this Purchase Agreement, and except as set forth in the schedules attached hereto, each Transferor hereby represents and warrants to Transferee as of the Execution

Date and as of the Closing Date (or in the case of representations and warranties that by their terms speak as of a specified date, as of such specified date), as follows:

4.1. Organization and Qualification. Each Transferor is duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation and has all requisite corporate (or similar entity) power and authority to own or lease and operate its properties and assets and to carry on its business as presently conducted, and is duly qualified or licensed to do business and is in good standing in each jurisdiction where the conduct of its business requires such qualification or license, except for such failure to be so qualified, licensed or in good standing, or to have such power or authority, that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

4.2. Corporate Authorization. Each Transferor has all necessary power, capacity and authority to execute and deliver this Purchase Agreement and each of the Transaction Documents to which it is a party, and to perform its obligations hereunder and thereunder and to consummate the Transaction. The execution, delivery and performance by Transferor of this Purchase Agreement and each of the Transaction Documents to which it is a party and the consummation of the Transaction have been duly and validly authorized by all necessary corporate or limited liability company action (as applicable) on the part of the Transferor and each of their respective directors, managers, shareholders or members (as applicable).

4.3. Binding Effect. This Purchase Agreement and each of the Transaction Documents to which such Transferor is a party, when executed and delivered by the parties thereto (assuming the due authority, execution and delivery by each other party thereto), constitutes a valid and legally binding obligation of each Transferor, enforceable against each Transferor, as applicable, in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally (the "***Enforceability Exceptions***").

4.4. Transferor Regulatory Approvals and Non-Governmental Consents.

(a) Other than making the filings to obtain [redacted] and as set forth on Schedule 4.4(a) (the "***Transferor Regulatory Approvals***"), no Governmental Authorization or filing is required to be obtained by Transferor from, or to be given by any Transferor to, or made by any Transferor with, any Governmental Authority or securities exchange, as a result of (i) the execution and delivery of this Purchase Agreement or any Transaction Document to which they are a party by the Transferor or (ii) the performance of their respective obligations hereunder and thereunder and their consummation of the transactions contemplated herein and therein, in each case except as would not reasonably be expected to be material to Transferor.

(b) Except as set forth in Schedule 4.4(a) (the "***Non-Governmental Consents***"), no consent, notice, approval, waiver or authorization is required to be obtained by the Transferor from, or to be given by Transferor to, or made by Transferor with, any Person other than a Governmental Authority or securities exchange, as a result (i) the execution and delivery of this Purchase Agreement or any Transaction Document to which they are a party by Transferor or (ii) the performance of its obligations hereunder and thereunder and its consummation of the transactions contemplated herein and therein, in each case except as would not reasonably be expected to be material to Transferor.

4.5. Non-Contravention. Except as set forth on Schedule 4.5, the execution, delivery and performance by Transferor of this Purchase Agreement, and the execution, delivery and performance by each Transferor of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (a) conflict with or violate any provision of the organizational documents of such Transferor; (b) assuming the receipt of all Transferor Regulatory Approvals, [redacted] and Non-Governmental Consents, materially conflict with, or result in the

material breach of, or constitute a material default under, or result in the termination, cancellation, material modification or acceleration (whether after the filing of notice or the lapse of time or both) of any material right or obligation of such Transferor under, or result in a loss of any benefit to which such Transferor is entitled under, any Governmental Authorization, or result in the creation of any Encumbrance upon any of the assets of a Transferor (except for Permitted Encumbrances); (c) assuming the receipt of all Transferor Regulatory Approvals, [redacted] and Non-Governmental Consents, violate or result in a material breach of or constitute a material default under any Order or Governmental Authorization to which such Transferor or its assets or properties is subject; (d) violate or result in a breach of any of the material terms and provisions of, constitute a default under, conflict with, or result in any acceleration of rights, benefits or obligations of any party under any Material Contracts to which Transferor is a party or by which it is bound (except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Transferor); and (e) constitute a material violation by Transferor of any applicable Law.

4.6. Assets.

(a) Except as set forth in Schedule 4.6, or with respect to Intellectual Property, each Transferor has good and marketable title to or a valid leasehold interest in material assets owned by it, free and clear of all Encumbrances, other than Permitted Encumbrances. All material tangible properties and assets of such Transferor are in good operating condition and repair (ordinary wear and tear excepted) and constitute all of the material tangible property and tangible assets necessary to conduct, in all material respects, the business of Transferor substantially in the same manner as currently conducted. Except (i) as reflected or reserved for in the Interim Balance Sheet (which liabilities are not material, individually or in the aggregate, and none of which is a liability for breach of Contract, tort, or infringement or a Litigation or an environmental liability), (ii) as incurred in the Ordinary Course consistent with past practice since the Interim Balance Sheet Date, (iii) for obligations under the terms of any executory contracts (but not any liabilities for breach thereof), (iv) as incurred in connection with the transactions contemplated herein, or (v) which would not, individually or in the aggregate, reasonably be expected to be material to the Transferor, taken as a whole, no Transferor has any outstanding obligations or liabilities as of the date of this Purchase Agreement with respect to any facilities that have been divested by any Transferor prior to the Execution Date.

(b) Each material item of Inventory, whether reflected on the Financial Statements or subsequently acquired, (i) is free of any material defect or deficiency, (ii) is in good and usable condition in the Ordinary Course, and (iii) is properly stated on the books and records of the Transferor at the lesser of cost and fair market value, with adequate obsolescence reserves, all as determined in accordance with GAAP. Since the date of the most recent Financial Statements, there have not been any material write-downs of the value of, or establishment of any material reserves against, any supplies of any of the Facilities.

(c) To Transferor's Knowledge, each item of the Assets that constitutes tangible personal property is in good working order (ordinary wear and tear excepted), is free from any material defect and has been maintained (ordinary wear and tear excepted), in accordance with the Ordinary Course.

(d) Except as set forth on Schedule 4.6(d), (i) Transferor has not received any written communication during the past [redacted] from any Existing Landlord or Governmental Entity that alleges that any Facility is in a condition requiring a Material Repair, and (ii) to the Transferor's Knowledge, there is no condition on any of the Facilities required a Material Repair.

4.7. Financial Statements; Undisclosed Liabilities.

(a) Attached hereto as Schedule 4.7(a) are true, correct and complete copies of the Financial Statements.

(b) The Financial Statements are consistent in all material respects with the books and records of the Transferor and fairly present in all material respects the consolidated, if applicable, financial position (including the results of operations and cash flows) of Transferor as of the dates and with respect to the periods specified therein, in each case in accordance with GAAP (subject to changes resulting from normal adjustments at the end of a fiscal year (including deferred Tax entries) and to the absence of footnote disclosures).

4.8. Litigation and Claims. Except as set forth in Schedule 4.8, as of the Execution Date, there are no civil, criminal or administrative actions, proceedings, suits, demands, claims, hearings, proceedings or disclosed investigations filed by or before any Governmental Entity, arbitral panel or mediator ("***Litigations***" or "***Litigation***") pending or, to Transferor's Knowledge, threatened against Transferor and relating to the Business or the Assets. Except as set forth in Schedule 4.8, as of the Execution Date, neither Transferor nor any Asset is subject to any Order of any Governmental Entity of competent jurisdiction or any arbitrator or arbitrators.

4.9. Compliance with Law; Regulatory Matters.





4.10. Intellectual Property.

(a) Schedule 4.10(a) contains a complete and correct list of all active registrations of, and all pending applications to register any, Company Intellectual Property Rights in each case as of the Execution Date. To Transferor's Knowledge, as of the Execution Date, the Company Intellectual Property Rights identified on Schedule 4.10(a) are validly registered in the name of a Transferor and not subject to any pending cancellation, interference, reissue, or reexamination proceeding. No Transferor is bound by, and no Company Intellectual Property Rights are subject to, any covenant or Order that limits or restricts the ability of the Transferor to use, exploit, assert or enforce in any material respect any Company Intellectual Property Rights. All required filings and fees and other legal requirements related to registered Company Intellectual Property Rights and any applications for registration of Company Intellectual Property Rights (including with respect to renewals, as applicable) have been timely complied with or filed with and paid to the relevant Governmental Entity and authorized registrars, as applicable, in accordance with applicable Laws, and all registrations for Company Intellectual Property Rights are in good standing, subsisting, and in full force and effect, and to the Transferor's Knowledge, valid and enforceable, in each case except as would not reasonably be expected to be material to the Business, taken as a whole.

(b) Except as otherwise set forth on Schedule 4.10(b), Transferor owns the exclusive right, title and interest to all material Company Intellectual Property Rights, free and clear of all Encumbrances (other than Permitted Encumbrances and non-exclusive licenses granted by any Transferor to any Person, including implied licenses granted by any Transferor in connection with the commercial sale of products). To the Transferor's Knowledge, Transferor has a valid right or license to use all other material Company Intellectual Property Rights that are necessary to conduct the Business, as currently conducted.

(c) Except as set forth on Schedule 4.10(c) as of the Execution Date, Transferor has not received any written communication in the last [redacted] alleging that the Business has infringed or misappropriated any material Company Intellectual Property Rights of any Person in any respect that would be material to the Business. Except as set forth on Schedule 4.10(c), to the Transferor's Knowledge, as of the Execution Date, no Person is infringing upon or violating any of the material Company Intellectual Property Rights. Except as set forth on Schedule 4.10(c), as of the Execution Date, in the last [redacted], Transferor has not sent any notice to or asserted or threatened in writing any Action or claim against any Person involving

or relating to any material Company Intellectual Property Rights, other than any such Actions, claims or matters that have been resolved.

(d) Except as set forth on Schedule 4.10(d), there is no Litigation that has been brought against any Transferor in writing in the past [redacted] or is pending before any Governmental Entity alleging that the conduct of the Business infringes the Company Intellectual Property Rights of any other Person.

(e) Transferor has taken commercially reasonable measures to protect the secrecy, confidentiality and value of all trade secrets owned, used or held for use by Transferor in the operation of the Business.

(f) No disclosure or representation made or contained in any Privacy Policies has, in the past [redacted], been inaccurate, misleading, deceptive or in violation of any applicable Privacy Laws in each case, in any material respects, and the practices of Transferor conform, and have conformed, to such Privacy Policies in all material respects. Except as set forth on Schedule 4.10(f), all Privacy Policies are in compliance in all material respects with applicable Laws.

4.11. Employee Benefits.

(a) Schedule 4.11(a) sets forth a list as of the Execution Date of each material Plan (including each Plan that provides pension, severance, change in control, equity or equity-based compensation, retiree medical, retiree dental, retiree vision or retiree life insurance benefits). With respect to each such material Plan, Transferor has made available to Transferee copies of the Plan and any material amendments thereto (or if the Plan is not a written Plan, a written description of the material terms thereof).

(b) Except as would not have a Material Adverse Effect, each Plan has been established, maintained, funded and administered in all material respects in accordance with its terms and in all material respects in compliance with applicable Law.

(c) Except as set forth on Schedule 4.11(c), no Transferor maintains, contributes to or is required to contribute to, or has any liability with respect to, any (i) "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code including any "multiemployer plan" as defined in Section 3(37) of ERISA, (ii) any "multiple employer welfare arrangement," as defined in Section 3(40) of ERISA or (iii) any "multiple employer plan," as defined in Section 413(c) of the Code.

(d) Except as set forth on Schedule 4.11(d), no Plan provides post-employment health or life insurance other than (i) coverage mandated by applicable Law, including Section 4980B of the Code, (ii) coverage through the end of the month of termination of employment or service, (iii) death benefits attributable to deaths occurring at or prior to termination of employment or service, and (iv) conversion rights. With respect to each Plan that is a group health plan benefiting any current or former employee of any Transferor, Transferor has complied in all material respects with the continuation coverage requirements of Section 4980B of the Code and Sections 601-608 of ERISA, the portability, access, privacy and renewability provisions of Section 701 et. seq. of ERISA, and the applicable provisions of the Patient Protection and Affordable Care Act of 2010 and the regulations and other guidance issued thereunder.

4.12. Employment Matters.

(a) Except as set forth in Schedule 4.12(a), (i) there is no, and during the past [redacted] there has not been any, labor strike, dispute, work stoppage or lockout pending or threatened, against or affecting the Business and/or any of the Facilities; (ii) to the Transferor's Knowledge, no union organizational campaign is in progress with respect to the employees of the Business and/or any of the Facilities and no question concerning representation of such employees exists; (iii) no Transferor is engaged in any unfair labor practice in connection with the conduct of the Business; (iv) there are no unfair labor practice charges or complaints pending or threatened, before the National Labor Relations Board or any state or local labor relations board in connection with the conduct of the Business; (v) there are no pending, or threatened, union grievances in connection with the conduct of the Business as to which there is a reasonable possibility of adverse determination and that, if so determined, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (vi) there are no pending or threatened, charges in connection with the conduct of the Business against any Transferor or any current or former employee of the Business and/or any of the Facilities before the Equal Employment Opportunity Commission or any similar state or local agency responsible for the prevention of unlawful employment practices; and (vii) no Transferor has received written notice during the past [redacted] of the intent of any Governmental Authority responsible for the enforcement of labor or employment laws to conduct an investigation of or affecting the Business and no such investigation is in progress.

(b) All accruals for unpaid vacation pay for employees of the Business, premiums for unemployment insurance, health premiums, accrued wages, salaries, sick leave (to the extent payable by Transferor under its existing Employee Benefit Plan), disability leave and commissions and employee benefit plan payments in each case in respect of the Business have been reflected in the books and records of Transferor, and Transferor shall pay all of such accruals on or before the Closing.

(c) During the past [redacted], (i) no Transferor has effectuated a "plant closing" (as defined in the Worker Adjustment and Retraining Notification Act (the "***WARN Act***")) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Business, (ii) there has not occurred a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of the Business and (iii) Transferor has not been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state, local or foreign Law.

(d) Except as set forth in Schedule 4.12(d), no Transferor is a party to any collective bargaining agreement or other contract with any union or other labor organization applicable to Persons employed by it at any of the Facilities.

4.13. Material Contracts.

(a) Schedule 4.13(a) sets forth a list, as of the Execution Date, of the following Contracts (other than Plans) exclusively or primarily related to the Business and to which any Transferor is a party as of the Execution Date (the "***Material Contracts***"):

(i) Contracts where (A) the performance thereunder involves aggregate consideration to or by any Transferor in excess of [redacted] per annum, other than (x) "shrink wrap" or "click through" license agreements or other software license agreements entered into in the Ordinary Course, and (y) Realty Leases, and (B) such Contract is not cancelable, without material penalty, by any Transferor on [redacted] or less notice;

(ii) Contracts which grant any exclusive marketing, distribution or other rights, or restrict or limit in any material respect the ability of any Transferor to compete in any line of business or territory or with any other Person, including any "most favored nation," "best pricing" or other similar provision, or any requirement or supply provisions that restrict such Transferor (other than confidentiality agreements entered into the Ordinary Course and employee non-solicitation obligations included in Contracts entered into in the Ordinary Course);

(iii) Contracts under which Transferor has created, incurred, assumed, or guaranteed any indebtedness or under which an Encumbrance (other than a Permitted Encumbrance) has been imposed on any of the assets or properties of Transferor, (excluding, for the avoidance of doubt, Contracts evidencing liabilities with respect to deposits and accounts, trade payables, letters of credit or capital leases made in the Ordinary Course);

(iv) mortgages, pledges, financing statements or security agreements or similar arrangements constituting an Encumbrance upon the assets or properties of any Transferor granted in connection with the incurrence of indebtedness for borrowed money;

(v) Contracts for the sale or purchase of personal property, other than dispositions in the Ordinary Course to the extent such disposed personal property is replaced with items of equal or greater quality;

(vi) Contracts for the disposition or acquisition of material assets, securities, properties or real estate (whether by way of merger, business combination or otherwise) having a value individually, with respect to all sales or purchases thereunder, in excess of [redacted] and entered into in the last [redacted] preceding the Execution Date, other than (A) any Contracts entered into in the Ordinary Course, and (B) any Contracts under which, after the Closing, there will not be any surviving material liability (including an indemnity obligation for which the survival period will not have expired on or prior to the Closing or any "earn-out" or similar contingent payment obligations) against any Transferor;

(vii) Contracts between a Third-Party Payor Program and any Transferor and other Contracts for the provision by Transferor of skilled nursing services and assisted living services, hospice services and rehabilitation services;

(viii) the Realty Leases;

(ix) leases or agreements under which any Transferor is lessee of or holds or operates any material tangible property (other than real property) owned by any other Person, except for any lease or agreement under which the aggregate annual rental payments do not exceed [redacted];

(x) leases or agreements under which any Transferor is lessor of or permits any third party to hold or operate any tangible property (other than real property) owned or controlled by any Transferor, except for any lease or agreement under which the aggregate annual rental payments do not exceed [redacted];

(xi) (A) Contracts under which any Transferor grants any third party, or receives from any third party, a license to use any material Company Intellectual Property Rights (other than (A) licenses for commercially available software and (B) licenses with customers, distributors, suppliers and vendors entered in the Ordinary Course);

(xii) (A) any employment Contract providing for severance, change of control, retention or other similar obligations of any Transferor and (B) any independent contractor Contract or consulting Contract with an independent contractor of any Transferor who is a natural person and that is not cancellable without penalty or without notice of [redacted] or less;

(xiii) Contracts providing for indemnification of any Person (other than any Transferor) outside of the Ordinary Course excluding those contained in the organizational documents of the applicable Transferor;

(xiv) Contracts with a Material Supplier;

(xv) Contracts under which Transferor receives or procures services or products relating to therapy, pharmaceuticals, medical supplies or food services and which are material to the Business;

(xvi) Contracts with any Governmental Entity (excluding any Governmental Authorizations);

(xvii) collective bargaining agreements or any other Contract with any labor union, organization or association respecting labor matters.

(b) All Material Contracts are in full force and effect as of the Execution Date against the applicable Transferor party thereto and, to the Transferor's Knowledge, each other party thereto, in each case in accordance with the express terms thereof and is valid and binding on the applicable Transferor and enforceable in accordance with its terms. Except as set forth on Schedule 4.13(b), Transferor has performed all material obligations required to be performed by it to date under the Material Contracts, and it is not (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder and, to the Transferor's Knowledge, no other party to any Material Contract is (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder. No Transferor has received any written or, to the Transferor's Knowledge, oral, notice or threat to terminate or amend (other than amendments in the Ordinary Course which are not material and adverse to any Transferor) any Material Contract. Transferor has made available to Transferee true and complete copies of each written Material Contract, including all amendments, exhibits, attachments, waivers or other changes thereto, or if oral, a reasonably complete and accurate written description of the material terms thereof.

(c) Specimen patient admission agreements ("***Patient Care Contracts***") have been delivered to Transferee. No Patient Care Contract deviates in any material respect from such specimens. Residents of each Facility or their legal representatives, in the Ordinary Course, are required to execute Patient Care Contracts.

4.14. Real Property.

(a) Each Transferor does not own and, except as set forth on Schedule 4.14, has not at any time in the past [redacted] owned any real property. Except as set forth on Schedule 4.14(a) no Transferor has any options to acquire any real property ("***Purchase Options***"). None of the Purchase Options has been exercised nor have any rights under the Purchase Options been waived.

(b) Schedule 4.14(b) sets forth a true, correct and complete list, as of the Execution Date, of all real property that is leased, subleased, licensed, used or otherwise occupied

by Transferor exclusively or primarily related to the Facilities and/or the Business, in each case together with all of the Transferor's rights, title and interests in all buildings, improvements and fixtures thereon and all other appurtenances thereto (the "***Leased Real Property***"). Schedule 4.14(b) sets forth a true, correct and complete list, as of the Execution Date, of all real property leases to which any Transferor is a party exclusively or primarily related to the Facilities and/or the Business, including the title of the lease, all parties to the lease, the date such lease was entered into, to Transferor's Knowledge, the amount of the security deposit currently being held by the landlord under the lease, the base rent under the lease, the date such lease expires, any and all amendments and modifications to such lease and all guaranties provided with respect to such leases (each a "***Realty Lease***" and collectively the "***Realty Leases***"). For the avoidance of doubt, all references in this Purchase Agreement to Realty Lease(s) shall include any guaranties provided with respect to such Realty Lease(s). Transferor has, or has caused to be, made available to Transferee true, correct and complete copies of each of the Realty Leases and to the extent in Transferor's possession, all estoppel certificates, subordination and non-disturbance agreements and other written Contracts with respect thereto. With respect to the Leased Real Property and/or Realty Leases, except as set forth on Schedule 4.14(b):

(i) there are no Contracts to which a Transferor is a party, granting to any other party the right of use or occupancy of any portion of the Leased Real Property;

(ii) no security deposit or portion thereof deposited with respect to a Realty Lease has been applied in respect of a breach or default under a Realty Lease which has not been redeposited in full;

(iii) to Transferor's Knowledge, no offsets, counterclaims, or defenses of Transferor as tenants under the applicable Realty Leases exist against landlords; and no events have occurred that, with the passage of time or the giving of notice, or both, would constitute a basis for offsets, counterclaims, or defenses against landlords; and

(iv) no Transferor owes, or will owe in the future, any leasing or brokerage commissions or finder's fees with respect to any Realty Lease.

(c) Except as set forth in Schedule 4.14(c), as of the Execution Date, there are no material pending or, to Transferor's Knowledge, threatened, appropriation, condemnation, eminent domain or like proceedings relating to the Leased Real Property.

(d) Except as set forth on Schedule 4.14(d), the Leased Real Property comprise all of the real property used by Transferor to conduct the Business.

(e) [redacted]

(f) Transferor occupies all of the Leased Real Property for the operation of their businesses. Except as set forth on Schedule 4.14(f), there are no other parties occupying, or

with a right to occupy, the Leased Real Property. Transferor's possession and quiet enjoyment of the Leased Real Property have not been materially disturbed, and to the Transferor's Knowledge, there are no material disputes with respect to any Realty Lease.

(g) None of the Existing Landlords is an Affiliate of Transferor.

4.15. Taxes. Except as set forth in Schedule 4.15, Transferor has timely filed all material Tax Returns that are required to be filed by them with the appropriate taxing authority (taking into account any available extensions), each such Tax Return is true, correct and complete in all material respects, and all amounts shown to be due and owing thereon have been or will be duly and timely paid, except for such amounts that are being contested in good faith by appropriate action and for which adequate provisions have been established according to GAAP or other applicable accounting principles. All income and other material Taxes which are due and payable by Transferor (whether or not shown on any Tax Return) have been duly and timely paid.

(a) Each Transferor has duly and timely withheld all amounts required to be deducted or withheld and has timely paid to the appropriate authorities all such deducted or withheld amounts.

(b) There is no Encumbrance for Taxes upon any of the Assets other than (i) Permitted Encumbrances, (ii) Encumbrances for Taxes that are not yet due and payable or (iii) Encumbrances for Taxes the validity or amount of which is being contested by a Transferor or one of its Affiliates in good faith by appropriate action and for which adequate provisions have been established according to GAAP or other applicable accounting principles.

(c) There currently are no inquiries, actions, assessments, audits, examinations, claims, administrative proceedings or court proceedings pending or threatened in writing, or for which any Transferor has received written notice, in each case with regard to any Taxes of such Transferor.

(d) No written agreement or other document extending, or having the effect of extending, the period of assessment, deficiency or collection of any material Taxes payable by any Transferor is in effect as of the Execution Date, and no Transferor is, as of the Execution Date, the beneficiary of any extension of time (other than an automatic extension of time not requiring the consent of the applicable taxing authority) within which to file any Tax Return not previously filed.

(e) Schedule 4.15(e) lists the entity tax classification of each Transferor for United States federal and applicable state income tax purposes.

(f) The representations and warranties contained in this Section 4.15 constitute the sole representations and warranties of Transferor with respect to any Tax matters and the representations and warranties in this Section 4.15 may only be relied upon for Pre-Closing Tax Periods and not for Taxes attributable to any taxable period (or portion thereof) beginning after the Closing Date (including the availability and usability of any Tax attributes of Transferor after the Closing Date).

4.16. Insurance.

(a) Transferor has, or has caused to be made, available to Transferee all of the material insurance policies or binders of fire, liability (general or professional), workers' compensation, property, casualty, director & officer, and other forms of insurance for which any Transferor is a party, policyholder, otherwise a beneficiary of coverage or which covers the Business

or assets of such Transferor, in each case that is in effect as of the Execution Date ("***Insurance Policies***"), and Schedule 4.16(a) sets forth a complete list as of the Execution Date of the Insurance Policies, including the name of the insurer, the name of the policyholder, the name of each covered insured, any related or required security, collateral or fronting paper (and where, with whom and in what form it is being held), and the policy number and the period of coverage. As of the Execution Date, all Insurance Policies are in full force and effect in all material respects and in accordance with their terms and all premiums with respect thereto covering all periods up to and including the Closing Date have been paid or will be paid when due. This Section 4.16 shall not apply to any Plans or other employee benefit arrangements.

(b) Except as set forth on Schedule 4.16(b), no Transferor is a party to any self-insurance arrangement by any Transferor. Except as set forth on Schedule 4.16(b), (a) no Transferor has made any claim under any of the Insurance Policies within the past [redacted] with respect to which an insurer has, in a written notice to such Transferor, denied coverage and (b) within the past [redacted], no insurer has threatened in writing to cancel any Insurance Policies. As of the Execution Date, no Transferor has received any written notice of material premium increases with respect to the Insurance Policies.

4.17. Finders' and Broker Fees. [redacted]

4.18. Environmental Compliance. [redacted]

[redacted]

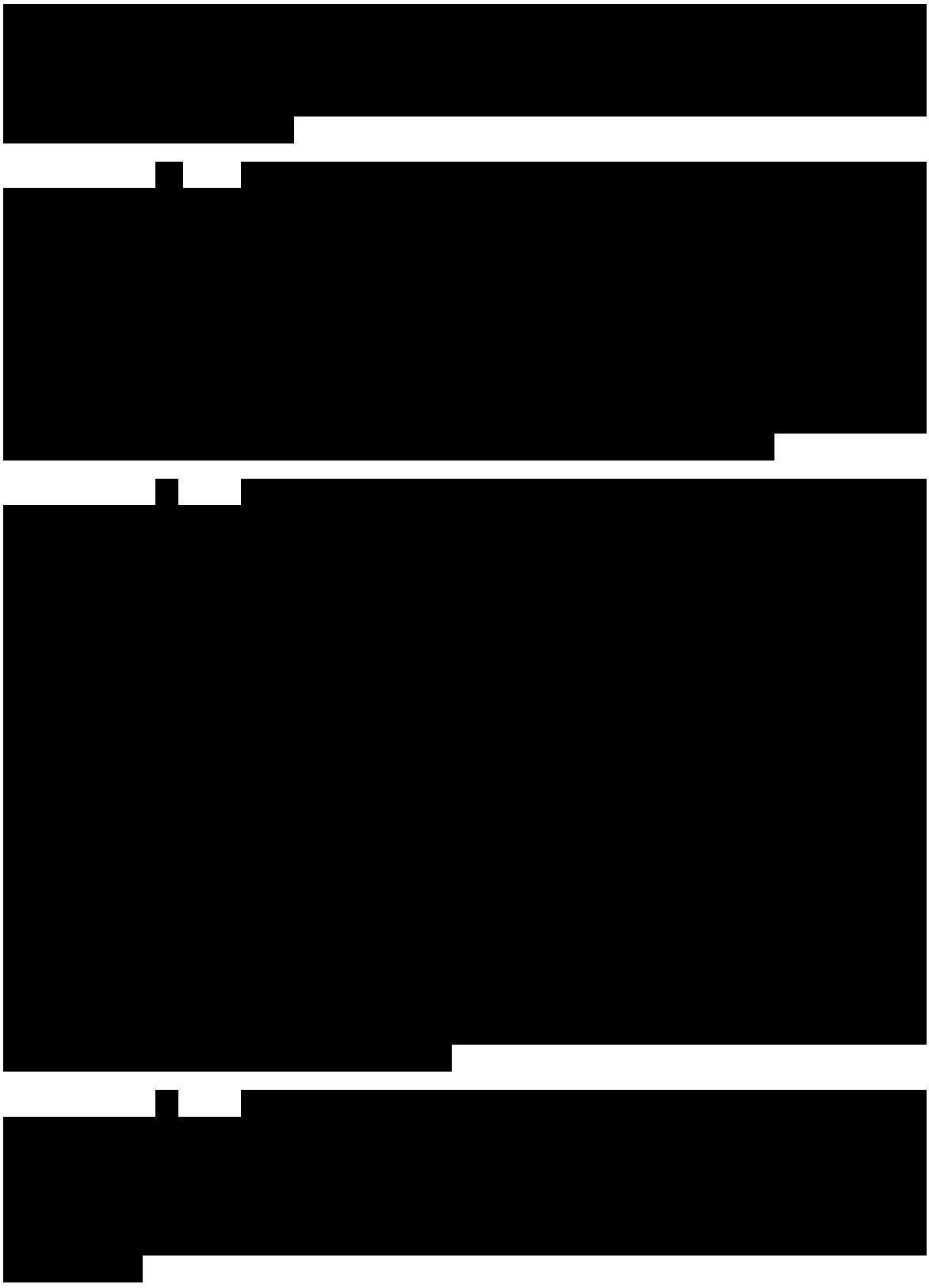
4.19. Healthcare Regulatory Compliance.

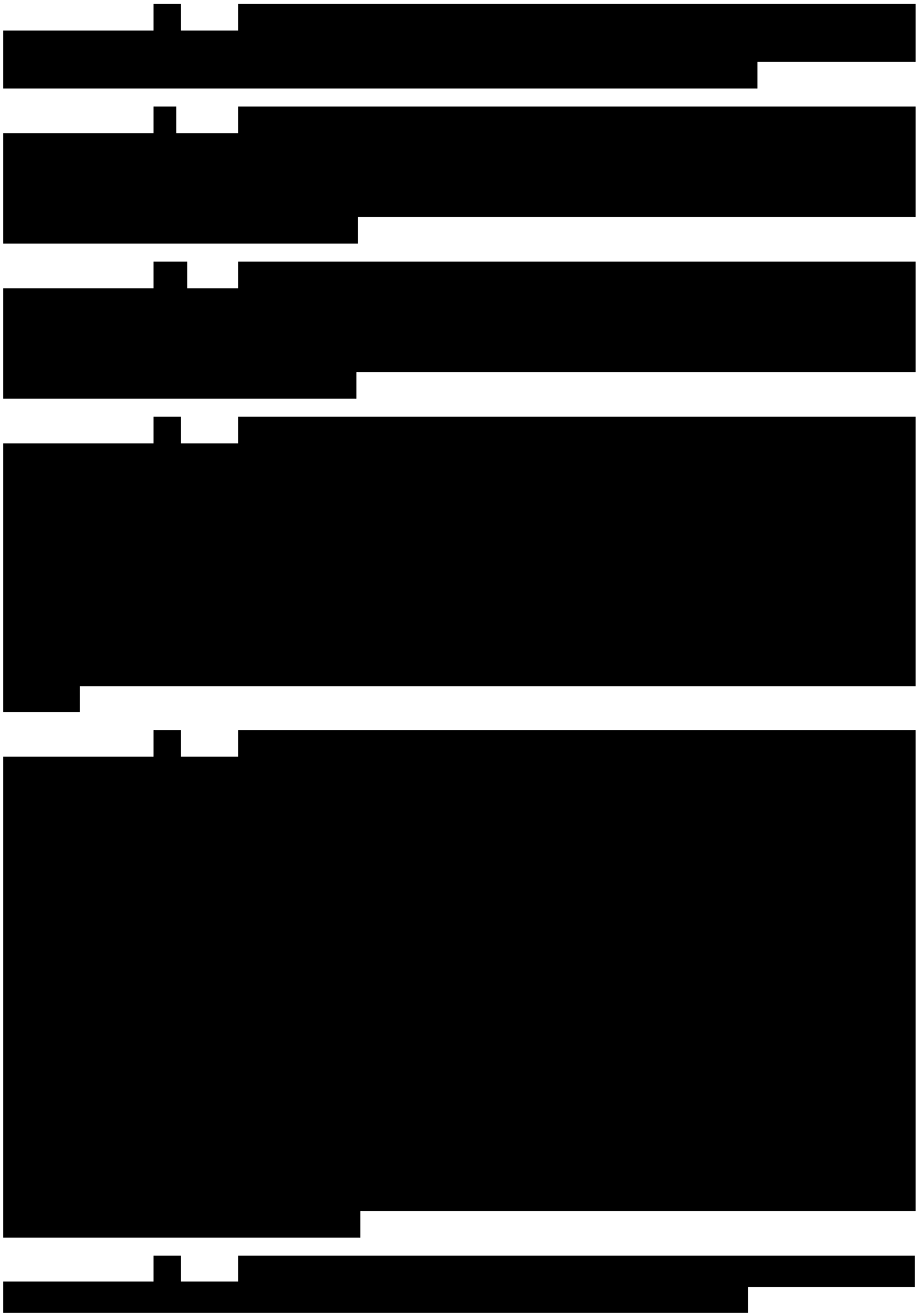
[redacted]













[redacted]

4.20. Absence of Certain Changes or Events. Since [redacted], no Material Adverse Effect has occurred. Except as set forth in Schedule 4.20 or as otherwise contemplated hereby, since [redacted] until the Execution Date the business of Transferor has been conducted in the Ordinary Course in all material respects and there have not been any events or occurrences that have resulted in a Material Adverse Effect.

4.21. Related Party Transactions. Except (a) as set forth on Schedule 4.21, (b) for any Ordinary Course employment arrangements with employees or directors (e.g., employment agreements, incentive compensation and equity arrangements), and (c) for any Contracts or arrangements solely between or among Transferor, no Affiliate, director or officer of any Transferor (i) is party to any Contract to provide any goods or services to, or receive any goods or services from, any Transferor or (ii) owns or has any interest in any material assets owned, leased or licensed by any Transferor. The transactions relating to the Contracts required to be set forth on Schedule 4.21 are referred to as the "***Related Party Transactions***."

4.22. Material Suppliers; Vendors. Schedule 4.22 sets forth a list of the [redacted] largest services and goods/products suppliers of Transferor relating to the Business (determined on a consolidated basis) (collectively, the "***Material Suppliers***") as measured by the aggregate payments to each such Material Supplier for the period [redacted] prior to the Execution Date. No Transferor has received any written, or to the Transferor's Knowledge, oral notice from any such Material Supplier that any such Material Supplier will stop, materially decrease the rate of, or materially and adversely change any material terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to Transferor (whether as a result of the Transaction or otherwise).

4.23. Solvency. As of the Execution Date and through the Closing Date, Transferor is, and shall be able, to pay its debts as they become due and owns, and shall own, property which has a fair saleable value greater than the amounts required to pay their respective debts (including a reasonable estimate of the amount of all contingent liabilities). As of the Execution Date and through the Closing Date, Transferor has, and shall have, adequate capital to carry on the Business. Transferor is not contemplating either the filing of a petition under any state or federal bankruptcy or insolvency law or liquidating all or a material portion of its property (other than pursuant to this Purchase Agreement), and no Person is contemplating the filing of any such petition against it, or any of its Assets. No transfer of property is being made and no obligation is being incurred in connection with the Transaction with the intent to hinder, delay or defraud either present or future creditors of Transferor.

4.24. Stimulus/Relief Funds. Schedule 4.24 attached hereto contains a true, complete and correct list of (a) the type and the amount of all Stimulus/Relief Funds received by Transferor, and (b) the current amount of such Stimulus/Relief Funds that have not yet been expended by Transferor as of the

Execution Date. Either no Transferor has received any loan under PPP (as defined below) (each, a "***PPP Loan***"), or each such PPP Loan has either been paid off in full or forgiven in full as of the Execution Date. As used herein, "***Stimulus/Relief Funds***" means any grant payments, stimulus payments, retroactive rate adjustments, credits and any and all other payments and support paid with respect to any Facility in relation to COVID-19 relief efforts, as well as other funds related to the CARES Act, Paycheck Protection Program ("***PPP***"), CMS Accelerated and Advance Payments and/or any other state or federal law providing for stimulus funding related to the COVID-19 Pandemic.

4.25. Limitations on Representations and Warranties. [redacted]

4.26. Disclosure Updates. [redacted]

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF TRANSFEREE

In order to induce Transferor to enter into this Purchase Agreement, each Transferee hereby represents and warrants to Transferor as of the Execution Date and as of the Closing Date (or in the case of representations and warranties that by their terms speak as of a specified date, as of such specified date), as follows:

5.1. Corporate.

(a) Organization. Transferee is a limited partnership duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization.

(b) Power and Authority; Authorization; Enforceability. Transferee has all necessary corporate, partnership or similar power and authority to enter into the documents and instruments to be executed and delivered by Transferee pursuant hereto and to carry out the transactions contemplated hereby. The execution and delivery of this Purchase Agreement and the performance of this Purchase Agreement by Transferee has been duly and validly authorized. This Purchase Agreement constitutes the legal, valid and binding obligation of Transferee, enforceable against Transferee in accordance with its terms, except as such enforceability may be limited by the Enforceability Exceptions.

(c) Qualification. Transferee is duly qualified or licensed to do business, and is in good standing, in all jurisdictions (domestic and foreign) in which the character or the location of the assets owned or leased by it or the nature of the business conducted by it requires such licensing or qualification.

(d) No Conflicts or Violations. Neither the execution and delivery of this Purchase Agreement or the other Transaction Documents, the consummation of the Transaction, nor the fulfillment of the terms hereof by Transferee shall (i) violate or result in a breach of any of the material terms and provisions of, constitute a default under, conflict with, or result in any acceleration of rights, benefits or obligations of any party under any contracts to which Transferee is a party or by which it is bound, (ii) violate any Order of any Governmental Authority applicable to Transferee, (iii) constitute a violation by Transferee of any applicable Law, or (iv) conflict with or violate any organizational document of Transferee.

5.2. Solvency. [redacted]. Transferee is not contemplating either the filing of a petition under any state or federal bankruptcy or insolvency law or liquidating all or a material portion of its property, and no Person is contemplating the filing of any such petition against it, or any of its assets. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Purchase Agreement with the intent to hinder, delay or defraud either present or future creditors of Transferee.

5.3. Litigation. There are no Litigations or Orders by or with any arbitrator, court, or other Governmental Entity, or to Transferee's Knowledge, threatened against or by Transferee or any of its Affiliates that challenge (or could challenge) or seek (or could seek) to prevent, enjoin, or otherwise delay the consummation of the Transaction or the execution and delivery of any Transaction Documents.

5.4. Broker. Transferee has not engaged, nor is liable to pay any fees, costs or commissions to any broker(s) in connection with the Transaction.

5.5. Financial Capability. [redacted]. Notwithstanding the foregoing or anything to the contrary herein, Transferee acknowledges that the obligations of Transferee under this Purchase Agreement are not contingent upon or subject to any conditions regarding Transferee's or any other Person's ability to obtain financing for the consummation of the Transaction.

ARTICLE VI
COVENANTS AND AGREEMENTS

6.1. Conduct of Business. Without limiting the effect of any other provision of this Purchase Agreement, between the Execution Date and the earlier of the termination of this Purchase Agreement or the Closing Date, Transferor shall (a) cause the Business at each Facility to be conducted in the Ordinary Course in substantially the same manner as previously conducted, and (b) not do any of the following with respect to the Assets or Facilities without the prior written consent of Transferee (such consent not to be unreasonably withheld, conditioned, or delayed):

(i) sell, lease, transfer, convey or otherwise dispose of any Assets (other than the disposition and replacement of Inventory and tangible personal property in the Ordinary Course consistent with past practice, and any replacements shall be with items of equal or better quality), or cause or permit any Encumbrance (other than Permitted Encumbrances) to exist on, any of the Assets which will not be released at or prior to the Closing;

(ii) cancel or modify or amend any Assumed Contract or default in the performance of any Assumed Contract, or waive any default or potential default by any other party to any Assumed Contract, or waive, release, compromise, settle or assign any rights or claims under any Assumed Contract;

(iii) notwithstanding anything else contained in this Article VI, enter into any contract or other transaction that would be material to any Facility, other than in the Ordinary Course or as required by Law;

(iv) violate in any material respect, terminate or permit the lapse of, or failure to preserve any material licenses, permits and other authorizations including, but not limited to, the certificate of need, if any, or any provider agreements including, without limitation, its provider agreements with Medicare and Medicaid which are necessary or desirable (as determined by Transferor) for the operation of the Facilities as they exist on the Execution Date;

(v) enter into any transaction with any owner, officer, director, manager or Affiliate of Transferor or any of their Affiliates, or any relative or Affiliate of any such owner, officer, director, manager or Affiliate other than consistent with past practice or in contemplation of the Transaction;

(vi) materially change employment terms for any executive or group of employees or institute to the extent that such change or institution would result in any material liability to the Transferor following the Closing Date;

(vii) modify or amend any Realty Lease without the prior written approval of Principal Transferee (which approval shall not be unreasonably withheld, conditioned or delayed unless such modification or amendment increases any costs or obligations of the tenant, in which case, Principal Transferee's approval may be withheld in its sole discretion) or terminate or permit the lapse of any Realty Lease;

(viii) enter into any agreement, or adopt any resolution, to do any of the things described in subsections (i) through (vii) above or otherwise commit any act which would cause Transferor to breach any covenant, representation or warranty contained in this Purchase Agreement;

(ix) remove, discharge, transfer or solicit for transfer Residents from the Facilities to a nursing facility owned, operated or managed by Transferor or any of its Affiliates, nor shall there be any voluntary transfers by Transferor of Residents from the Facilities to any other nursing facility, where such transfer is not in the Ordinary Course and not (A) for reasons relating to the health and well-being of the Resident transferred, (B) for the election to transfer by the Resident or his or her family or attorney-in-fact, or (C) otherwise required by Law;

(x) (A) remove or relocate to any Affiliate, any administrator, director of nursing or other employee, or (B) hire new employees except, in each case, in the Ordinary Course; or

(xi) permanently reduce or allow to be reduced the number of licensed beds at the Facilities, except through no fault of Transferor.

6.2 Affirmative Covenants. During the period from the Execution Date until the earlier of the Closing or termination of this Purchase Agreement in respect of the applicable Facility, Transferor shall, as applicable:

(a) maintain each Facility and the Assets with respect to the operation of each Facility in the Ordinary Course in the operating order and condition in effect on the Execution Date, reasonable wear and tear excepted;

(b) upon any damage, destruction or loss to any Facility, apply any and all insurance proceeds received with respect thereto to the prompt repair, replacement and restoration thereof, except as otherwise provided in any Realty Lease;

(c) maintain its level and quality of Inventory with respect to the operation of each Facility in the Ordinary Course in a manner consistent with its practices in place as of the date of the Execution Date, which in all events shall be sufficient for seven (7) days of operations in substantially the same manner as presently conducted by Transferor;

(d) promptly notify the Transferee of any written notice of a material violation or non-compliance with any Law or Order, written notice of any threatened or pending proceeding by any Governmental Entity, in each case relating to any Facility, its/their operations or the Assets, and promptly furnish Transferee with copies of any material non-privileged correspondence, notices or legal pleadings in connection therewith;

(e) maintain its records for each Facility in accordance with current practices;

(f) pay all material Taxes and other liabilities relating to the Facilities and the Assets as they become due;

(g) provide written notice to Transferee of any capital expenditure at any Facility that, individually, is in excess of [redacted] in the aggregate at any such Facility;

(h) maintain insurance policies in accordance with current practices and as legally required to do so; and

(i) use commercially reasonable efforts to preserve intact the Assets, and to file all forms and reports, at Transferor's cost and expense, that are necessary to maintain such Assets in effect, and not be rendered or permitted to be rendered ineffective as evidenced in writing by any Governmental Entity.

6.3 Consultation. In connection with the continuing operation of the Business between the Execution Date and the earlier of the Closing or termination of this Purchase Agreement in accordance with the terms set forth herein, at the written request of Transferee, Transferor shall use commercially reasonable efforts to consult with the representatives for Transferee to report material operational developments. Transferor acknowledges that any such consultation shall not constitute a waiver by Transferee of any rights they may have under this Purchase Agreement, and that Transferee shall have no liability or responsibility for any actions of Transferor or any of their respective officers or directors with respect to matters that are the subject of such consultations. Transferee acknowledges that Transferor shall have no obligation to take into consideration any suggestions of Transferee during such consultation.

6.4. Access.

(a) Without limiting the foregoing, prior to the earlier of the Closing and the termination of this Purchase Agreement in accordance with its terms, Transferor shall continue to provide Transferee and its employees, accountants, consultants, legal counsel, agents and other authorized representatives, during regular business hours and upon reasonable advance notice,

reasonable access to the Facilities, and all other properties, contracts, commitments, and records of Transferor that relate to the Facilities as Transferee may reasonably request for the purpose of transferring the Assets and Facilities, and facilitating the smooth transition of operations, and Transferor shall promptly furnish Transferee such information as Transferee may from time to time reasonably require with respect to the Assets and/or the Facilities; *provided,* that Transferor will not be required to, or would, (i) permit any inspection, or to disclose any information, that in Transferor's reasonable judgment would result in the disclosure of any trade secrets or violate any of its obligations with respect to confidentiality, (ii) disclose any information of Transferor that is subject to attorney-client privilege, (iii) except as set forth in Section 2.8, permit, and Transferee shall not conduct or commission, any invasive environmental sampling or testing, including, but not limited to sampling of soil, groundwater, surface water, air or building materials or other intrusive investigations of the Facilities (*provided, however*, if such invasive testing is recommended in a Phase 1 environmental assessment of the applicable Facility, Transferor shall not unreasonably withhold, condition or delay its approval of such testing; *provided,* that Transferor shall have the right to withhold such approval if the landlord for such Facility does not consent to such invasive testing recommended in a Phase 1 environmental assessment), (iv) take any action that would cause material disruption to the business of the Transferor or cause significant competitive harm to Transferor, or (v) contravene any applicable Law, fiduciary duty or binding Contract entered into prior to the Closing Date. Prior to the Closing, Transferee shall not pursue, negotiate, or effect any amendments or extensions of any Realty Lease or personal property lease, or approach any of the customers, suppliers or employees of Transferor, in each case unless first agreed to in writing by Transferor. Transferor shall, upon written request by Transferee and reasonable notice, permit Transferee to conduct on-site visits of Transferor's properties and the Assets that comprise the Facilities.

(b) Notwithstanding anything in this Purchase Agreement to the contrary, (i) no Transferee shall have direct communication with Facility Residents, staff or suppliers; and (ii) Transferee, at all times, will conduct all inspections and reviews in compliance with the terms of this Purchase Agreement and all applicable laws, and in a manner so as to not cause damage, loss, cost or expense to Transferor, the Facilities or the staff or Residents of the Facilities, and without unreasonably interfering with or disturbing any employee or Resident at each Facilities.

6.5. Announcement and Disclosure.

(a) No Party shall issue an initial public announcement, report, statement or press release (collectively, a "***Public Announcement***") regarding this Purchase Agreement, any ancillary agreement, or the transactions contemplated hereby without the prior written consent of the other Party, except as otherwise required by Law. Notwithstanding the foregoing, (i) a Public Announcement by Transferor to its employees or any union representing the same shall not be a breach of the foregoing covenant, and (ii) after the consummation of the Closing, Transferee may report on the transaction completed by this Purchase Agreement in connection with: (x) any press release or investor call concerning Transferee's earnings or financial performance, (y) any filings or disclosures required to be made to the Securities and Exchange Commission or state securities' commission in accordance with applicable Law, as reasonably determined by Transferee, or (z) any meetings or conference calls with, or disclosures made to, Transferee's consultants, contractors, investors, principals, employees, agents, attorneys, accountants and other advisors.

(b) Except as may be necessary to enforce this Purchase Agreement, or to comply with applicable Laws including securities Laws, for [redacted] after the Closing, Transferor shall (i) treat and hold as confidential any proprietary and confidential information related to the Assets or the Assumed Liabilities related to the Facilities (collectively, "***Confidential***

Information"), and (ii) refrain from using any of the Confidential Information except (A) in connection with this Purchase Agreement, (B) in connection with any litigation costs (including prosecuting and defending claims), (C) to collect any outstanding Transferor's A/Rs after the Closing, (D) for legal compliance, and (E) in connection with the winding-up of its business. The term "Confidential Information" shall not include information that is or becomes generally available to the public by actions of Persons other than Transferor or that pertains to any of the Excluded Assets or the Retained Liabilities. If Transferor is required to disclose any Confidential Information in order to comply with, or avoid violating, any applicable Law, Transferor will use commercially reasonable efforts to provide Transferee with prompt notice thereof to the extent legally permissible. To the extent legally permissible and at Transferee's sole expense, Transferor shall provide Transferee, in advance of any disclosure required by Law, with copies of any Confidential Information that Transferor intends to disclose and shall reasonably cooperate with Transferee, at Transferee's sole expense, if permitted by applicable Law, to the extent Transferee may reasonably seek to limit such disclosure in a manner consistent with applicable Law.

(c) Except as may be necessary to enforce this Purchase Agreement or any other Transaction Document, for [redacted] after the last Closing, Transferee shall (i) treat and hold as confidential any proprietary and confidential information of Transferor or any of its Affiliates that does not exclusively relate to the Assets or the Assumed Liabilities related to the Facilities, including any proprietary and confidential information relating to any of the Excluded Assets or the Retained Liabilities (collectively, "***Transferor Confidential Information***"), and (ii) refrain from using any of Transferor Confidential Information except in connection with this Purchase Agreement. The term "Transferor Confidential Information" shall not include information that is or becomes generally available to the public by actions of Persons other than Transferee or any of its Affiliates. If Transferee is required to disclose any Transferor Confidential Information in order to avoid violating any applicable Law, Transferee will use commercially reasonable efforts to provide Transferor with prompt notice thereof to the extent legally permissible. To the extent legally permissible and at Transferor's sole expense, Transferee shall provide Transferor, in advance of any such disclosure, with copies of any Transferor Confidential Information that Transferee intends to disclose (and, if applicable, the text of the disclosure language itself) and shall reasonably cooperate with Transferor, at Transferor's sole expense, if permitted by applicable Law, to the extent Transferor may reasonably seek to limit such disclosure in a manner consistent with applicable Law.

6.6. Appropriate Action; Consents; Filings. From and after the date of this Purchase Agreement, each of the Parties shall use its commercially reasonable efforts to obtain from any Governmental Entities or third parties any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained, or made, by such Party in connection with the authorization, execution and delivery of this Purchase Agreement and the consummation of the transactions contemplated hereby and shall provide such notices, and Transferee shall post such escrows, as required by the applicable Governmental Entities and Laws, and each Party shall comply with any written agreements with third parties to consummate the transaction. The Parties shall cooperate with each other in connection with the making of all such filings, including the timing of such filings and providing copies of all such documents to the non-filing Party and their advisors prior to filing and, if requested, to accept all reasonable additions, deletions or changes to such filings suggested in connection therewith. The cost of such filings shall be borne by the Parties as set out in Section 11.2.

6.7. Intentionally Omitted.

6.8. Further Assurances. From time to time after the Closing, Transferor shall, at the reasonable request of Transferee and at Transferee's expense but without further consideration, execute and deliver any further deeds, bills of sale, endorsements, assignments, and other instruments of conveyance and

transfer, and take such other actions as Transferee may reasonably request and consistent with this Purchase Agreement in order to (a) more effectively transfer, convey, assign and deliver to Transferee, and to place Transferee in actual possession and operating control of, and to vest, perfect or confirm, of record or otherwise, in Transferee all right, title and interest in, to and under the Assets or the Facilities (including to make or assist in the making of any required or desirable filings with the Departments), (b) assist in the collection or reduction to possession of any and all of the Assets or the Facilities or to enable Transferee to exercise and enjoy all rights and benefits with respect thereto, (c) with respect to any payor agreement that is non-transferrable, reasonably cooperate with Transferee to assist Transferee in securing a new agreement, or (d) otherwise carry out the intents and purposes of this Purchase Agreement. In the case of rights (including, without limitation, under any Contract) which cannot be transferred effectively without the consent of third parties, Transferor shall use its commercially reasonable efforts (within commercially reasonable limits) to obtain such consent and to assure to Transferee the benefits thereof during the terms thereof.

6.9. Exclusive Dealing. Except for the Transaction, from and after the Execution Date until the earlier of the Closing and the termination of this Purchase Agreement in accordance with its terms, each Transferor agrees that it shall not, and shall cause its officers, directors, managers, employees, agents and representatives not to: (a) solicit, initiate, facilitate, knowingly encourage or continue inquiries regarding any proposal or offer from any Person (other than Transferee and its representatives) relating to the acquisition of all or substantially all of the equity interests or the acquisition or lease of all or substantially all of the assets of Transferor (including any transaction structured as a merger, consolidation, liquidation, recapitalization, share exchange or other business combination) (each such proposal or offer, an "***Acquisition Proposal***"); (b) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (c) enter into any agreement or other instruments (whether or not binding) regarding an Acquisition Proposal (other than the sale of inventory in the Ordinary Course).

6.10. Transfer Taxes. All Transfer Taxes arising out of or in connection with the transactions effected pursuant to this Purchase Agreement shall be paid [redacted]. The Transferor or Principal Transferor, as applicable, will file all necessary tax returns and other documentation with respect to all such Transfer Taxes, and, if required by applicable Law, the Transferee will, and will cause its Affiliates to, cooperate and join in the execution of any such tax returns and other documentation.

6.11. Existing Landlord Consents and SNDAs. Principal Transferee shall use commercially reasonable efforts to (a) assist in obtaining the Existing Landlord Consents, including by providing such information (financial or otherwise) as is reasonably requested in connection therewith, and (b) to request from each applicable Existing Landlord and their mortgage lender (if any) a subordination and non-disturbance agreement from such lender with respect to each applicable Realty Lease for the benefit of each Transferee, to be effective following the Closing Date.

6.12. Continuing Reporting Obligations. During the period from the Execution Date through the Closing Date or the earlier termination of this Purchase Agreement in accordance with the terms hereof, upon the reasonable request of Transferee, and no more frequently than once every other month, Principal Transferor shall deliver, or cause to be delivered by Transferor, to Transferee true, correct and complete copies of: (A) an occupancy report for each Facility for the prior calendar month; (B) a monthly profit and loss statement for each Facility for the immediately preceding month, which statement shall not include adjustments at the end of a fiscal year (including deferred Tax entries) or footnote disclosures, when and as available; (C) evidence of any significant changes to the Medicaid rates or other rates from material referral sources applicable to the Facility; and (D) all reporting delivered to the Existing Landlord by Transferor pursuant to the Realty Leases. Upon the delivery of the monthly profit and loss statement for each Facility,

Transferor shall be deemed, as of such date, to represent and warrant to Transferees that such statement fairly presents in all material respects the financial position (including the results of operations and cash flows) of the applicable Facility as of the dates and with respect to the periods specified therein and that the same was prepared, in all material respects, in accordance with the past practices of Transferor, except that such statement shall not include adjustments at the end of a fiscal year (including deferred Tax entries) or footnote disclosures. Transferor shall also promptly deliver to Transferee any material written correspondence or notices sent by, or received by, Transferor to or from any governmental or quasi-governmental authority with respect to each Facility.

6.13. Tail Coverage. On or prior to the Closing Date, Principal Transferor shall have delivered to Transferee, and Principal Transferee shall have approved in its commercially reasonable discretion, the terms of [redacted] tail or extended reporting coverage insurance policies for Transferor's professional and general liability insurance claims-made insurance coverage, which tail coverage Transferor shall purchase at Transferor's sole cost and expense to be effective as of the Closing Date ("***Tail Coverage***"). Concurrently with the Closing, Transferor shall pay (or cause to be paid) all premiums for Transferor's Tail Coverage and such coverage shall commence to be in full force and effect which shall name each applicable Transferee as an additional insured. The Tail Coverage shall be obtained from an insurer reasonably acceptable to Principal Transferee.

6.14. Straddle Period Taxes. All ad valorem and similar Taxes with respect to the Assets for a Taxable period that includes but does not end on the Closing Date (a "***Straddle Period***") shall be apportioned as follows: [redacted]

If any Party (the "***Paying Party***") pays or has paid a Tax for which the other Party (the "***Non-Paying Party***") is responsible pursuant to the apportionment set forth in this Section 6.14, the Paying Party shall be entitled to reimbursement from the Non-Paying Party.

ARTICLE VII
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PARTIES

7.1. Conditions to Obligations of Transferee. The obligations of Transferee hereunder are subject to the fulfillment of all of the following conditions precedent unless such fulfillment is waived in writing by Principal Transferee, subject to the limitations contained herein, as the case may be:

(a) Representations and Warranties. The representations and warranties of Transferor set forth in Article IV or Section 6.12 (other than any such representations and warranties made about an Excludable Facility) shall be true and correct in all material respects [redacted] as of the Closing Date as if made on and as of the Closing Date, or, to the extent any such representation or warranty expressly is made as of an earlier date or with respect to a particular period, in which case such representation or warranty shall have been true and correct in all material respects [redacted] as of such date or with respect to such period, and except, in each case, [redacted].

(b) Compliance with Obligations. Principal Transferor and each Transferor shall have performed and complied, in all material respects, with all terms, agreements, covenants and conditions of this Purchase Agreement and the OTAs to be performed or complied with by it at or prior to the Closing, including, without limitation, delivering all of the closing deliverables

required to be delivered by Principal Transferor or the applicable Transferor, as applicable, under Section 3.2 of this Purchase Agreement or under the OTAs, except in respect of any Excludable Facility.

(c) No Material Adverse Effect. Since the Execution Date, there shall have been no Material Adverse Effect, except in respect of any Excludable Facility.

(d) Closing Certificate. Principal Transferor shall have delivered to Principal Transferee a certificate of a duly authorized officer of Principal Transferor dated as of the Closing Date stating that the conditions specified in Section 7.1(a) have been satisfied.

(e) Out of Compliance. No Facility shall be Out of Compliance; provided, however, if each Facility that is Out of Compliance also constitutes an Excludable Facility, this closing condition shall be deemed satisfied so long as the Parties proceed to the Closing pursuant to Section 7.4 below.

(f) Estoppel Certificates. Each Existing Landlord shall have executed and delivered to each applicable Transferee an Estoppel Certificate for each Realty Lease relating to a Facility that is not an Excludable Facility dated no earlier than [redacted] prior to the Closing Date, and no Estoppel Certificate shall identify or disclose any default or event of default of any Transferor under any Realty Lease relating to a Facility that is not an Excludable Facility, nor any other issues constituting a Material Adverse Effect; *provided, however,* that this condition shall be deemed satisfied if (i) Transferor shall have used commercially reasonable efforts to obtain such Estoppel Certificates (which shall include reasonably cooperating with Transferee to include the applicable estoppel provisions in the applicable Existing Landlord Consent if so directed by Transferee), and (ii) with respect to any Realty Lease relating to a Facility that is not an Excludable Facility for which no Estoppel Certificate is received from the applicable Existing Landlord, Transferor executes and delivers the applicable Estoppel Certificate, which shall otherwise satisfy the conditions of this Section 7.1(h).

7.2. Conditions to Obligations of Transferor. The obligations of Principal Transferor and Transferor hereunder are subject to the fulfillment of all of the following conditions precedent unless such fulfillment is waived in writing by Principal Transferor, subject to the limitations contained herein, as the case may be:

(a) Representations and Warranties. The representations and warranties of Transferee set forth in Article V shall be true and correct in all material respects [redacted] on and as of the Closing Date as if made on and as of the Closing Date, or to the extent any such representation or warranty expressly is made as of an earlier date or with respect to a particular period, in which case such representation or warranty shall have been true and correct in all material respects [redacted] as of such date or with respect to such period, except, in each case, [redacted].

(b) Compliance with Obligations. Transferee shall have performed and complied, in all material respects, with all terms, agreements, covenants and conditions of this Purchase Agreement and the OTAs to be performed or complied with by it at or prior to the Closing, including, without limitation, delivering all of the closing deliverables required to be delivered by Transferee under Section 3.3 of this Purchase Agreement or under the OTAs.

(c) Closing Certificate. Transferee shall have delivered to Principal Transferor a certificate of a duly authorized officer of Transferee dated as of the Closing Date stating that the conditions specified in Sections 7.2(a) and 7.2(b) have been satisfied.

7.3. Mutual Conditions. The respective obligations of the Parties to consummate the Closing are subject to the following:

(a) No Injunction. In respect of any Facility that is not an Excludable Facility, no Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that prohibits or makes illegal the consummation of the transactions contemplated by this Purchase Agreement.

(b) [redacted]

(c) New Licenses. Each Transferee shall have received the New Licenses as of the Closing Date (or shall have obtained reasonable assurances from the applicable Department that the New Licenses has been or will be issued by the applicable Department effective as of the Closing Date or promptly thereafter) in respect of each Facility that is not an Excludable Facility, and (i) the execution and delivery of EDD Form DE 2220, (ii) Transferor's substantial fulfillment of all requirements of any governmental agency having jurisdiction of such Facility as contained in any survey report, citation, plan of correction, judgment, order or other directive relating to the operation of such Facility, and the official acceptance thereof by such agency, (iii) fulfillment of all requirements set forth in each of the California Assembly Bill No. 1502, Chapter 578, the California Assembly Bill No. 1695, Chapter 83; the California Senate Bill No. 184 and 22 CCR §§97431-97442 in respect of such Facility (as applicable).

(d) No Litigation. Without limiting the generality of any representation, no injunction or other Order shall have issued or have been entered which would be violated by the consummation of the transactions contemplated hereby; and no suit, Action or other proceeding brought by the United States, any state, or any political subdivision, in which any Facility that is not an Excludable Facility is located or any agency or instrumentality thereof shall be pending in which it is sought to restrain or prohibit the consummation of the Transaction. None of the following shall have been done by, against or with respect to a Party during the period from the Execution Date to the Closing Date: (i) the commencement of a case under Title 11 of the U.S. Code (as now constituted or hereafter amended) or under any other applicable bankruptcy or other similar law; (ii) the appointment of a trustee or receiver of any property interest; (iii) an assignment for the benefit of creditors; (iv) an attachment, execution or other judicial seizure of a substantial property interest; (v) the taking of, failure to take or submission to any action indicating an inability to meet its financial obligations as they accrue; or (vi) a dissolution or liquidation.

(e) Existing Landlord Consents. Principal Transferor shall have delivered to Transferee each Existing Landlord Consent for each Realty Lease for which Existing Landlord Consent is required relating to a Facility that is not an Excludable Facility; *provided*, that the foregoing shall not apply with respect to those Realty Leases relating to a Facility that is not an Excludable Facility set forth on Schedule 7.3(e).

7.4. Escrow Facilities.

(a) If one or more Facilities is/are deemed to be an Excludable Facility(ies) as of the Closing Date, the Parties shall proceed with Closing in respect of each Facility, other than the

Excludable Facility(ies); provided, however, Principal Transferee may elect, in its sole discretion, to the cause the Closing to occur with respect to any Excludable Facility(ies) on the Closing Date. Any Excludable Facility(ies) for which the Closing does not occur on the initial Closing Date shall be referred to herein as the "***Escrow Facility(ies)***" and the Allocated Value(s) for such Escrow Facility(ies), as set out on the Allocation Statement, shall not be paid on the Closing Date.

(b) Transferor shall use commercially reasonable efforts to cause each Escrow Facility to cease being an Excludable Facility as promptly as possible following the initial Closing Date, and the Parties shall consummate the Closing with respect to each Escrow Facility (each, an "***Escrow Facility Closing***") on the first Business Day of the month following the month during which (i) the cause for such Facility being deemed an Excludable Facility has been remedied (or Transferee, in its sole discretion, has elected to waive such condition), and (ii) the conditions applicable to the Escrow Facility Closing set forth in Sections 7.1, 7.2, and 7.3 shall have been satisfied with respect to such Escrow Facility) (other than any conditions that are to be satisfied at such Escrow Facility Closing, subject to such conditions being satisfied or waived at such Escrow Facility Closing). The date on which the applicable Escrow Facility Closing occurs will be deemed the "Closing Date" with respect to such Escrow Facility(ies) and the Allocated Value(s) for such Escrow Facility(ies) shall be paid to Principal Transferor in immediately available funds by wire transfer to one or more bank accounts designated in writing by Principal Transferor on such Closing Date.

(c) If the Escrow Facility Closing has not occurred with respect to one or more Escrow Facilities on or before the date that is [redacted] prior to the Outside Closing Date, absent an agreement between the Parties to the contrary, this Purchase Agreement shall terminate with respect to such Escrow Facility(ies), and Allocated Value(s) allocated to such Facility(ies) shall not be payable to the Principal Transferor.

(d) [redacted]

ARTICLE VIII
TERMINATION

8.1. Termination. This Purchase Agreement may be terminated, and the Transactions contemplated hereby abandoned, at any time prior to the Closing:

(a) by either Principal Transferor or Principal Transferee if the Closing has not occurred by the Outside Closing Date; *provided*, that neither Principal Transferee, on the one hand, nor Principal Transferor, on the other hand, may terminate this Purchase Agreement pursuant to this Section 8.1(a) at any time during which such Party is in material breach of its covenants in this Purchase Agreement or if such party's breach of this Purchase Agreement has prevented the consummation of the Transactions on or prior to such date;

(b) by the mutual written consent of Principal Transferor and Principal Transferee;

(c) by Principal Transferee, by reason of the violation or breach, in any material respect, by (i) Transferor of any representation or warranty (or any such representation or warranty shall have become untrue in any material respect after the Execution Date), or (ii) Transferor of any covenant, obligation or agreement contained in this Purchase Agreement or the OTAs, which in the case of either clauses (i) or (ii), would prevent the satisfaction of or result in the failure of any condition to the obligations of Transferor at the Closing and such violation or breach has not been waived by Transferee or, if such material violation or breach is curable and has not been cured by the Transferor on or prior to the date that is [redacted] after receipt by Transferor, as applicable, of written notice of such material violation or breach from Transferee; *provided*, that, the Outside Closing Date shall be tolled solely to allow for completion, if necessary, of such [redacted] cure period; *provided, however*, that Principal Transferee may not terminate this Purchase Agreement pursuant to this Section 8.1(c) at any time during which Transferee is in material breach of this Purchase Agreement or the OTAs;

(d) by Principal Transferor, by reason of the violation or breach, in any material respect, by (i) Transferee of any representation or warranty (or any such representation or warranty shall have become untrue in any material respect after the Execution Date), or (ii) Transferee of any covenant, obligation or agreement contained in this Purchase Agreement or the OTAs, which in the case of either clauses (i) or (ii), would prevent the satisfaction of or result in the failure of any condition to the obligations of Transferee at the Closing and such violation or breach has not been waived by Transferor or, if such material violation or breach is curable and has not been cured by the Transferee on or prior to the date that is [redacted] after receipt by Transferee, as applicable, of written notice of such material violation or breach from Transferor; *provided*, that, the Outside Closing Date shall be tolled solely to allow for completion, if necessary, of such [redacted] cure period; *provided, however*, that Principal Transferor may not terminate this Purchase Agreement pursuant to this Section 8.1(d) at any time during which Transferor is in material breach of this Purchase Agreement or the OTAs;

(e) by Principal Transferor if (i) all of the conditions to Closing set forth in Section 7.1 and Section 7.3 have been satisfied or waived (other than those conditions that, by their terms, are to be satisfied at the Closing itself, which are capable of being satisfied assuming a Closing would occur), (ii) Principal Transferor has confirmed to Principal Transferee in writing that Transferor is ready, willing and able to complete the Closing (subject to Section 7.4, if applicable), and (iii) Transferee fails to complete or consummate the Closing within [redacted] following the date on which the Closing should have occurred pursuant to Section 3.1;

(f) by Principal Transferee if (i) all of the conditions to Closing set forth in Section 7.2 and Section 7.3 have been satisfied or waived (other than those conditions that, by their terms, are to be satisfied at the Closing itself, which are capable of being satisfied assuming a Closing would occur), (ii) Principal Transferee has confirmed to Principal Transferor in writing that Transferee is ready, willing and able to complete the Closing (subject to Section 7.4, if applicable), and (iii) Transferor fails to complete or consummate the Closing within [redacted] following the date on which the Closing should have occurred pursuant to Section 3.1; and

(g) by Principal Transferee at any time on or before the Due Diligence Expiration Date pursuant to the terms and provisions of Section 2.8(a) of this Purchase Agreement.

8.2. Procedure and Effect of Termination.

(a) In the event of termination of this Purchase Agreement pursuant to this Article VIII, the terminating Party shall give written notice thereof to the other Parties and this Purchase Agreement shall terminate, and the transactions contemplated hereby shall be abandoned, without further action by any of the Parties.

(b) If this Purchase Agreement is terminated as provided herein, no Party shall have any liability or further obligation hereunder to any other Party to this Purchase Agreement, except (i) in the case of Fraud, (ii) as provided in Section 8.2(c), and (iii) any other provision of this Purchase Agreement that expressly survives termination.

(c) If this Purchase Agreement is terminated pursuant to Sections 8.1(a), 8.1(b) or 8.1(g), [redacted]. If this Purchase Agreement is terminated in accordance with Section 8.1(d) or Section 8.1(e), [redacted]. If this Purchase Agreement is terminated in accordance with Section 8.1(c) or Section 8.1(f), [redacted]. The Parties agree that they will promptly deliver a joint written instruction to the Escrow Agent in order to release the Deposit to the applicable payee in accordance with this Section 8.2(c).

ARTICLE IX
INDEMNIFICATION

9.1. [redacted]

9.2. [redacted]

[redacted]

[redacted].

9.3. [redacted]

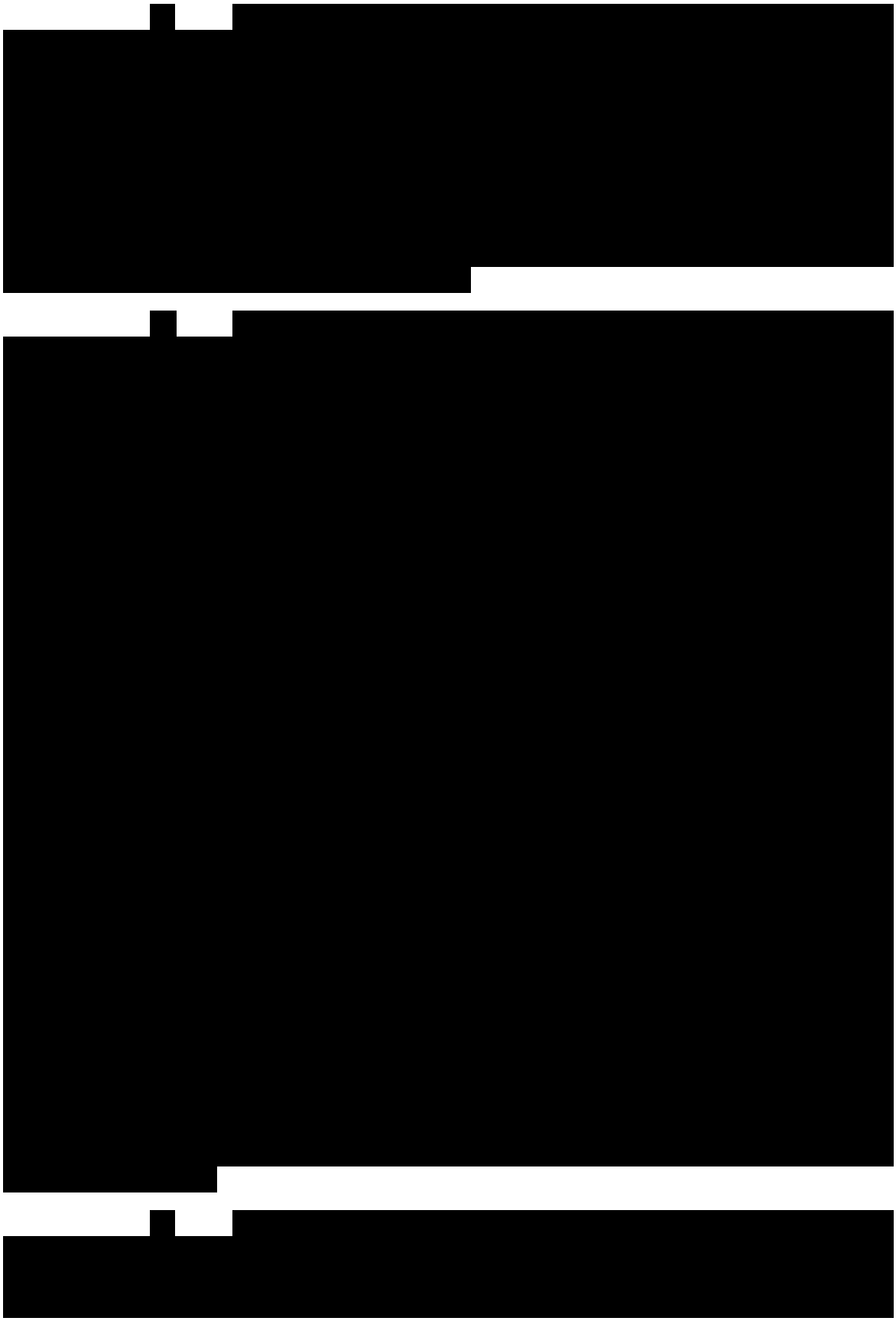
[redacted]

9.4. [redacted]

[redacted]

9.5. [redacted]

9.6. [redacted]



[redacted]

9.8. [redacted]

9.9. [redacted]

ARTICLE X
ASSIGNMENT

10.1. Assignment. Except as provided in this Section 10.1, neither this Purchase Agreement, nor any rights, interests or obligations hereunder, may be assigned or transferred, in whole or in part, by operation of law or otherwise by Principal Transferor or Principal Transferee without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, and any such assignment that is not consented to shall be null and void. Notwithstanding the foregoing, Transferee shall be permitted to assign to one or more entities (each, a "***Designated Assignee***") the right and obligation to acquire the Assets with respect to any specific Facility and to assume operations of such

Facility; *provided,* that such Designated Assignee shall thereafter be obligated to comply with (and shall be a beneficiary of) the terms and conditions of this Purchase Agreement by executing and delivering a joinder to this Purchase Agreement substantially in the form attached hereto as Exhibit E, and Principal Transferee shall not be relieved of the obligation to so comply. Prior to the Due Diligence Expiration Date, Principal Transferee will provide Transferor a schedule of the Designated Assignees and the same shall automatically be deemed included herein as Schedule 10.1, and each reference to the "Transferee" herein shall mean the applicable Designated Assignee (though the same shall not relieve the Principal Transferee of its obligations to comply with, or to cause compliance with, the terms of this Purchase Agreement).

ARTICLE XI
MISCELLANEOUS

11.1. Disclosure Schedules. The information contained in the Schedules shall be deemed to qualify to the specific Section (or subsection, as appropriate) of this Purchase Agreement to which it corresponds, and shall be cumulative so that if the existence of the fact or item or its contents disclosed in any particular schedule is relevant to any other schedule, then such fact or item shall be deemed to be disclosed with respect to the other schedule to the extent such relevance is reasonably apparent whether or not a specific cross-reference appears. The headings contained in the Schedules are included for convenience only, and are not intended to limit the effect of the disclosures contained in such schedule or to expand the scope of the information required to be disclosed in such schedule. Descriptions of documents in the Schedules are summaries only and are qualified in their entirety by the specific terms of such documents. Matters reflected in the Schedules are not necessarily limited to matters required by this Purchase Agreement to be reflected herein; additional matters are set forth for informational purposes and the fact that any item of information is disclosed in the Schedules shall not be construed to mean that such information is required to be disclosed by this Purchase Agreement. [redacted]

11.2. Payment of Expenses. [redacted]

[redacted]

11.3. Entire Agreement. This Purchase Agreement (including the Schedules and all other schedules and exhibits hereto which are incorporated into and are a part of this Purchase Agreement), and with any certificates and other instruments delivered hereunder, states the entire agreement of the Parties, merge all prior negotiations, agreements and understandings, if any, whether written or oral, and state in full all representations, warranties, covenants and agreements that have induced this Purchase Agreement. Each Party agrees that in dealing with third parties no contrary representations will be made.

11.4. Captions. The Article, Section and paragraph captions in this Purchase Agreement are for convenience of reference only, do not constitute part of this Purchase Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

11.5. Severability. The invalidity or unenforceability of any provision of this Purchase Agreement shall not affect the validity or enforceability of any other provision of this Purchase Agreement.

11.6. Modification or Amendment. The Parties may modify or amend this Purchase Agreement at any time, only by a written instrument duly executed and delivered by Principal Transferee and Principal Transferor.

11.7. Construction of Agreement. If an ambiguity or question of intent or interpretation arises under this Purchase Agreement, this Purchase Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Purchase Agreement. Wherever the word "include," "includes," or "including" is used in this Purchase Agreement, it shall be deemed to be followed by the words "without limitation".

11.8. Notices. All notices required or permitted under this Purchase Agreement shall be in writing and shall be deemed to have been properly given if sent (a) by registered or certified mail, return receipt requested, postage prepaid, (b) by reputable overnight courier delivery service, or (c) by email (followed by a copy mailed or delivered as aforesaid), addressed as set forth below to the persons entitled to receive the same or to such other addresses as may be specified by written notice and delivered in accordance herewith. Any such notice, request, or other communication shall be considered given or delivered, as the case may be, on the date of deposit in the United States mail as provided above in the case of (a) above, on the date of delivery to the overnight courier delivery service in the case of (b) above, or on the date of email transmission in the case of (c) above:

If to Principal Transferor or any Transferor, addressed to:

[redacted]

With a copy to (which shall not constitute notice):



If to Transferee, addressed to:



With a copy to (which shall not constitute notice):



Any Party may change its address for the purpose of notice by giving written notice in accordance with the provisions of this Section.

11.9. Specific Performance. The Parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Purchase Agreement or the OTAs were not performed in accordance with their specific terms or were otherwise breached, and that money damages or legal remedies would not be an adequate remedy for any such damages. Therefore, it is accordingly agreed that, subject to this Section 11.9, each party shall be entitled to enforce specifically the terms and provisions of this Purchase Agreement and each OTA in the [redacted], or if jurisdiction is not then available in the [redacted], then in any state or federal court located in [redacted], and appropriate injunctive relief shall be granted in connection therewith. No Party shall oppose, argue, contend or otherwise be permitted to raise as a defense that an adequate remedy at Law exists or that specific performance or equitable or injunctive relief is inappropriate or unavailable. Any Party seeking an injunction, a decree or order of specific performance shall not be required to provide any bond or other security in connection therewith and any such remedy shall be in addition and not in substitution for any other remedy to which such Party is entitled at law or in equity. No Party pursuing an injunction or injunctions to prevent breaches of this Purchase Agreement or any OTA and to enforce specifically the terms and provisions of this Purchase Agreement or any OTA in accordance with this Section 11.9 will be required to provide any bond or other security in connection therewith.

11.10. Remedies Cumulative. Except as otherwise provided herein, the remedies provided for or permitted by this Purchase Agreement shall be cumulative and the exercise by any Party of any remedy provided for herein shall not preclude the assertion or exercise by such Party of any other right or remedy provided for herein.

11.11. Governing Law; Consent to Jurisdiction; Selection of Forum. THIS PURCHASE AGREEMENT AND ALL MATTERS ARISING FROM, OR RELATING TO, THIS PURCHASE AGREEMENT (WHETHER IN CONTRACT, TORT OR OTHERWISE) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE [redacted] IN THE

UNITED STATES OF AMERICA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. Each Party hereto agrees that it shall bring any legal proceeding with respect to any claim arising out of or related to this Purchase Agreement or the transactions contained in or contemplated by this Purchase Agreement and the Transaction Documents, exclusively in any state or federal court sitting in [redacted] (together with the appellate courts thereof, the "***Chosen Courts***"), and solely in connection with claims arising under this Purchase Agreement or the transactions that are the subject of this Purchase Agreement or any of the Transaction Documents (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over either Party hereto, (d) agrees that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 11.8 of this Purchase Agreement, although nothing contained in this Purchase Agreement shall affect the right to serve process in any other manner permitted by Law, and (e) agrees not to seek a transfer of venue on the basis that another forum is more convenient. Notwithstanding anything herein to the contrary, (i) nothing in this Section 11.11 shall prohibit any Party from seeking or obtaining orders for conservatory or interim relief from any court of competent jurisdiction and (ii) each Party hereto agrees that any judgment issued by a Chosen Court may be recognized, recorded, registered or enforced in any jurisdiction in the world and waives any and all objections or defenses to the recognition, recording, registration or enforcement of such judgment in any such jurisdiction.

11.12. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS PURCHASE AGREEMENT OR ANY TRANSACTION DOCUMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR ANY TRANSACTION DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS PURCHASE AGREEMENT OR ANY TRANSACTION DOCUMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (c) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (d) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS PURCHASE AGREEMENT AND EACH TRANSACTION DOCUMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.13. Time of Essence. With regard to all dates and time periods set forth or referred to in this Purchase Agreement, time is of the essence unless such delay is caused by factors outside the control of the Party in which case a reasonable delay shall be granted to the requesting Party.

11.14. Counterparts. This Purchase Agreement may be executed in the original or by facsimile or electronic .pdf in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. The exchange of copies of this Purchase Agreement and of signature pages by facsimile transmission or e-mail shall constitute effective execution and delivery of this Purchase Agreement as to the Parties and may be used in lieu of the original Purchase Agreement for all purposes. Signatures of the Parties transmitted by facsimile or e-mail shall be deemed to be their original signatures for all purposes.

[*Signature Page Follows*]

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IN WITNESS WHEREOF, each of the undersigned in the capacity indicated below has executed this Purchase Agreement as of the day and year first above written.

PRINCIPAL TRANSFEROR:

Covenant Care California, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Mission, Inc.

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Long Beach, Inc.

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Vegas, Inc.

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

DocuSign Envelope ID: 4AAA8931-D3FD-4152-AC83-34114A4138C0

TRANSFEROR:

Covenant Care Morgan Hill, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Capitola, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Encinitas, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care La Jolla, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

DocuSign Envelope ID: 4AAA8931-D3FD-4152-AC83-34114A4138C0

TRANSFEROR:

Covenant Care Courtyard, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Carson, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Lodi, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

TRANSFEROR:

Covenant Care Master West, LLC

By: _____
Name: James P. Kimball
Title: Chief Financial Officer

PRINCIPAL TRANSFEREE:

CTR PARTNERSHIP, L.P.,
a Delaware limited partnership

By: CareTrust GP, LLC,
a Delaware limited liability company
Its: general partner

By: CareTrust REIT, Inc.,
a Maryland corporation
Its: sole member

By: _____

Name: James Callister
Title: Chief Investment Officer and Secretary

Docusign Envelope ID: 46756F86-6FC7-4C77-A4C3-20448023949A

Exhibit A

Identification of Facilities

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
Huntington Park Nursing Center	6425 Miles Avenue Huntington Park, CA 90255-4315	CTR Partnership, LP (Master Landlord); Covenant Care Master West, LLC (Sublandlord) c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673	99	Covenant Care California, LLC	
Shoreline Care Center	5225 South "J" Street Oxnard, CA 93033-8320	CTR Partnership, LP); Covenant Care Master West, LLC (Sublandlord) c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673	193	Covenant Care California, LLC	
Buena Vista Care Center	160 South Patterson Avenue Goleta, CA 93111-2006	160 North Patterson Avenue, LLC c/o Care Trust REIT, Inc.	150	Covenant Care California, LLC	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
		905 Calle Amanecer, Suite 300 San Clemente, CA 92673			
Pacific Gardens Nursing and Rehabilitation Center	577 South Peach Avenue Fresno, CA 93727-3952	SPTMNR Properties Trust Two Newton Place 255 Washington St. Newton, MA 02458-1634	180	Covenant Care California, LLC	
Turlock Nursing and Rehabilitation Center	1111 East Tuolumne Road Turlock, CA 95382-1541	CTR Partnership, LP); Covenant Care Master West, LLC (Sublandlord) c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673	144	Covenant Care California, LLC	
Turlock Residential	1101 East Tuolumne Road Turlock, CA 95382-1541	CTR Partnership, LP); Covenant Care Master West, LLC (Sublandlord) c/o Care Trust REIT, Inc.	49	Covenant Care California, LLC	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
		905 Calle Amanecer, Suite 300 San Clemente, CA 92673			
Vintage Faire Nursing And Rehabilitation Center	3620 B Dale Road Modesto, CA 95356-0598	Vintage Senior Projects P.O. Box 2232 Elk Grove, CA 95759	99	Covenant Care California, LLC	
Vintage Faire Residential	3620 A Dale Road Modesto, CA 95356-0598	Vintage Senior Projects P.O. Box 2232 Elk Grove, CA 95759	49	Covenant Care California, LLC	
Wagner Heights Nursing And Rehabilitation Center	9289 Branstetter Place Stockton, CA 95209-1700	Wagner HTS, LLC 2855 Carlsbad Blvd Carlsbad, CA 92008	152	Covenant Care California, LLC	
Wagner Heights Residential	2435 Wagner Heights Road Stockton, CA 95209-1778	Stockton Assisted Living Group, LLC 2605 Camino Tassajara, Suite 2408 Danville, CA 94526	80	Covenant Care California, LLC	
Gilroy Healthcare and Rehabilitation Center	8170 Murray Avenue Gilroy, CA 95020-4605	CCP Driftwood 7140 LP	134	Covenant Care California, LLC	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
		c/o Sabra Healthcare REIT 18500 Von Karman Avenue, Suite 550 Irvine, CA 92612			
Valle Vista Post Acute	1025 West 2nd Avenue Escondido, CA 92025-3839	Valle Vista Convalescent Hospital, LLC 350 South Vine Street Escondido, CA 92025	59	Covenant Care California, LLC	
Mission Skilled Nursing & Subacute Center	410 North Winchester Boulevard Santa Clara, CA 95050-6325	Untiedt Marital Trust; Diana Kim Conant Trust; Karen Untiedt Hillman Trust; Diana Kim Untiedt Children's Trust; Annine Untiedt Children's Trust (Master Landlord); Winchester Boulevard, LLC (Sublandlord) c/o KAR Management, Inc 3190 S Bascom Ave Ste 200	133	Covenant Care Mission, Inc.	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
		San Jose Ca 95124			
Royal Care Skilled Nursing Center	2725 Pacific Avenue Long Beach, CA 90806-2612	Royal Care Skilled Nursing Facility, Inc. c/o KAR Management, Inc 3190 S Bascom Ave Ste 200 San Jose Ca 95124	98	Covenant Care California, LLC	
Palo Alto Sub-Acute and Rehabilitation Center	911 Bryant Street Palo Alto, CA 94301-2711	Palo Alto Nursing Center, Inc. c/o KAR Management, Inc 3190 S Bascom Ave Ste 200 San Jose Ca 95124	66	Covenant Care California, LLC	
St. Edna Sub-Acute and Rehabilitation Center	1929 North Fairview Street Santa Ana, CA 92706-2205	KB ROB-B, LLC; Seth M. Glickenhaus, Trustee under The Seth M. Glickenhaus Revocable Trust; Gitis Associates, LLC c/o KAR Management, Inc 3190 S Bascom Ave Ste 200	144	Covenant Care California, LLC	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
		San Jose Ca 95124			
Grant Cuesta Sub-Acute and Rehabilitation Center	1949 Grant Road Mountain View, CA 94040-3217	KB Rob-C, LLC; Seth M. Glickenhaus, Trustee under The Seth M. Glickenhaus Revocable Trust; Gitis Associates Company, LLC c/o KAR Management, Inc 3190 S Bascom Ave Ste 200 San Jose Ca 95124	102	Covenant Care California, LLC	
Los Altos Sub-Acute and Rehabilitation Center	809 Fremont Avenue Los Altos, CA 94024-5617	D.E Tobie, Trustee and Dorthy Tobie, Trustee of the D.E. Tobie and Dorthy Tobie Revocable Living Trust (Master Landlord); 809 Fremont Ave., LLC (Sublandlord) c/o KAR Management, Inc 3190 S Bascom Ave Ste 200	152	Covenant Care California, LLC	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
		San Jose Ca 95124			
Catered Manor Nursing Center	4010 N. Virginia Road Long Beach, CA 90807-2627	J&S Virginia Road, LLC 10600 Santa Monica Boulevard Los Angeles, CA 90025	83	Covenant Care Long Beach, Inc.	
Pacific Coast Manor	1935 Wharf Road Capitola, CA 95010-2606	Capitola 1935 Realty, LLC c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673	99	Covenant Care Capitola, LLC	
Pacific Hills Manor	370 Noble Court Morgan Hill, CA 95037-4134	Morgan Hills Realty, LLC c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673	99	Covenant Care Morgan Hill, LLC	
Encinitas Nursing and Rehabilitation Center	900 Santa Fe Drive Encinitas, CA 92024-3919	San Diego – Two Properties, LLC 1420 Fifth Avenue, Suite 4200 Seattle, WA 98101	99	Covenant Care Encinitas, LLC	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
La Jolla Nursing and Rehabilitation Center	2552 Torrey Pines Road La Jolla, CA 92037-3432	San Diego – Two Properties, LLC 1420 Fifth Avenue, Suite 4200 Seattle, WA 98101	161	Covenant Care La Jolla, LLC	
Carson Nursing and Rehabilitation Center	2898 Highway 50 East Carson City, NV 89701-2811	CSV 4 Carson SNF, LLC c/o CSV NV Real Co. Holdings, LLC 1422 Clarkview Road Baltimore, MD 21209	73	Covenant Care Carson, LLC	
Arbor Rehabilitation & Nursing Center	900 North Church Street Lodi, CA 95240-1282	CTR Partnership, LP (Master Landlord); Covenant Care Master West, LLC (Sublandlord) c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673	149	Covenant Care Lodi, LLC	
Arbor Place	17 Louie Avenue Lodi, CA 95240-1283	CTR Partnership, LP (Master Landlord);	76	Covenant Care Lodi, LLC	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
		Covenant Care Master West, LLC (Sublandlord) c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673			
Courtyard Healthcare Center	1850 East 8th Street Davis, CA 95616-2502	CTR Partnership, LP (Master Landlord); Covenant Care Master West, LLC (Sublandlord c/o Care Trust REIT, Inc. 905 Calle Amanecer, Suite 300 San Clemente, CA 92673)	112	Covenant Care Courtyard, LLC	
Silver Hills Health Care Center	3450 North Buffalo Drive Las Vegas, NV 89129-7424	CSV 4 Silver Hills SNF, LLC c/o CSV NV Real Co. Holdings, LLC 1422 Clarkview Road Baltimore, MD 21209	155	Covenant Care Vegas, Inc.	

Facility	Address	Existing Landlord	Licensed & Certified Beds	Transferor Opco	Transferee Opco
Silver Ridge Healthcare Center	1151 South Torrey Pines Dr. Las Vegas, NV 89146-9051	CSV 4 Silver Ridge SNF, LLC c/o CSV NV Real Co. Holdings, LLC 1422 Clarkview Road Baltimore, MD 21209	148	Covenant Care Vegas, Inc.	

Exhibit B

Definitions

Definitions. In addition to the terms otherwise defined herein, the following terms shall have the following meaning:

"***Accounts Receivable***" means all accounts receivable and incentive payments of the Business.

"***Acquisition Proposal***" has the meaning set forth in Section 6.9.

"***Action***" means any claim, action, cause of action or suit (whether in contract or tort), litigation (whether at Law or in equity, whether civil or criminal), or any written controversy, assessment, arbitration, investigation, hearing, charge, complaint, demand, settlement, notice or proceeding to, from, by or before any Governmental Authority of which the Parties thereto have received written notice.

"***Actual QA Fees***" has the meaning set forth in Section 3.5.

"***Affiliate***" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such first Person. For purposes of this definition, "control" (including, for the avoidance of doubt, its correlative meanings "controlled by" and "under common control with"), when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"***Allocated Deposit***" has the meaning set forth in Section 1.2.

"***Allocated Value***" has the meaning set forth in Section 1.4.

"***Allocation Statement***" has the meaning set forth in Section 1.4.

"***Anticorruption Laws***" has the meaning set forth in Section 4.9(d).

"***Assets***" has the meaning set forth in Section 2.1.

"***Assumed Contracts***" has the meaning set forth in Section 2.1(e).

"***Assumed Contracts Assignment***" has the meaning set forth in Section 3.2(c).

"***Assumed Liabilities***" has the meaning set forth in Section 2.2(a).

"***Assumed QA Fees***" has the meaning set forth in Section 3.5.

"***Bed Waivers***" has the meaning set forth in Section 4.19(v).

"***Bill of Sale***" has the meaning set forth in Section 3.2(a).

"***Business***" means the operation of skilled nursing facilities and assisted living facilities by Transferor at the Facilities.

"***Business Days***" means any day that is not a Saturday, Sunday, or a legal holiday on which banks are authorized or required by Law to be closed in the states of California and Nevada.

"***CARES Act***" means the Coronavirus Aid, Relief, and Economic Security Act, as amended (including any successor thereto), and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, regardless of the date enacted, adopted, issued or implemented (including any changes in state or local Law that are analogous to provisions of the CARES Act or adopted to conform to the CARES Act) and any legislative or regulatory guidance issued pursuant to such Laws.

"***Casualty/Condemnation Loss***" has the meaning set forth in Section 2.7(a).

"***Chosen Courts***" has the meaning set forth in Section 11.11.

"***Closing***" has the meaning set forth in Section 3.1.

"***Closing Date***" has the meaning set forth in Section 3.1.

"***Closing Date Payment***" has the meaning set forth in Section 3.3(a).

"***CMS***" means the Centers for Medicare and Medicare Services.

"***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act or similar state law.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Collective Bargaining Agreements***" means all collective bargaining agreements and other agreements between Transferor and any union or other labor organization relating exclusively to the Facilities.

"***Company Intellectual Property Rights***" means all Intellectual Property Rights owned in whole or in part by any Transferor and relating to the Facilities that are necessary for the conduct of the Business as currently conducted.

"***Confidential Information***" has the meaning set forth in Section 6.5(b).

"***Contracts***" means all agreements, contracts, leases and subleases, purchase orders, arrangements, letters of credit, warranties, guarantees and commitments.

"***Cost Reports***" means all cost reports exclusively related to the Facilities filed by Transferor prior to the Execution Date pursuant to the requirements of any applicable Government Reimbursement Programs for cost-based payments or reimbursement due to or claimed by Transferor from any applicable Government Reimbursement Programs or their fiscal intermediaries or payor agents.

"***COVID-19 Measures***" means any reasonable action or inaction by a Transferor or any of its subsidiaries taken (or not taken) to the extent reasonably necessary to address the COVID-19 Pandemic or address or comply with any workforce reduction, quarantine, "shelter in place," "stay at home," curfew, social distancing, shut down, closure, sequester, safety or similar Law, directive, guidelines or recommendations promulgated by any industry group or any Governmental Entity, including the Centers for Disease Control and Prevention and the World Health Organization, in each case in connection with or in response to the COVID-19 Pandemic, including the CARES Act and Families First Act.

"***COVID-19 Pandemic***" means the SARS-CoV-2 or COVID-19 pandemic, including any continuation, worsening or evolutions or mutations thereof or any related or associated disease outbreaks, epidemics or pandemics.

"***Current Records***" has the meaning set forth in Section 2.1(j).

"***Data Room***" means the datasite labeled "Project Mercury".

"***Department***" means each of (a) the State of California Department of Public Health and (b) the State of Nevada Department of Health and Human Services.

"***Deposit***" has the meaning set forth in Section 1.2.

"***Deposit Release Instructions***" has the meaning set forth in Section 1.2.

"***Designated Assignee***" has the meaning set forth in Section 10.1.

"***Disclosure Updates***" has the meaning set forth in Section 4.26.

"***Due Diligence Expiration Period***" has the meaning set forth in Section 2.8(a).

"***Due Diligence Period***" has the meaning set forth in Section 2.8(c).

"***Employee Benefit Plan***" means any plan, program, agreement or policy for the benefit of any current or former employee, director, independent contractor, or owner (or any dependent or beneficiary thereof) that is (a) a welfare plan within the meaning of Section 3(1) of ERISA, (b) a pension plan within the meaning of Section 3(2) of ERISA, (c) a stock bonus, stock purchase, stock option, restricted stock, stock appreciation right or similar equity-based plan, or (d) any other compensation, deferred-compensation, retirement, welfare-benefit, bonus, incentive, retention, severance pay, sick leave, vacation pay, salary continuation, disability, dental, vision, medical, life insurance or fringe-benefit plan, program, agreement or policy.

"***Encumbrance***" means any charge, claim, condition, equitable interest, lien, encumbrance, license, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first offer or first refusal, buy/sell agreement and any other restriction or covenant with respect to, or condition governing the use, construction, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership.

"***Enforceability Exceptions***" has the meaning set forth in Section 4.3.

"***Environmental Law***" means all Laws that relate to or govern the regulation, quality, protection or improvement of human health, pollution, or the environment, including (a) emissions, discharges, Releases, or threatened Releases of or exposures to Hazardous Substances, (b) protection of public health, the environment or worker health and safety, (c) the manufacture, generation, processing, distribution, handling, transport, use, treatment, storage or disposal of Hazardous Substances, or (d) recordkeeping, notification, warning, disclosure and reporting requirements respecting Hazardous Substances.

"***ERC Filing***" means the filing of IRS Form 941-X (and other related federal and state payroll Tax returns, to the extent filing is required by Law) to claim the "employee retention credit" under Section 3134 of the Code.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

"***Escrow Agent***" means Landmark Abstract Agency, LLC.

"***Escrow Agreement***" has the meaning set forth in Section 1.2.

"***Escrow Facility(ies)***" has the meaning set forth in Section 7.4(a).

"***Escrow Facility Allocated Escrow Fund***" has the meaning set forth in Section 7.4(c).

"***Escrowed Funds***" has the meaning set forth in Section 2.1(n).

"***Escrow Facility Closing***" has the meaning set forth in Section 7.4(b).

"***Excluded Assets***" has the meaning set forth in Section 2.5.

"***Excludable Facility(ies)***" means one or more Facilities that (a) has/have been decertified by the Department, (b) has/have been designated as a Special Focus Facility or designated in writing as a candidate for Special Focus Facility by the Department, (c) is/are the subject of an investigation by the U.S. Department of Health and Human Services Office of Inspector General or the U.S. Department of Justice, (d) has its operating license terminated or revoked, or (e) is designated an Excludable Facility pursuant to Section 2.7(c).

"***Execution Date***" has the meaning set forth in the Preamble.

"***Existing Landlord***" means the landlord of the applicable Facility as specified in Exhibit A hereto.

"***Existing Landlord Consents***" has the meaning set forth in Section 2.4.

"***Expiration Date***" has the meaning set forth in Section 9.1.

"***Extended Outside Closing Date***" has the meaning set forth in Section 7.4(a).

"***Facility***" or "***Facilities***" have the meaning set forth in the Recitals.

"***Financial Statements***" means the unaudited balance sheets for each of the 2021 and 2022 fiscal years, and the profit and loss statements for the 2023 fiscal year and the profit and loss statements for the calendar months of January through April 2024, in each case, relating to the operations of the Business.

"***First Release Date***" has the meaning set forth in Section 1.3.

"***Fraud***" means, with respect to any Party to this Purchase Agreement, a claim by the other Party against such Party for its knowing and intentional fraud with respect to the making of representations and warranties pursuant to Article IV (in the case of a Transferor) or Article V (in the case of Transferee); *provided*, such knowing and intentional fraud of such Party shall only be deemed to exist if such Party itself (and not any other Person on its behalf (including any Representatives or Affiliates (or any employees of any of the foregoing) of such Party) makes a knowing and intentional misrepresentation of a material fact with the intent that the other Party rely on such fact, coupled with such other Party's detrimental reliance on such fact under circumstances that constitute common law fraud under applicable Law.

"***GAAP***" means U.S. generally accepted accounting principles, as in effect on the Execution Date, consistently applied.

"***Government Reimbursement Program***" means the Medicare program, any relevant state Medicaid program and any other similar or successor federal, state or local health care payment programs with or sponsored by any Governmental Authority (excluding the TRICARE Program).

"***Governmental Authority***" or "***Governmental Entity***" means any federal, state, or local government or any court of competent jurisdiction, administrative agency or commission or other domestic governmental or quasi-governmental authority or instrumentality.

"***Governmental Authorizations***" means all licenses, permits, certificates, grants, franchises, waivers, consents and other similar authorizations or approvals issued by or obtained from a Governmental Entity or any securities exchange.

"***Hazardous Substances***" means any chemicals, materials, compounds or substances defined, regulated, listed or otherwise classified under any applicable Law as a "hazardous substance," "extremely hazardous substance," "hazardous material," "hazardous waste," "universal waste," "mixed waste," "bio-hazardous waste," "medical waste," "radioactive waste," "pharmaceutical waste," "commingled waste," "mold," "toxic substance," "toxin," "pollutant" or "contaminant," including petroleum (including petroleum products, constituents, additives, or derivatives thereof), asbestos, asbestos-containing materials, and polychlorinated biphenyls.

"***HCAI***" has the meaning set forth in Schedule 4.19(j).

"***Healthcare Action***" has the meaning set forth in Schedule 4.19(g).

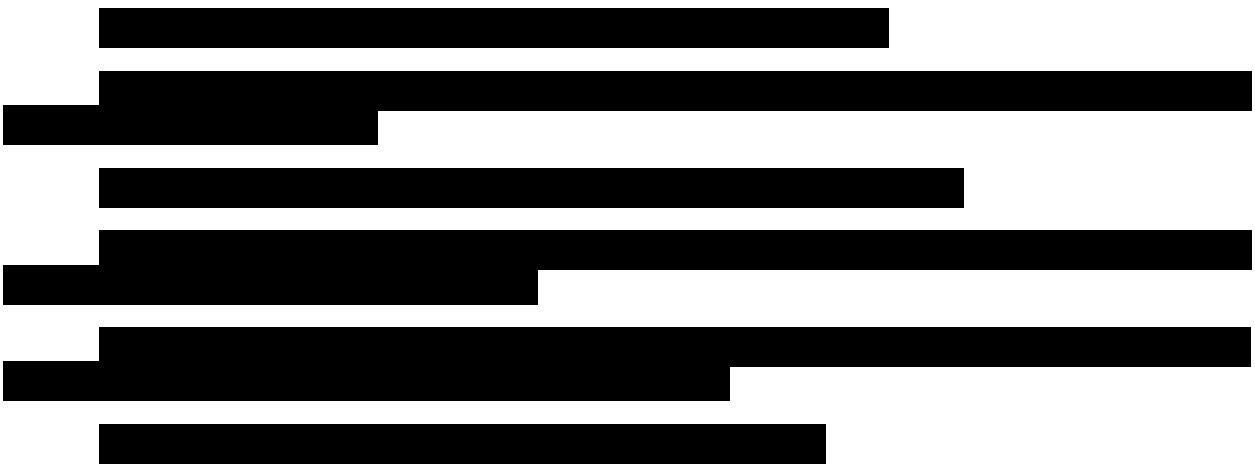
"***Healthcare Authorities***" shall mean any Governmental Entity or any agency, intermediary, authority or entity that possesses the legal authority to regulate the ownership, operation, use or occupancy of the Facilities as nursing facilities, long-term acute care facilities, hospice, rehabilitation, or assisted living facilities, or the reimbursement for health care services by the Government Reimbursement Program.

"***Healthcare Licenses***" has the meaning set forth in Schedule 4.19(a).

"***Healthcare Requirements***" means the requirements of or with respect to Government Reimbursement Programs, Referral Laws, Patient Privacy Requirements, the False Claims Act, 31, U.S.C. Section 3729 et seq. as amended, and 42 USC Section 1320a-7k(d), 42 U.S.C. 1320a-7a(a), and any other federal or state Laws pertaining to or concerned with the establishment, construction, ownership, operation, use or occupancy of each Facility or any part thereof as a nursing facility, long-term acute care facility, assisted living facility or other health care facility and all licenses and permits, including all Laws promulgated by Healthcare Authorities as pertaining to each Facility

"***HIPAA***" means the Health Insurance Portability and Accountability Act of 1996.

"***HUD Approvals***" has the meaning set forth in Section 7.3(b).



[redacted]

"***Intellectual Property Rights***" means any right, title and interest in and to all intellectual property rights throughout the world, including all (a) patents and patent applications, (b) trademarks, (c) copyrights (including rights in software), (d) trade secrets, know-how and rights to proprietary information and data, (e) domain names and websites, (f) the Transferor names and marks, and (g) any registrations or applications for any of the foregoing (excluding such intellectual property listed as an Excluded Asset).

"***Interim Balance Sheet***" means the unaudited consolidated balance sheet which includes Transferor as of September 30, 2023.

"***Interim Balance Sheet Date***" means the date of the Interim Balance Sheet.

"***Inventory***" has the meaning set forth in Section 2.1(d).

"***Knowledge***" means, when used with respect to Transferor, the actual knowledge of any of the following individuals, after reasonable inquiry: [redacted].

"***Law***" means any statute, law, rule, regulation, ordinance, judgment, decree and/or order of any Governmental Authority.

"***Lease Deposit Amount***" means the aggregate amount of Escrowed Funds as of the Closing Date.

"***Leased Real Property***" has the meaning set forth in Section 4.14(b).

"***Lists***" has the meaning set forth in Section 4.9(e).

"***Litigation***" has the meaning set forth in Section 4.8.

"***Loss***" or "***Losses***" in respect of any matter, means any out-of-pocket loss, liability, cost, expense, judgment, settlement or damage actually incurred arising out of or resulting from such matter including, to the extent reasonable, (a) attorneys' fees, and (b) costs of successfully enforcing any Indemnification Obligations; *provided, however*, that in all instances wherever used "Loss" shall be subject to the limitations of Section 9.7.

"***Material Adverse Effect***" means [redacted]



"***Material Contract***" shall have the meaning set forth in Section 4.13(a).

"***Material Repairs***" means non-cosmetic repairs or replacements to any Facility that are structural in nature or involve the electrical, mechanical, fire, life, safety or HVAC systems at any Facility or their roofs.

"***Material Supplier***" shall have the meaning set forth in Section 4.22.

"***New Licenses***" means licenses to operate the Facilities issued by the Department which Transferee and/or the Designated Assignees shall apply for in accordance with the terms and provisions of the OTA.

"***New Operator Employees***" means employees who accept the new operator's or its Affiliate's offers of employment and commence employment with Transferee or its Affiliate pursuant to an OTA.

"***Non-Paying Party***" has the meaning set forth in Section 6.14.

"***Non-Recourse Party***" means, with respect to any Party, any of such Party's former, current and future direct or indirect equityholders, controlling Persons, directors, officers, employees, agents, incorporators, representatives, attorneys, Affiliates, members, managers, general or limited partners, or assignees (or any former, current or future direct or indirect equityholder, controlling Person, director, officer, employee, agent, incorporator, representative, attorney, Affiliate, member, manager, general or limited partner, or assignee of any of the foregoing).

"***OFAC***" has the meaning set forth in Section 4.9(e).

"***Order***" means any writ, order, judgment, injunction, ruling, legally binding agreement, stipulation or decree (including a consent decree) of any Governmental Authority.

"***Ordinary Course***" means the Ordinary Course of Principal Transferor and each other Transferor, except as such conduct of business has been modified by Principal Transferor's and the other Transferors' current responses to the occurrence, continuation or worsening of COVID-19 or otherwise by Principal Transferor's and the other Transferors' compliance with any COVID-19 Events.

"***OSHPD***" has the meaning set forth in Schedule 4.19(j).

"***OTA***" has the meaning set forth in Section 2.6.

"***Out of Compliance***" "means the occurrence of any of the following with respect to any Facility, or any Transferor has received written notice of any of the following with respect to any Facility: (A) a finding by a Governmental Authority of one or more deficiencies at any Facility at a "level G" or above that was or were assessed (x) in the Facility's most recent standard or complaint survey, and has not found to have been corrected such that any Facility is found to be in "substantial compliance" with applicable health care requirements by the applicable Governmental Authority or (y) in any prior survey that required a resurvey with respect to such deficiency which resurvey has not taken place with a finding that any Facility was in substantial compliance with respect to such deficiency; (B) a finding by a Governmental Entity that any Facility has deficiencies that have caused or are likely to cause serious harm, serious injury, serious impairment or death if not immediately rectified to resident health and safety that has not found to have been corrected within the permitted time frame such that a determination of "Immediate Jeopardy" has been abated by the applicable Governmental Entity; (C) a material modification to, or any limit or restriction being placed on, any Facility's licensure or certification or imposition of probationary use of such Facility's license or certifications; (D) a recommendation by a Healthcare Authority to CMS or other Governmental Entity for the imposition against any Facility of civil monetary penalties, or the imposition of same by CMS in an amount in excess of [redacted], to the extent that such civil monetary penalty has not been paid in full; or (E) the imposition of a denial of payment for new admissions or the enforcement of a denial of any Facility's right to admit patients or to receive Medicare or Medicaid payments or reimbursements for existing patients or for new admissions, at such Facility; *provided*, that a Facility shall cease to be "Out of Compliance" at any time when the circumstances giving rise to the foregoing have been remedied or cured to the satisfaction of the applicable health care authorities, including CMS, whether by formal written approval or approval of a remediation plan.

"***Outside Closing Date***" means the eighteen (18) month anniversary of the Execution Date.

"***Party***" and "***Parties***" have the meaning set forth in the Preamble.

"***Patient Care Contracts***" has the meaning set forth in Section 4.13(c).

"***Patient Census Information***" shall mean a true, correct and complete schedule (provided in accordance with Healthcare Requirements related to privacy) which accurately and completely sets forth

the occupancy status of a Facility, the class of payment or reimbursement (i.e., private, third party payor, Medicare, Medicaid, and Veterans Administration), the average monthly census of a Facility, and occupancy rates, in each case as of the date of this Purchase Agreement.

"***Patient Privacy Requirements***" means the applicable requirements of the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996 as amended by the American Recovery and Reinvestment Act of 2009 and the implementing regulations thereunder governing the privacy of individually identifiable health information and the security of such information maintained in electronic form or of any similar state Laws.

"***Paying Party***" has the meaning set forth in Section 6.14.

"***Permits***" has the meaning set forth in Section 2.1(k).

"***Permitted Encumbrance***" means (a) real estate Taxes, other governmental charges, and assessments not yet due and payable, (b) applicable zoning, subdivision, building and other land use Laws and regulations, (c) facts that an accurate survey of the property on which the Facilities are located would disclose, (d) easements, quasi-easements, licenses, covenants, rights of way, rights of re-entry, reservations, restrictions and conditions existing as of the Execution Date which would be shown by a current title report or other similar report or listing, (e) landlord's, lessors', mechanics', materialmen's, warehousemen's, carriers' workers' or repairmen's liens or other similar Encumbrances arising or incurred in the Ordinary Course that do not constitute a material default under any Realty Lease and which are (except in the case of landlords' Encumbrances or lessors' Encumbrances against real property or as permitted under the Realty Leases) for amounts not yet due and payable or which are being contested in good faith if reserves with respect thereto are maintained on the Transferor's books in accordance with GAAP, (f) purchase money Encumbrances and Encumbrances securing rental payments under capital lease arrangements that are set forth on Schedule 2.1(e), (g) Encumbrances created by or resulting from actions of Transferee, (h) Encumbrances that will be terminated in connection with or prior to the Closing, (i) any and all service contracts and agreements affecting any real property that are set forth on Schedule 2.1(e), (j) Encumbrances incurred in the Ordinary Course that would not materially impair the value of the Facilities individually or in the aggregate and not incurred in connection with the borrowing of money by any Transferor, (k) Encumbrances to lenders incurred in deposits made in the Ordinary Course in connection with maintaining bank accounts, (l) deposits or pledges to secure the payment of workers' compensation, unemployment insurance, social security benefits or obligations arising under similar Laws, or to secure the performance of public or statutory obligations, surety or appeal bonds, and other obligations of a like nature, and (m) non-exclusive licenses granted in the Ordinary Course.

"***Person***" means an individual, partnership, venture, unincorporated association, organization, syndicate, corporation, limited liability company, or other entity, trust, trustee, executor, administrator or other legal or personal representative or any government or any agency or political subdivision thereof.

"***Personal Information***" means any information that identifies or, alone or in combination with any other information, could reasonably be used to identify a natural Person, including any information that is considered "personally identifiable information", "personal information", or "personal data" under applicable Laws, and all data associated with any of the foregoing that are or could reasonably be used to develop a profile or record of the activities of a natural Person across multiple websites or online services, to predict or infer the preferences, interests or other characteristics of a natural Person or to target advertisements or other content to a natural Person.

"***Plan***" means each plan (other than a "multiemployer plan" (within the meaning of Section 3(37) of ERISA) that is maintained, sponsored, contributed to, or required to be contributed to, by any Transferor

for the benefit of any current or former employee, officer, director or individual consultant of any Transferor.

"***PPP***" has the meaning set forth in Section 4.24.

"***PPP Loan***" has the meaning set forth in Section 4.24.

"***Pre-Closing Imposition(s)***" one or more deficiencies identified on any survey of the Facilities by a Governmental Entity that causes a Facility to be Out of Compliance with respect to acts, events, occurrences and/or omissions occurring prior to the Closing Date.

"***Pre-Closing QA Fees***" means all unpaid quality assurance fees and/or bed Taxes owed for any of the Facilities as of the Closing Date (including any estimated amounts not yet billed by the applicable Governmental Authority with respect to periods of operations prior to the Closing Date.

"***Pre-Closing Tax Period***" means any taxable period, or portion thereof, ending on (and including) or prior to the day immediately preceding the Closing Date.

"***Principal Transferor***" has the meaning set forth in Section 1.2.

"***Privacy Laws***" means all applicable Laws issued by any Governmental Entity concerning the privacy, security or processing of Personal Information (including in the jurisdictions where Personal Information was collected), including, as applicable, data breach notification Laws, consumer protection Laws, Laws concerning requirements for website and mobile application privacy policies and practices, Social Security number protection Laws, data security Laws and Laws concerning email, text message or telephone communications, including the Federal Trade Commission Act, the Telephone Consumer Protection Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, the California Consumer Privacy Act of 2018, the Computer Fraud and Abuse Act, the Electronic Communications Privacy Act, and all other similar international, federal, state, provincial and local Laws.

"***Privacy Policies***" means all of Transferor's past or present, internal or public-facing policies, notices and statements concerning the privacy, security or Processing of Personal Information.

"***Public Announcement***" has the meaning set forth in Section 6.5(a).

"***Purchase Agreement***" has the meaning set forth in the Preamble.

"***Purchase Options***" has the meaning set forth in Section 4.14(a).

"***Purchase Price***" has the meaning set forth in Section 1.1.

"***QA Fee Deficiency Payment***" has the meaning set forth in Section 3.5.

"***QA Fees***" has the meaning set forth in Section 4.19(g).

"***Realty Lease***" has the meaning set forth in Section 4.14(b).

"***Realty Lease Assignment***" has the meaning set forth in Section 3.2(b).

"***Recapture Claim***" means claim by any Governmental Entity, Third-Party Payor, RAC audit, ZPIC audit, or any claim of recapture by CMS, the U.S. Office of Inspector General or any other Governmental Entity with respect to an alleged Medicare or Medi-Cal overpayment.

"***Recoupments***" has the meaning set forth in Section 2.2(c)(vi).

"***Related Party Transactions***" has the meaning set forth in Section 4.21.

"***Release***" means any spill, leak, emission, leaking, pumping, emptying, escape, injection, deposit, disposal, discharge, dispersal, leaching, migration or other movement of any Hazardous Substances in, into, under, onto, or through the environment (including ambient air, surface water, ground water, soils, land surface, subsurface strata or workplace).

"***Referral Laws***" means Section 1128B(b) of the Social Security Act, as amended, 42 USC Section 1320a 7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the "Federal Anti-Kickback Statute," Section 1877 of the Social Security Act, as amended, 42 USC Section 1395nn and related regulations (Prohibition Against Certain Referrals), commonly referred to as "Stark Law," 42 USC Section 1320a-7a(a)(5), and any other federal and/or state law prohibiting kickbacks or certain referrals relating or applicable to Medicare, Medicaid or any other state or federal health care programs.

"***Regulatory Approvals***" means the Transferor Regulatory Approvals and the HUD Approvals.

"***Representative***" means, with respect to a particular Person, any director, member, limited or general partner, equityholder, officer, employee, agent, consultant, advisor or other representative of such Person, including outside legal counsel, accountants and financial advisors.

"***Resident***" means a resident and/or patient of any of the Facilities.

"***Resident Agreements***" means all resident / patient agreements between Transferor and each of the Residents (or their legal representative or guardian) of each of the Facilities.

"***Resident Agreements Assignment***" has the meaning set forth in Section 3.2(d).

"***Resident Records***" has the meaning set forth in Section 4.19(z).

"***Resident Trust Funds***" has the meaning set forth in Section 2.1(l).

"***Retained Liabilities***" has the meaning set forth in Section 2.2(c).

"***Stimulus/Relief Funds***" has the meaning set forth in Section 4.24.

"***Straddle Period***" has the meaning set forth in Section 6.14.

"***Tax***" and "***Taxes***" means any federal, state, local, or foreign income, franchise, gross receipts, value added, sales, use, real or personal property, capital stock, payroll, withholding, social security, unemployment, severance, excise, transfer tax, however denominated, and interest or applicable penalties with respect thereto.

"***Tax Returns***" means any report, return, computation, declaration, claim, claim for refund, or information return or statement with respect to Taxes.

"***Third-Party Payor***" means any Person that provides funding for or pays for the cost of professional healthcare services, including the Government Reimbursement Programs, health insurance (or property, casualty, or life insurance covering health benefits), health maintenance organization, managed care plans, self-funded employers or union plans.

"***Third-Party Payor Program***" means any third party governmental or non-governmental payor program pursuant to which healthcare providers qualify for payment or reimbursement for medical or therapeutic care or other goods or services rendered, supplied or administered to any patient by or for any bureau, corporation, agency, commercial insurer, non-public entity, "HMO," "PPO" or other comparable party, including any private insurance program, under which any of Transferor or its Facilities, directly or indirectly, are presently receiving payments or is eligible to receive payments.

"***Third Party Claim***" has the meaning set forth in Section 9.6(a).

"***Top Payor Agreements***" has the meaning set forth in Section 4.19(i).

"***Transaction***" means, collectively, the transactions contemplated by this Purchase Agreement and the other Transaction Documents, including the purchase and sale of the Assets and the assumption of the Assumed Liabilities.

"***Transaction Documents***" means (a) this Purchase Agreement, (b) the Bills of Sale, Realty Lease Assignments, Assumed Contracts Assignments, Resident Agreements Assignments, (c) the OTAs, and (d) all other documents expressly required to be delivered pursuant to this Purchase Agreement or the OTAs.

"***Transaction Expenses***" means, to the extent not paid prior to the Closing, the amount of all fees, costs and expenses incurred by or on behalf of Transferor, or which Principal Transferor is obligated to pay or reimburse, prior to the Closing (including any such fees and expenses incurred by or on behalf of any Transferor or any equity holder of a Transferor) in each case in connection with this Purchase Agreement, including: (a) the amount of any investment banking, accounting, attorney or other professional fees incurred by any of Transferor on or prior to Closing with respect to the transactions contemplated by this Purchase Agreement, (b) the amount of any management or transaction fees incurred by any of Transferor on or prior to Closing in connection with any of the transactions contemplated by this Purchase Agreement, (c) severance or salary continuation or bonus payments and any other compensation payable or benefits provided to any officers or employees of Transferor that become payable or are provided solely as a result of the consummation of the transactions contemplated by this Purchase Agreement and that were agreed by any Transferor prior to the Closing, including any "success fees", retention, change of control or similar bonuses and all amounts payable by Transferor to employees or former employees of Transferor at or in connection with the Closing and arising solely from or otherwise triggered solely by the Closing of the transactions contemplated hereby (excluding, for the avoidance of doubt, any "double trigger" or similar severance payments or benefits provided under any employment agreements, service agreements, or similar agreements that become payable as a result of actions taken by the Transferee or a Transferor on or following the Closing), (d) the employer portion of any payroll or employment Taxes associated with any payments made pursuant to clause (c) that are payable by any Transferor, (e) any fees or expenses associated with obtaining any consents or waivers from third parties (including those required pursuant to the Realty Leases) in connection with the transactions contemplated hereby or satisfying any closing deliverables of Transferor, including obtaining the release and termination of any Encumbrances (other than the Permitted Encumbrances), and (f) any other payments through payroll set forth in this Purchase Agreement.

"***Transfer Taxes***" means sales, use, transfer, documentary, sales, real property transfer, recording, documentary, stamp, registration and other similar Taxes and any conveyance fees or recording fees incurred in connection with the transactions contemplated by this Purchase Agreement.

"***Transferee***" has the meaning set forth in the Preamble.

"***Transferee Indemnified Parties***" has the meaning set forth in Section 9.2.

"***Transferor***" has the meaning set forth in the Preamble.

"***Transferor Confidential Information***" has the meaning set forth in Section 6.5(c).

"***Transferor Indemnified Parties***" has the meaning set forth in Section 9.3.

"***Transferor Regulatory Approvals***" has the meaning set forth in Section 4.4(a).

"***Transferor's A/Rs***" means all outstanding Accounts Receivable with respect to the Facilities which relate to periods immediately prior to the Closing Date, including any Accounts Receivable arising from rate adjustments which relate to a period ending immediately prior to the Closing Date, even if such adjustments occur after the Closing Date, and including any Medicaid lag payments.

"***WARN Act***" means the Worker Adjustment and Retraining Notification Act of 1988, as amended, and California Labor Code section 1401 *et seq*.

Exhibit C-1

Escrow Agreement

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "**Agreement**") is made effective as of March 21, 2024, by and among COVENANT CARE, LLC, a Delaware limited liability company ("**Transferor**"), and CTR PARTNERSHIP, L.P., a Delaware limited partnership ("**Transferee**"), and [redacted] ("**Escrow Agent**").

RECITALS

[redacted]

[redacted]

[redacted]





[Signatures on Next Page]

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IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

TRANSFEROR:

COVENANT CARE, LLC,
a Delaware limited liability company

By: DocuSigned by: Andrew Torok 07DD5BB6083C4C2...

Name: Andrew Torok
Title: Executive Vice President

[Signatures continue on next page]

TRANSFEREE:

CTR PARTNERSHIP, L.P.,
a Delaware limited partnership

By: CareTrust GP, LLC,
a Delaware limited liability company
Its: General Partner

By: CareTrust REIT, Inc.,
a Maryland corporation
Its: Sole Member

By: _____
Name: _____
Title: _____

[Signatures continue on next page]

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ESCROW AGENT:



EXHIBIT A

ESCROW AGENT'S WIRING INSTRUCTIONS

[redacted]

WIRING INSTRUCTIONS

[redacted]

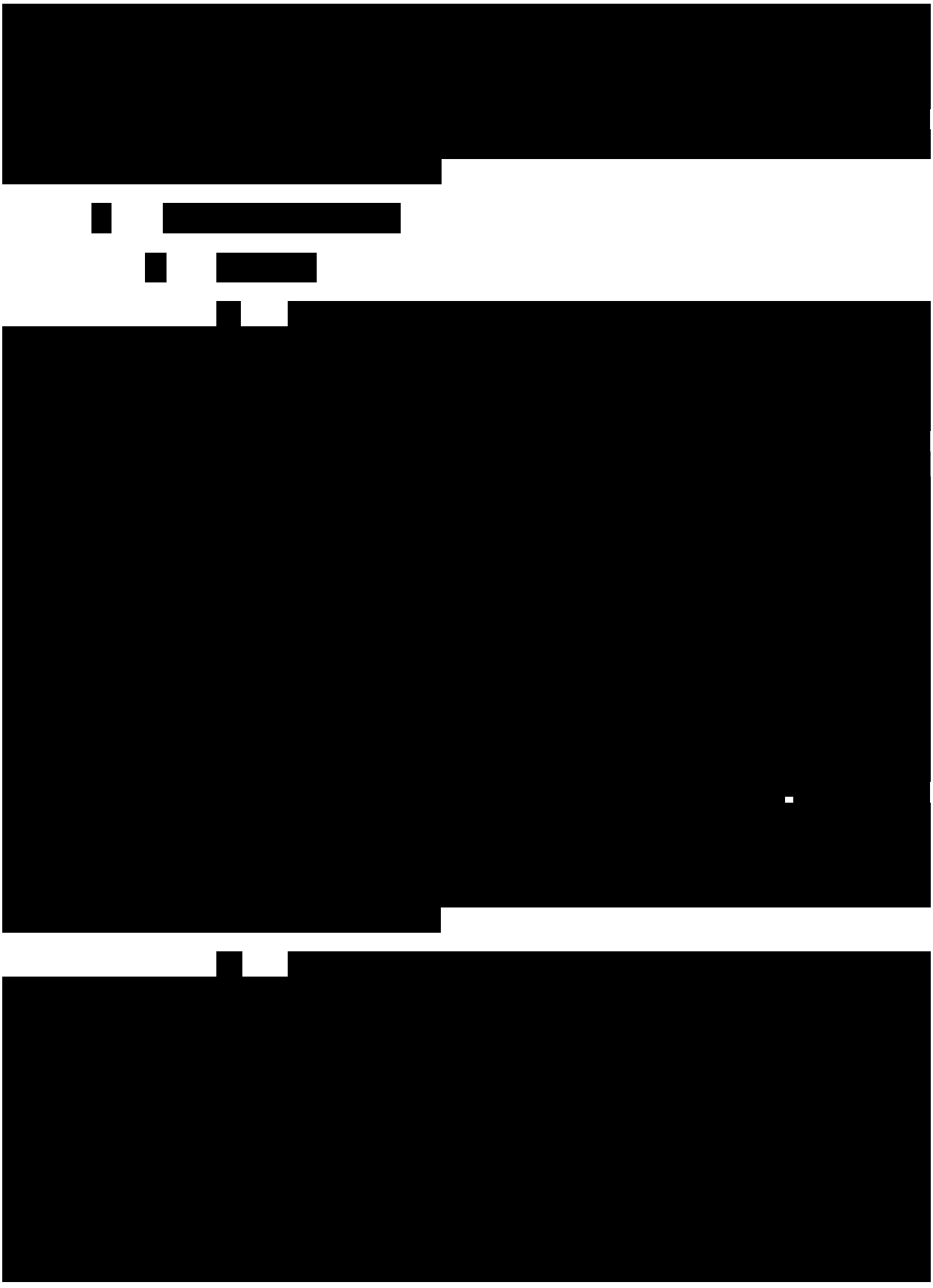
PLEASE REFERENCE THE TITLE NUMBER, DEAL NAME OR PROPERTY ADDRESS ON THE WIRE

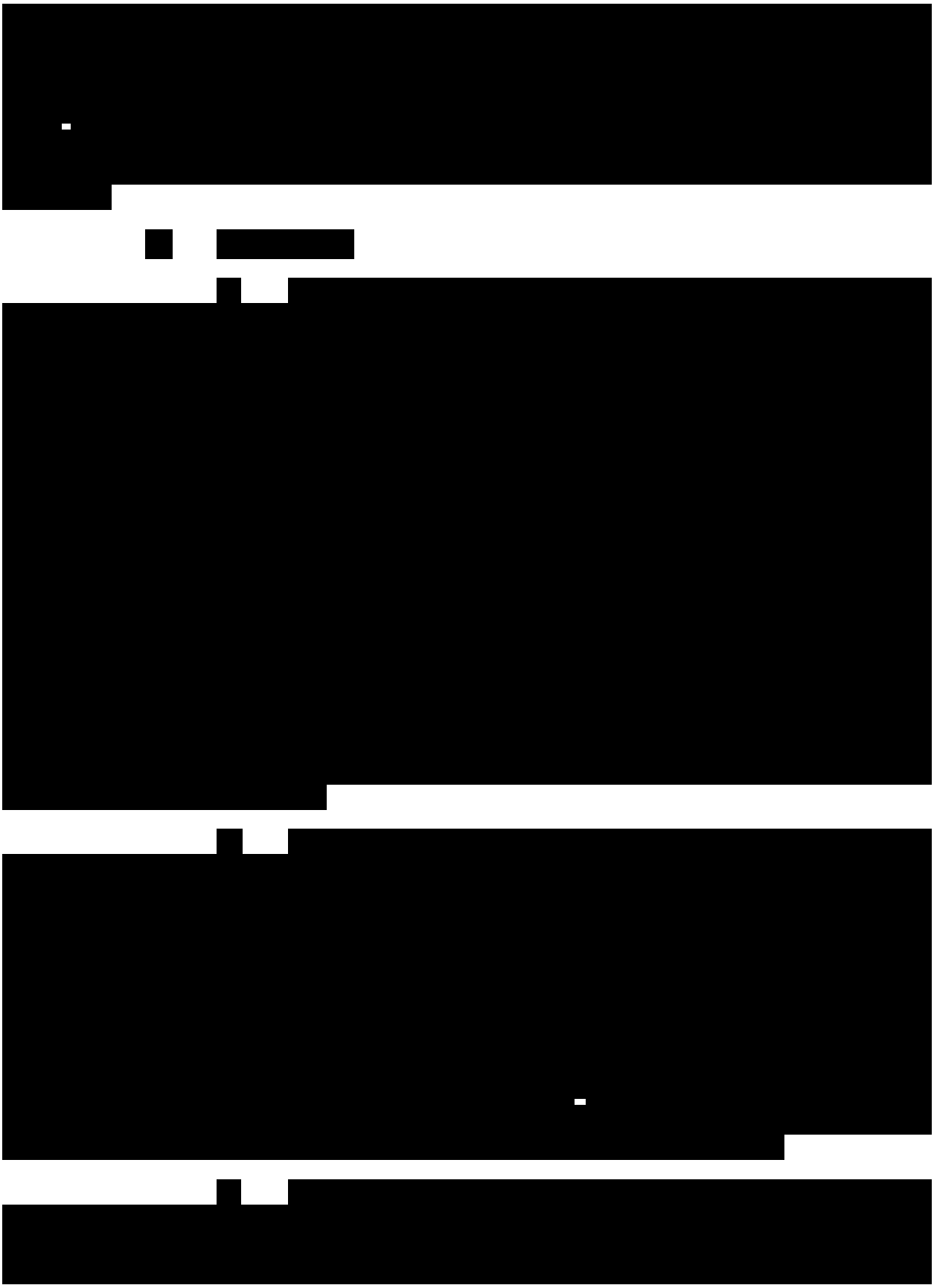
DO NOT WIRE FUNDS TO THIS OFFICE WITHOUT VERBALLY CONFIRMING OUR WIRING INSTRUCTIONS.

THANK YOU

[redacted]





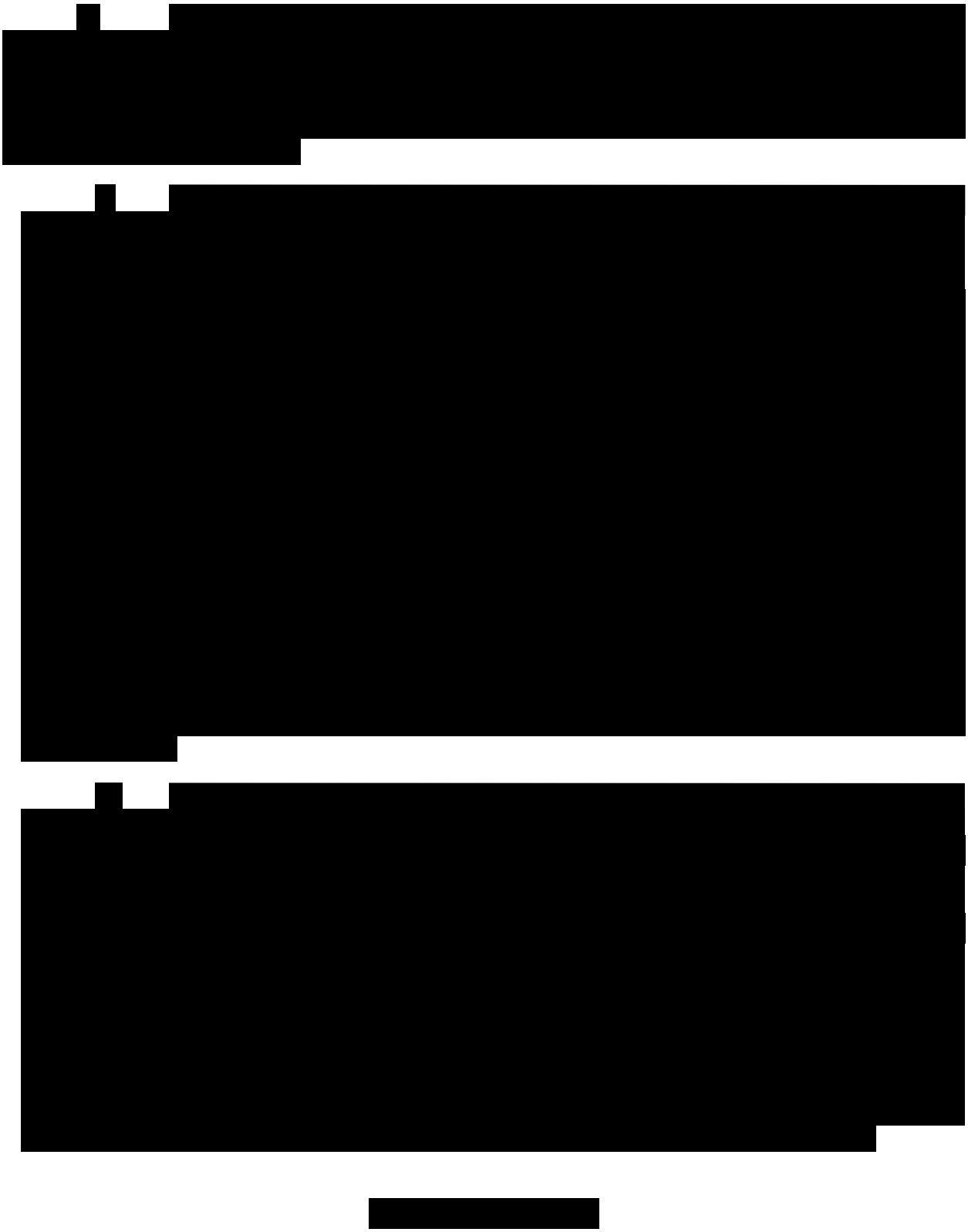












[redacted]

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[redacted]

[redacted] _____

[redacted] _____

_____

Schedule 1

Designated Assignees

Schedule 2

Schedule 2

Transferor Opco

Schedule 3

Schedule 3

OTA

Exhibit D

Form of OTA

OPERATIONS TRANSFER AGREEMENT

This OPERATIONS TRANSFER AGREEMENT (this "Agreement") is made and entered into as of this _____ day of _____, 2024 (the "Execution Date"), by and between _____, a _____ ("Licensee"), and _____, a _____ ("New Operator").

RECITALS

A. **WHEREAS**, Licensee is the licensed operator of that certain _____-bed skilled nursing facility commonly known as _____, located at _____ (the "Facility"), which is owned by _____ (the "Landlord") pursuant to a lease between the Licensee and the Landlord (as amended, the "Existing Lease").

B. **WHEREAS**, CTR Partnership, L.P., a Delaware limited partnership (the "Purchaser"), Licensee and certain affiliates of Licensee have entered into that certain Asset Purchase Agreement, dated as of _____, __ 2024 (as amended, the "Purchase Agreement"), which provides for the sale, assignment and transfer to Purchaser or a Designated Assignee of the Assets, including, without limitation, the operating assets with respect to the Facility and the operations of the Facility. Capitalized terms used and not otherwise defined herein, shall have the meaning ascribed to such terms in the Purchase Agreement;

C. **WHEREAS**, pursuant to the Purchase Agreement, and this Agreement, on the Operations Transfer Date (as defined below), Licensee shall (1) assign all of its rights, title and interests in, to and under the Existing Lease to the New Operator, and (2) transfer all of the Assets and Assumed Liabilities with respect to the Facility to New Operator; and New Operator shall pay, perform, and discharge when due, all the liabilities, obligations and commitments under the Existing Lease and any applicable Resident Agreement, subject to the Purchase Agreement, to the extent, and only to the extent, that relate to or first occur on or after the Operations Transfer Date;

D. **WHEREAS**, New Operator has filed, or will file within thirty (30) days after the Execution Date, its applications for the New Licenses (as defined below) and obtained the Permits for the Facility; and

E. **WHEREAS**, in order to facilitate a transition of operational and financial responsibility from Licensee to New Operator in a manner which will ensure the continued operation of the Facility from and after the Operations Transfer Date in compliance with [the Existing Lease] and applicable Law and in a manner which does not jeopardize the health and welfare of the Residents, Licensee and New Operator hereby document the terms and conditions on the transition of operational and financial responsibility from Licensee to New Operator.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants of the parties set forth herein, it is hereby agreed as follows:

1. Operations Transfer Date. For purposes hereof, the "Operations Transfer Date" shall be (a) in respect of a Facility, the Closing Date or (b) in respect of an Escrow Facility, the date of the Escrow Facility Closing.

2. Condition Precedent. For purposes hereof, the "Condition Precedent" to the transfer of operations shall be that the Closing or Escrow Facility Closing, as applicable, has occurred under the Purchase Agreement.

3. New Licenses and Transition Period.

3.1 New Operator will file, no later than thirty (30) days following the Execution Date, application(s) for a license to operate the Facility (the "New License") with the ***[*****State of California Department of Public Health / State of Nevada Department of Health and Human Services******]*** (the "Department"), and shall promptly file with the Department such additional documents as may be required or requested in connection with such application(s). New Operator shall file applications for the Ancillary Permits and Approvals (as defined below) as and when permitted or required under the Laws of the applicable issuing Governmental Authority. New Operator will provide Licensee with proof of its filed applications for the New License promptly after its filing of the application(s) and copies of the filed applications for the New Licenses. New Operator shall diligently proceed to secure the New License and the Ancillary Permits and Approvals and shall (a) from time to time, upon request of Licensee, advise Licensee of the status of New Operator's efforts to secure the New Licenses and the Ancillary Permits and Approvals, (b) promptly advise Licensee once New Operator has received confirmation of the date on which the New License will be issued, (c) promptly upon receipt of a request therefor from Licensee, provide Licensee with copies of the document(s) evidencing the approval of the New Operator pursuant to ***[*****Section 1253.3(i) of the California Health and Safety Code[1]******]***, and copies of the New License, and (d) provide copies of material correspondence with the Department promptly following receipt. For purposes hereof, "Ancillary Permits and Approvals" shall mean all ancillary permits or licenses required for the operation of the Facility from and after the Operations Transfer Date including, but not limited to, the Medicare tie in notice and Medicaid provider agreement, business licenses, food service permits, elevator permits, vending machine permits, beauty shop licenses and CLIA waivers. Hereinafter, the New Licenses and the Ancillary Permits and Approvals will be collectively referred to as the "Regulatory Approvals." The parties will use reasonable efforts to cooperate by providing such information necessary for New Operator to file the application for the Regulatory Approvals contemplated under this Section 3.1.

[1] Need to revise subpart (c) for Nevada Facilities.

3.2 To the extent permitted by Law, and subject to the receipt of the New License and the Ancillary Permits and Approvals, effective as of the Operations Transfer Date, New Operator shall have the right to:

(a) bill Medicare using Licensee's Medicare provider number and Licensee's provider and reimbursement agreement (the "Medicare Agreement"); and

(b) bill Medicaid using Licensee's Medicaid provider number and Licensee's provider and reimbursement agreement (the "Medicaid Agreement").

New Operator shall provide all notices and make all necessary filings as required under applicable Law in order for New Operator to become the certified Medicare and Medicaid provider at the Facility. So long as New Operator is utilizing its commercially reasonable efforts to become the certified Medicare and Medicaid provider at the Facility, New Operator shall be permitted to bill under the Medicare Agreement and Medicaid Agreement, utilizing Licensee's Submitter ID and NPI numbers and/or Medicaid provider number, as applicable, during the period (the "Transition Period") that commences on the Operations Transfer Date and that ends on the earlier of (i) in the case of Medicare, the issuance of the Medicare tie-in notice or in the case of Medicaid, the issuance of the new Medicaid number and related provider agreement to New Operator, or (ii) the date which is [redacted] following the Operations Transfer Date. If, notwithstanding New Operator's continuing commercially reasonable efforts, the Medicare tie-in notice shall not have been issued or a new Medicaid provider agreement shall not have been issued to New Operator within such [redacted] period, as applicable, Licensee, upon New Operator's written request, shall agree to such reasonable extensions of the Transition Period as may be necessary for New Operator to complete the applicable certification process. In no event shall New Operator bill under the Medicare Agreement or Medicaid Agreement following expiration of the Transition Period. New Operator shall indemnify and hold Licensee harmless from and against any and all liabilities arising out of New Operator's use of the Medicare Agreement and/or Medicaid Agreement following the Operations Transfer Date.

3.3 [redacted]

[redacted]

3.4 During the Transition Period, Licensee shall also allow New Operator, at no out-of-pocket cost or expense to Licensee, to bill and receive reimbursement for goods sold and services rendered at the Facility under its Payor Contracts (as hereinafter defined) while New Operator completes its own contracting process with Third-Party Payors; *provided, however*, nothing herein shall be construed as an assurance whether or to what extent New Operator will have the right, as a matter of law or contract, to bill the Third-Party Payors under Licensee's Payor Contracts. In furtherance and not in limitation of the foregoing, Licensee acknowledges that New Operator may be required to use an outside service provider for purposes of implementing the rights granted to New Operator under this Section 3.3, and New Operator acknowledges that any and all costs and expenses of such outside service provider shall be the sole responsibility of New Operator. Notwithstanding anything to the contrary in the foregoing, Licensee shall not voluntarily terminate any Payor Contracts for the Facility without the prior written consent of New Operator (not to be unreasonably withheld, delayed, or conditioned) and New Operator shall provide Licensee advance notice should it: (a) elect to terminate or not renew any such contract; or (b) become aware of involuntary termination of any such contract. "Payor Contracts" shall mean all contracts with various Third-Party Payors, including those which are specific to the Facility and those which cover the Facility as well as other facilities operated by Licensee's Affiliates; *provided, however*, that the term "Payor Contracts" shall exclude the Medicare Agreement and the Medicaid Agreement. New Operator acknowledges and agrees that in no event will New Operator have the right to assume any of Licensee's Payor Contracts and that New Operator shall be required to obtain the same in its own name. New Operator shall indemnify and hold Licensee harmless from and against any and all liabilities arising out of New Operator's billing arrangements with Third-Party Payors following the Operations Transfer Date.

3.5 If necessary, New Operator and Licensee agree to provide each other, upon reasonable request and in a timely manner, with copies of all Medicare and Medicaid or Third-Party Payor program reimbursement requests pertaining to the Facility submitted to any applicable fiscal intermediary whether before or after the Operations Transfer Date. Each party agrees to take all reasonable steps to assist the other in processing claims and obtaining payments for services rendered under such applicable programs in which the Facility participates (a) in the case of New Operator, from and after the Operations Transfer Date, and (b) in the case of Licensee, prior to the Operations Transfer Date. The party being assisted agrees to reimburse the party rendering assistance for any reasonable documented out-of-pocket expenses incurred by the assisting party in rendering such assistance. In furtherance of the obligations pursuant to this Article 3, the parties agree as follows: (i) Licensee shall provide New Operator current access to Licensee's [redacted]

[redacted] or applicable EMR vendor, portal access, codes and passwords for all Third-Party Payors which participate in electronic billing so that New Operator may do the billing for the Facility for residential care and services provided throughout the duration of this Agreement; (ii) unless specifically requested by New Operator, Licensee will not do any billing for any residential care and services provided by New Operator; and (iii) neither Licensee nor New Operator shall change any of the access codes without first notifying the other and providing it with the new (updated) access codes.

4. Accounts Receivable.

4.1 Licensee shall retain whatever right, title and interest it may have in and to all outstanding Accounts Receivable with respect to the Facility which relate to periods immediately prior to the Operations Transfer Date, including any Accounts Receivable arising from rate adjustments which relate to a period ending immediately prior to the Operations Transfer Date even if such adjustments occur after the Operations Transfer Date, and including any Medicaid lag payments (collectively, "Licensee's A/R"). Licensee acknowledges that New Operator owns all Accounts Receivable arising from services provided by or at the Facility from and after the Operations Transfer Date (collectively, "New Operator's A/R").

4.2 Payments received by New Operator on and after the Operations Transfer Date from Third-Party Payors shall be handled as follows:

(a) if such payments either specifically indicate on the accompanying remittance advice, or if Licensee and New Operator agree that such payments relate to the period ending immediately prior to the Operations Transfer Date, they shall be forwarded by New Operator to Licensee, along with the applicable remittance advice, within seven (7) Business Days after receipt thereof; and

(b) if such payments indicate on the accompanying remittance advice, or if Licensee and New Operator agree that such payments relate to the period on and after the Operations Transfer Date, they shall be retained by New Operator.

4.3 Payments received by Licensee on and after the Operations Transfer Date from Third-Party Payors shall be handled as follows:

(a) if such payments either specifically indicate on the accompanying remittance advice, or if Licensee and New Operator agree that such payments relate to the period on and after the Operations Transfer Date, they shall be forwarded by Licensee to New Operator, along with the applicable remittance advice, within seven (7) Business Days after receipt thereof; and

(b) if such payments indicate on the accompanying remittance advice, or if Licensee and New Operator agree that they relate to the period ending on or immediately prior to the Operations Transfer Date, they shall be retained by Licensee.

4.4 If such payments indicate on the accompanying remittance advice, or if the Licensee and New Operator agree, that they relate to periods for which both parties are entitled to reimbursement under the terms hereof, the portion thereof which relates to the period prior to the Operations Transfer Date shall be disbursed to or retained by Licensee and the balance shall be retained by or remitted to New Operator, in either case, in accordance with the provisions of Sections 4.2 and 4.3 of this Agreement.

4.5 If the remittance advice indicates or Licensee and New Operator agree that any payment relates to periods both prior to or on and after the Operations Transfer Date, the party receiving the payment shall forward the amount relating to the other party's operation of the Facility, along with the applicable remittance advice, within seven (7) Business Days after receipt thereof. If the remittance advice does not indicate the period to which a payment relates or whether it is for Licensee or New Operator, or if there is no accompanying remittance advice, or the payment is not otherwise identifiable using commercially reasonable efforts, and if the parties do not otherwise agree as to how to apply such payment, then one hundred percent (100%) of such payments received within the first [redacted] after the Operations Transfer Date shall be deemed to have been collected in respect of Licensee's A/R due from the payee in respect of services provided prior to the Operations Transfer Date. All such payments received in excess of the amount of Licensee's A/R due from said payee and all such payments received [redacted] after the Operations Transfer Date shall be deemed to have been collected in respect of New Operator's A/R from said payee. All such payments received by New Operator but which are deemed to be due to Licensee under this Section 4.5 shall be forwarded by New Operator to Licensee within seven (7) Business Days after receipt thereof, and all such payments received by Licensee but which are deemed to be due to New Operator under this Section 4.5 shall be forwarded by Licensee to New Operator within seven (7) Business Days after receipt thereof. All such payments received by Licensee which are deemed to have been collected in respect to Licensee's A/R shall be retained by Licensee and all such payments received by New Operator which are deemed to have been collected in respect to New Operator's A/R shall be retained by New Operator. New Operator shall pay to Licensee any and all reimbursements including retroactive rate adjustments, appeal settlements and/or Cost Report settlements for all Cost Report periods with fiscal years ended prior to the Operations Transfer Date that it receives after the Operations Transfer Date. If a payor offsets New Operator's A/R due to post-Closing activities or obligations of Licensee, Licensee shall pay such offset amounts to New Operator.

4.6 After the Operations Transfer Date, both Licensee and New Operator shall have the right, and any agent or representative retained by the foregoing shall have the right on behalf of Licensee or New Operator, as applicable, to engage in any commercially reasonable collection activities with respect to any unpaid Licensee's A/R, including private pay amounts.

4.7 To the extent that New Operator or any of its Affiliates receives any mail or packages addressed to Licensee or any of its Affiliates not relating to the Assets or the Assumed Liabilities relating to the Facility, New Operator shall promptly deliver such mail or packages to Licensee. After the Operations Transfer Date, New Operator may deliver to Licensee any checks or drafts made payable to Licensee or its Affiliates that constitutes New Operator's A/R, and Licensee shall promptly deposit or cause to be deposited such checks or drafts and, upon receipt of funds, reimburse New Operator within ten (10) Business Days for the amounts of all such checks

or drafts, or, if so requested by New Operator, endorse such checks or drafts to New Operator for collection. To the extent Licensee or its Affiliates receives any mail or packages addressed to Licensee or its Affiliates but relating to the Assets or the Assumed Liabilities relating to the Facility, Licensee shall promptly deliver such mail or packages to New Operator. After the Operations Transfer Date, to the extent that New Operator receives any cash or checks or drafts made payable to Transferee that constitutes Licensee's A/R, New Operator shall promptly use such cash to, or deposit such checks or drafts and upon receipt of funds from such checks or drafts, reimburse Licensee within ten (10) Business Days for such amount received, or, if so requested by Licensee, endorse such checks or drafts to Licensee for collection. The parties may not assert any set off, hold back, escrow or other restriction against any payment described in this Section 4.7, which includes, for the avoidance of doubt, Licensee's A/R.

4.8 In the event the parties mutually determine that any Third-Party Payors or private pay residents are entitled to a refund of payments, the portion thereof that relates to the period from and after the Operations Transfer Date shall be paid by New Operator and the portion thereof that relates to the period prior to the Operations Transfer Date shall be paid by Licensee to such Third-Party Payor or private pay resident.

4.9 In the event the parties mutually determine that any payment hereunder was misapplied by the parties, the party which erroneously received said payment shall remit the same to the other within seven (7) Business Days after said determination is made.

4.10 Until the earlier of (a) the date that Licensee receives payment of all Licensee's A/R, and (b) [redacted] after the Operations Transfer Date, New Operator shall provide Licensee with an accounting before the end of each month setting forth all amounts received by New Operator during the preceding month with respect to the Licensee's A/R.

4.11 For a period of [redacted] after the Operations Transfer Date, Licensee shall provide New Operator with an accounting setting forth all amounts received by Licensee during the preceding month with respect to payments from the Residents which are due and owing to the New Operator in accordance with the terms of this Section 4, which accounting shall be accompanied by applicable remittance advices.

4.12 For a period of [redacted] after the Operations Transfer Date, Licensee and New Operator shall have the right to request an inspection, no more frequently than once per month, all cash receipts of the other party. Such inspection shall occur during weekday business hours on reasonable prior written notice in order to confirm such party's compliance with the obligations imposed on it under this Section 4.

4.13 [redacted]

[redacted]

4.14 New Operator and Licensee acknowledge that the Facility may be entitled to payments made under the Workforce & Quality Incentive Program (Welfare and Institutions Code section 14126.024) ("WQIP Payments") attributable to qualifying Medi-Cal days occurring prior to and after the Closing. For purposes of this Section 4.14, all WQIP Payments attributable to services rendered on and after the Operations Transfer Date shall be for the account of New Operator, and all WQIP Payments attributable to services rendered before the Operations Transfer Date shall be for the account of Licensee. WQIP Payments shall be apportioned between New Operator and Licensee in proportion to the number of qualifying Medi-Cal days for which each provided care, multiplied by the relevant Facility's per day payment rate as determined by DHCS. All WQIP Payments belonging to (a) Licensee that are received by New Operator shall be remitted to Licensee by New Operator or (b) New Operator that are received by Licensee shall be remitted to New Operator by Licensee, in each case, within ten (10) days of receipt.

4.15 Licensee hereby covenants and agrees that they will reasonably cooperate with New Operator in obtaining accounts receivable financing for the Facility, if New Operator elects to do so. In connection therewith, each of Licensee and New Operator hereby agree that they shall use their commercially reasonable efforts to enter into an agreement between Licensee's accounts receivable lender and New Operator's accounts receivable lender addressing the collection and disbursement of any New Operator's A/R deposited into any of Licensee's bank accounts, which agreement shall be in such form acceptable to Licensee, New Operator and each of their respective accounts receivable lender.

5. Transfer of Resident Funds. To the extent permitted by applicable Law, at the Operations Transfer Date, Licensee shall deliver to New Operator (a) all Resident Trust Funds then held by Licensee with respect to the Residents at the Facility, (b) original copies of the trust fund records of the Resident Trust Funds for the Facility, and (c) a written statement that sets forth the Resident Trust Funds for the Facility as of the Operations Transfer Date (with no negative balances). Within ten (10) Business Days following the Operations Transfer Date, or as soon as reasonably able thereafter, Licensee shall prepare and deliver to New Operator a true, correct and complete accounting, properly reconciled and balanced, of the Resident Trust Funds as of the Operations Transfer Date. Licensee shall transfer such the Resident Trust Funds for the Facility to a bank account designated by the New Operator and the New Operator shall, in writing, acknowledge receipt of and expressly assume Licensee's financial and custodial obligations with respect thereto. In furtherance of the above, it is acknowledged and agreed that after the Operations Transfer Date, New Operator will manage Licensee's Resident Fund Management Service account ("RFMS Account") until such time as New Operator has its own RFMS Account, but in no event longer than four (4) months following the Operations Transfer Date. Licensee and New Operator will use commercially reasonable efforts to cooperate in New Operator's management of

Licensee's RFMS Account, including (without limitation) (i) coordinating requisite access for New Operator to Licensee's RFMS Account, (ii) Licensee creating and processing applicable refunds of Resident Trust Property for any Residents discharged prior to the Operations Transfer Date, and (iii) New Operator providing monthly reconciliation reports to Licensee. [redacted]

6. Cost Reports.

6.1 Licensee shall prepare and file its final Medicare and Medicaid Cost Reports covering its operation of the Facility through the Operations Transfer Date as soon as reasonably practicable after the Operations Transfer Date, but in no event later than the date on which such final Cost Report is required to be filed by applicable Law under the terms of the Medicare and/or Medicaid program, and will provide the fiscal intermediary, CMS or applicable Medicaid agency with any information needed to support claims for reimbursement made by Licensee either in said final Cost Report or in any Cost Reports filed for prior cost reporting periods. Simultaneously with such filing, Licensee shall provide New Operator with a copy of the final Medicare and Medicaid Cost Reports and such supporting documentation reasonably requested by New Operator in writing.

6.2 Licensee and New Operator shall comply with all patient identity and information protection Laws in providing information under this Section 6.

6.3 In the event that, following the Operations Transfer Date, New Operator or any of its Affiliates suffers any offsets against reimbursement under any Third-Party Payor or reimbursement programs owed to such party relating to amounts owing under any such program by Licensee or any of its Affiliates for services rendered prior to the Operations Transfer Date, Licensee shall reasonably promptly upon written demand from New Operator pay to New Operator the amounts so billed or offset, even if Licensee appeals the adverse claim. To the extent that Licensee is successful in any appeal of any adverse audit adjustments, overpayment, recoupment, fine, penalty, late charge or assessment by any Third-Party Payor or reimbursement program accruing for any period ending on or prior to the Operations Transfer Date, and New Operator or its Affiliates receive any monies from a Third-Party Payor or reimbursement program as a result of Licensee's successful appeal, then New Operator and/or its Affiliates agree that it will promptly refund to Licensee any amounts previously paid by Licensee to New Operator for any reimbursement offsets in accordance with the preceding sentence.

7. Employees.

7.1 Shortly after the Execution Date, Licensee shall provide a list of employees of the Facility to the New Operator (the "Facility Employee List"). At least ten (10) days prior to the Operations Transfer Date, Licensee shall update the Facility Employee List to reflect new hires and terminations of employment that occurred after the Execution Date. The list of employees

shall include all persons employed by Transferor at any Facility; *provided,* that it need not list the administrator or directors of nursing.

7.2 Not less than five (5) days prior to the Operations Transfer Date, New Operator shall (or shall cause one of its Affiliates to) offer in writing employment to all employees of Licensee (other than administrators, directors of nurses, or employees whose principal worksite is the Resource Centre in Aliso Viejo), effective as of the Operations Transfer Date (and subject to such employee's continued employment with Licensee as of immediately prior to the Operations Transfer Date), on the terms and conditions set forth in this Section 7.2. Employees who accept New Operator's (or its Affiliate's) offers of employment and commence employment with New Operator are referred to herein as "New Operator Employees." The employment of each New Operator Employee shall be effective as of the Operations Transfer Date. Nothing contained in this Agreement shall constitute a guaranty of employment or continued employment of any kind for any current or former employee of Licensee, whether or not such employee is hired by New Operator.

7.3 New Operator's or its Affiliate's offer of employment to New Operator Employees pursuant to Section 7.2 above shall commence at the Operations Transfer Date, such that those New Operator Employees shall not experience a period of unemployment in connection with the transactions contemplated herein.

7.4 Except as otherwise required by Law, Licensee shall pay the employees at the Facility in accordance with its standard payroll practice, all earned wages due and payable as of the Operations Transfer Date (irrespective of the termination of employment contemplated to occur as of the Operations Transfer Date), and any severance, retention bonus or other change in control payment payable to any New Operator Employee that becomes due or owed as a result of the consummation of the transactions contemplated by this Agreement and the Purchase Agreement. In accordance with applicable Laws and provided that such payment is consistent with Licensee's applicable policies, Licensee shall on the Operations Transfer Date pay to the New Operator Employees an amount equal to one hundred percent (100%) of the New Operator Employees' paid time off, personal leave, sick days and vacation benefits as of the Operations Transfer Date.

7.5 Except for those employees employed under a Collective Bargaining Agreement, all New Operator Employees hired by New Operator who accept and commence employment with New Operator following the Operations Transfer Date shall be employed by New Operator on an "at will" basis; *provided,* that, during the first sixty (60) days following the Operations Transfer Date, no employee shall suffer termination without cause or any reduction in wages, benefits or other terms and conditions of employment, economic or otherwise in accordance with section 1267.62 of the California Health and Safety Code.[2] New Operator shall initially employ New Operator Employees on the following terms and conditions in such manner as not to trigger WARN Act liability: (i) comparable base salary or rates of pay as in effect immediately prior to the Operations Transfer Date, and (ii) employee benefits that are comparable in the aggregate to the benefits that are provided by Licensee to its employees under the Plans at

[2] **Note to Draft**: The proviso clause should only be in the CA OTAs.

the Facility. In furtherance and not in limitation of the foregoing, New Operator shall treat prior service with Licensee as service with New Operator for purposes of determining eligibility to receive and participate in all benefits programs maintained by New Operator. All New Operator Employees who are employed under a Collective Bargaining Agreement and accept and commence employment with New Operator shall continue to be employed in accordance with the terms and conditions of such Collective Bargaining Agreements following the Operations Transfer Date, and New Operator shall assume and comply with the terms and conditions of such Collective Bargaining Agreements. This Agreement shall not create and shall not be deemed to create or grant to any New Operator Employee any third-party beneficiary rights or claims or any cause of action of any kind or nature. New Operator shall indemnify, defend and hold Licensee harmless from and against any claim, cost or liability arising under the WARN Act or Section 1267.62 of the California Health and Safety Code as a result of New Operator's failure to offer employment to any employee of Licensee as required by this Agreement.

7.6 New Operator shall be responsible for any and all liabilities arising out of or with respect to any New Operator Employee arising with respect to employment by New Operator on or after the Operations Transfer Date or attributable to events or circumstances occurring on or after the Operations Transfer Date.

7.7 The parties acknowledge and agree that all provisions contained in this Section 7 with respect to employees are included for the sole benefit of the respective parties and shall not create any right (i) in any other Person, including any employees, former employees, any participant in any Plan or New Operator Plan (as defined below) or any beneficiary thereof, or (ii) to continued employment with Licensee or New Operator, or particular benefits or coverage in any Plan or New Operator Plan. For the avoidance of doubt, (A) the provisions of this Section 7 shall not constitute an amendment to any Plan or New Operator Plan, and (B) in no event shall any employee, former employee, any participant in any Plan or New Operator Plan or any beneficiary thereof or any other Person described herein be a third-party beneficiary for purposes of this Agreement.

7.8 On and after the Operations Transfer Date, New Operator shall provide New Operator Employees who accept employment with New Operator, as well as eligible dependents of such employees (collectively, with the New Operator Employees, "Affected Participants") the opportunity to participate in the applicable employee benefit plans, programs or policies maintained or established by New Operator that are comparable to the plans and benefits New Operator or its Affiliates provide at its other skilled nursing facility operations (each, a "New Operator Plan"), which may include medical, dental, vision, and/or any other applicable group medical plan, program, insurance coverage or arrangement.

7.9 Licensee has included, as part of Schedule 7.2 hereto, a list of all foreign nationals employed at the Facility who are working under a visa or other work authorization. To the best of Licensee's knowledge after appropriate inquiry: (i) all foreign workers have provided to Licensee copies of valid identity and work authorization documents, (ii) no such work authorizations have expired or been revoked, and (iii) Licensee has in its possession original I-9 forms and copies of valid supporting documentation for all of Licensee's employees.

7.10 Licensee represents that it has submitted to CMS, or will submit to CMS prior to the Operations Transfer 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 Operations Transfer Date in accordance with Section 6106 of the Affordable Care Act (ACA) and related regulations. Within ten (10) days following the Operations Transfer Date, Licensee shall deliver to New Operator either (i) the PBJ Acceptance Report received by Licensee upon successful submission of PBJ data, or (ii) the raw data file submitted by Licensee, in either case covering the six (6) month period of time ending on the Operations Transfer Date. In the event Licensee fails to timely, accurately and completely submit any PBJ data for the Facility prior to any applicable deadline, New Operator shall have the right but not the responsibility, to prepare, file, complete, correct and otherwise process, at Licensee's expense, such PBJ submissions in Licensee's name and on its behalf. If New Operator elects to prepare, file, complete, correct and/or process any such submission, it shall do so without any legal liability for any errors or omissions therein, and Licensee hereby forever releases, waives, and discharges New Operator from any liability, known or unknown, for its handling of any submission hereunder. Upon request of New Operator, Licensee shall promptly deliver to New Operator, in the format requested by New Operator, any information necessary for New Operator to submit PBJ data for the Facility to CMS prior to the deadline applicable to any such submission.

8. Records. From and after the Operations Transfer Date, New Operator shall allow Licensee and its Affiliates, agents and representatives: (a) to have reasonable access to (upon reasonable notice and during normal business hours), and to make copies of the Current Records with respect to the Facility (at Licensee's expense), to the extent reasonably necessary to enable Licensee to, among other things, investigate and defend malpractice, employee or other claims, to support medical review requests from Medicare or Medicaid, to support Medicare and Medicaid claims appeals, to file or defend Cost Reports and/or Tax Returns, to complete/revise, as needed, any patient assessments which may be required for Licensee to seek reimbursement for services rendered prior to the Operations Transfer Date and to enable Licensee to complete, in accordance with Licensee's policies and procedures, any and all post-Operations Transfer Date accounting, reconciliation and closing procedures including, but not limited to, a month end close out of all accounts including, but not limited to, accounts payable and Medicare and Medicaid billing and (b) reasonable access to the Current Records, including access to the Facility, in order to collect and bill Licensee's A/R until such time as Licensee's A/R has been completely collected. Likewise, from and after the Operations Transfer Date, Licensee shall allow New Operator and its agents reasonable access to (upon reasonable notice and during normal business hours) the records of Licensee that are not transferred to New Operator in accordance with this Purchase Agreement, but only to the extent New Operator reasonably requires such access in connection with accounting, billing, Tax filings or securities filings, Medicare and/or Medicaid filings and appeals. New Operator agrees not to use or disclose any of the information obtained from Licensee except solely for the purposes described herein, and further agrees to maintain this information as confidential in accordance with Section 6.5(b) of the Purchase Agreement. Licensee agrees not to use or disclose any of the information of the Current Records except solely for the purposes

described herein, and further agrees to maintain this information as confidential in accordance with Section 6.5(b) of the Purchase Agreement.

Licensee shall reasonably cooperate to transfer its accounts receivable data, patient care data and payroll data in electronic form to New Operator on or before the Operations Transfer Date. Licensee agrees to reasonably cooperate with New Operator in transferring such information and shall allow, to the extent such temporary arrangement is permissible under Licensee's vendor contracts, New Operator to use Licensee's [redacted] and [redacted] systems and accounts for a period up to 30 days after the Operations Transfer Date for accounts receivable collections and patient care maintenance.

9. [redacted]

10. Further Assurances. Each of the parties hereto agrees to, at the reasonable request of the other party and subject to any limitations set forth in the Purchase Agreement (including limitations set forth in Section 6.8 thereof) execute and deliver any and all further agreements, documents or instruments reasonably 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 its rights hereunder.

11. Notices. All notices to be given by either party to this Agreement to the other party hereto shall be in writing, and shall be (a) given in person, (b) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, (c) sent by national overnight courier service with confirmed receipt, or (d) email transmission (provided a copy is thereafter promptly delivered by one of the other means set forth in this Section 11), each addressed as follows:

If to New Operator: _____
_____
_____
Email:

With copies to (which shall not constitute notice): _____
_____
_____
Email:

If to Licensee: _____
_____
_____
Email:

With copies to: _____
(which shall not _____
constitute notice) _____
Attn: _____
Email:

Any such notice shall be deemed delivered when actually received or when delivery is first refused regardless of the method of delivery used. 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. Although either party shall have the right to change its address for notice purposes from time to time, any notice delivered pursuant to this Section 11 to the address set forth in this Section 11, or to such other address as may be hereafter specified in writing in accordance with this Section 11 shall be effective even if actual delivery cannot be made as a result of a change in the address of the recipient of such notice and the party delivering the notice has not received actual written notice in accordance with the provisions of this Section 11 of the current address to which notices are to be sent.

12. Payment of Expenses. 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 transactions contemplated hereby, whether or not the transaction is consummated.

13. Entire Agreement; Amendment; Waiver. This Agreement, together with the 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. This Agreement may not be modified or amended except in writing signed by the parties hereto. 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.

14. Assignment. Licensee may not assign its rights nor delegate its duties hereunder to anyone without the prior written consent of New Operator. New Operator may assign its rights and/or delegate its duties hereunder to any entity owned, managed, or controlled directly or indirectly by _____ and _____ (a "Permitted Assignee"); *provided*, that such Permitted Assignee shall thereafter be obligated to comply with (and shall be a beneficiary of) the terms and conditions of this Agreement and the Purchase Agreement insofar as it relates to the Facility, and New Operator shall not be relieved of any of its obligations under this Agreement. Any other assignment or delegation by New Operator hereunder shall require the prior written consent of Licensee, which consent shall not be unreasonably withheld or delayed.

15. No Joint Venture; Third Party Beneficiaries. 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, except as otherwise expressly provided herein.

16. Captions. The section headings contained herein are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

17. Counterparts. This Agreement may be executed and delivered via facsimile and in one or more counterparts and all such counterparts taken together shall constitute a single original agreement. Executed copies of this Agreement may be delivered by telecopier, email, DocuSign or other electronic means and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of ***[*****California / Nevada******]***, without regard to principles of conflicts of law.

19. Costs and Attorneys' Fees.

In the event of a dispute between the parties hereto with respect to the interpretation or enforcement of the terms hereof, the prevailing party shall be entitled to collect from the other its reasonable costs and attorneys' fees, including its costs and fees on appeal.

Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Los Angeles, California before a single arbitrator. The arbitration shall be administered by JAMS pursuant to its comprehensive arbitration rules and procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

20. Construction. Both parties acknowledge and agree that they have participated in the drafting and negotiation of this Agreement. Accordingly, in the event of a dispute between the parties hereto with respect to the interpretation or enforcement of the terms hereof no provision shall be construed so as to favor or disfavor either party hereto. All references to "applicable law"

herein shall refer to laws, statutes, rules, regulations and judicial or administrative interpretations thereof.

21. Opening Mail. From and after the Operations Transfer Date, New Operator shall be authorized to open mail addressed to Licensee received at the Facility. All mail received at the Facility relating to Licensee's operation of the Facility prior to the Operations Transfer Date shall be promptly delivered to Licensee by New Operator at the address set forth in Section 11, with all such mail to be deposited in the United States mail, certified or registered, postage prepaid, return receipt requested within five (5) days of receipt.

22. Protected Health Information. The parties acknowledge that in performing its obligations under Sections 2 and 3 of this Agreement, New Operator will be a "business associate" of Licensee, as that term is defined in 45 CFR § 160.130. Accordingly, the parties adopt and incorporate by reference the provisions of the business associate addendum attached to this agreement as "EXHIBIT A".

23. Successors. Subject to the express provisions of this Agreement, the covenants and agreements contained in this Agreement bind and inure to the benefit of Licensee, New Operator, and their respective successors and assigns.

24. Severability. If any covenant, condition, provision, term or agreement of this Agreement is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms and agreements of this Agreement will not be affected by such holding, and will remain valid and in force to the fullest extent permitted by Law.

NO MORE TEXT ON THIS PAGE

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereby execute this Operations Transfer Agreement as of the day and year first set forth above.

LICENSEE:

NEW OPERATOR:

EXHIBIT A

FORM OF BUSINESS ASSOCIATE ADDENDUM

Business Associate Addendum

This BUSINESS ASSOCIATE ADDENDUM ("Addendum") was entered into as of the ____ day of _____ 2024, ("Commencement Date"), by and between _____, a _____ ("Covered Entity"), and _____, a _____ ("Business Associate"). Covered Entity is referred to below as "CE". Business Associate is referred to below as "BA".

RECITALS

A. Covered Entity is the licensed operator of that certain skilled nursing facility located at _____ (the "Facility");

B. Business Associate provides services to or on behalf of Covered Entity pursuant to the terms of that certain Operations Transfer Agreement, dated as of _____, 2024, by and between Covered Entity and Business Associate (the "Agreement"), that may require Covered Entity to disclose the individually identifiable health information of some or all of its Residents to Business Associate or may require Business Associate to create health information on behalf of Covered Entity, some of which may constitute Protected Health Information ("PHI") (defined below).

C. CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.

D. As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(e) and 164.504(e) of the Code of Federal Regulations ("C.F.R.") and contained in this Addendum.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as set forth below.

AGREEMENT

1. DEFINITIONS

1.1 **Breach** shall have the meaning given to such term under the HITECH Act [42 U.S.C. Section 17921].

1.2 **Data Aggregation** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

1.3 **Designated Record Set** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

1.4 **Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media.

1.5 **Electronic Health Record** shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

1.6 **Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

1.7 **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.F. Parts 160 and 164, Subparts A and E.

1.8 **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; and (ii) that identifies the individual or with respect to where there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information [45 C.F.R. Sections 160.103, 164.501].

1.9 **Protected Information** shall mean PHI provided by CE to BA or created or received by BA on CE's behalf.

1.10 **Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

1.11 **Unsecured PHI** shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h).

2. OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses. BA shall not use or disclose Protected Information except for the

purpose of performing BA's obligations under the Agreement and as permitted under the Agreement and this Addendum. Further, BA shall not use or disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use Protected Information (a) for the proper management and administration of BA, or (b) to carry out the legal responsibilities of BA. BA may disclose Protected Health Information for the foregoing purposes if (i) the disclosure is required by law; or (ii) BA obtains, prior to making any such disclosure, (a) reasonable written assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (b) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the Protected Information, to the extent it has obtained knowledge of such breach [42 U.S.C. Section 17932; 45 C.F.R. Sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)].

2.2 Notice of Request for PHI. BA agrees to notify CE within two (2) business days (as defined in the Agreement) of receipt of any request, subpoena or other legal process to obtain PHI or an accounting of PHI. CE in its discretion shall determine whether BA may disclose PHI pursuant to such request, subpoena, or other legal process. BA agrees to cooperate fully with CE in any legal challenge initiated by CE in response to such request, subpoena, or other legal process. The provisions of this Section 2.2 shall survive the termination of this Addendum.

2.3 Prohibited Uses and Disclosures. BA shall not use or disclose Protected Information for fundraising or marketing purposes. BA shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates 42 U.S.C. Section 17935(a). BA shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of CE and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2); *however*, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Agreement.

2.4 Appropriate Safeguards. BA shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by the Agreement or this Addendum, including, but not limited to, administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Protected Information, in accordance with 45 C.F.R Section 164.308(b). BA shall comply with the policies and procedures and documentation requirements of the HIPAA Security Rule, including, but not limited to, 45 C.F.R. Section 164.316 [42 U.S.C. Section 17931].

2.5 Reporting of Improper Access, Use or Disclosure. BA shall report to CE in writing of any access, use or disclosure of Protected Information not permitted by the Agreement and Addendum, and any Breach of Unsecured PHI of which it becomes aware without unreasonable delay and in no case later than 10 days after discovery [42 U.S.C. Section

17921; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.R.R. Section 164.308(b)].

2.6 Business Associate's Agents. BA shall ensure that any agents, including subcontractors, to whom it provides Protected Information, agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI. If BA creates, maintains, receives or transmits electronic PHI on behalf of CE, then BA shall implement the safeguards required by Section 2.4 above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2)(ii)(D); 45 C.F.R. Section 164.308(b)]. BA shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall promptly mitigate the effects of any such violation (see 45 C.F.R. Sections 164.530(f) and 164.530(e)(1)).

2.7 Access to Protected Information. BA shall make Protected Information maintained by BA or its agents or subcontractors available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524 [45 C.F.R. Section 164.504(e)(2)(ii)(E)]. If BA maintains an Electronic Health Record, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e).

2.8 Amendment of PHI. Within ten (10) days of receipt of a request from CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA or its agents or subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment to enable CE to fulfill its obligation under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If any individual requests an amendment of Protected Information directly from BA or its agents or subcontractors, BA must notify CE in writing within five (5) days of the request. Any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors shall be the responsibility of CE [45 C.F.R. Section 164.504(e)(2)(ii)(F)].

2.9 Accounting Rights. Within ten (10) days of notice by CE of a request for an accounting for disclosures of Protected Information or upon any disclosure of Protected Information for which CE is required to account to an individual, BA and its agents or subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including but not limited to 42 U.S.C. Section 17935(c), as determined by CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents or subcontractors for at least six (6) years prior to the request. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. In the event that the request for an accounting is delivered directly to BA or its agents or subcontractors, BA shall within five (5) days of a request forward it to CE in writing. It shall be CE's

responsibility to prepare and deliver any such accounting requested. The provisions of this Section 2.9 shall survive the termination of this Agreement.

2.10 Governmental Access to Records. BA shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining BA's compliance with the Privacy Rule [45 C.F.R. Section 164.504(e)(2)(ii)(H)]. BA shall provide to CE a copy of any Protected Information that BA provides to the Secretary concurrently with providing such Protected Information to the Secretary.

2.11 Minimum Necessary. BA (and its agents or subcontractors) shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)(3)]. BA understands and agrees that the definition of "minimum necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."

2.12 Data Ownership. BA acknowledges that BA has no ownership rights with respect to the Protected Information.

2.13 Business Associate's Insurance. BA shall maintain a sufficient amount of insurance to adequately address risks associated with BA's use and disclosure of Protected Information under this Addendum.

2.14 Notification of Breach. During the term of the Agreement, BA shall notify CE within twenty-four (24) hours of (i) any security incident, (ii) any use or disclosure of PHI not provided for by the Agreement or this Addendum, and (iii) any suspected or actual breach of security, intrusion or unauthorized use or disclosure of PHI of which BA becomes aware and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. BA shall take (i) prompt corrective action to cure any such deficiencies and to mitigate any harmful effect of a use or disclosure of PHI and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

2.15 Audits, Inspection and Enforcement. Within ten (10) days of a written request by CE, BA and its agents or subcontractors shall allow CE to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Addendum for the purpose of determining whether BA has complied with this Addendum; *provided, however*, that (a) BA and CE shall mutually agree in advance upon the scope, timing and location of such an inspection, (b) CE shall protect the confidentiality of all confidential and proprietary information of BA to which CE has access during the course of such inspection; and (c) CE shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by BA. The fact that CE inspects, or fails to inspect, or has the right to inspect, BA's facilities, systems, books, records, agreements, policies and procedures does not relieve

BA of its responsibility to comply with this Addendum, nor does CE's (i) failure to detect or (ii) detection, but failure to notify BA or require BA's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of CE's enforcement rights under the Agreement or Addendum, BA shall notify CE within ten (10) days of learning that BA has become the subject of an audit, compliance review, or complaint investigation by the Office for Civil Rights.

[redacted]

3. TERMINATION

3.1 Material Breach. A material breach by BA of any provision of this Addendum, as determined by CE in its good faith and reasonable discretion, shall constitute a material breach of the Agreement and shall provide grounds for immediate termination of the Agreement, any provision in the Agreement to the contrary notwithstanding. [45 C.F.R. Section 164.504(e)(2)(iii)].

3.2 Judicial or Administrative Proceedings. CE may terminate the Agreement, effective immediately, if (a) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws or (b) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

3.3 Termination. This Agreement will automatically terminate upon the termination of the Purchase Agreement (as defined in the Agreement) or the Agreement, whichever is sooner.

3.4 Effect of Termination. Upon termination of the Agreement or this Addendum for any reason, BA shall, at the option of CE, return or destroy all Protected Information that BA or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections of Section 2 of this Addendum to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible [45 C.F.R. Section 164.504(e)(ii)(2)(I)]. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed.

4. MISCELLANEOUS

4.1 Notices. Any notice, demand or communication required, permitted or desired to be given hereunder shall be in writing and shall be delivered in accordance with the terms and provisions of Section 11 of the Agreement with CE as Licensee and BA as New Operator.

4.2 Limitation of Liability. Any limitations of liability as set forth in the Agreement shall not apply to damages related to a breach of the BA's privacy or security obligations under the Agreement or Addendum.

4.3 Disclaimer. CE makes no warranty or representation that compliance by BA with this Addendum, HIPAA, the HITECH Act, or the HIPAA Regulations will be adequate or satisfactory for BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

4.4 Certification. To the extent that CE determines that such examination is necessary to comply with CE's legal obligations pursuant to HIPAA relating to certification of its security practices, CE or its authorized agents or contractors, may, at CE's expense, examine BA's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to CE the extent to which BA's security safeguards comply with HIPAA, the HITECH Act, the HIPAA Regulations or this Addendum.

4.5 Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule and other applicable laws relating to the security or confidentiality of PHI. The parties understand and agree that CE must receive satisfactory written assurance from BA that BA will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule or other applicable laws. CE may terminate the Agreement upon thirty (30) days' written notice in the event (a) BA does not promptly enter into negotiations to amend the Agreement or Addendum when requested by CE pursuant to the preceding sentence, or (b) BA does not enter into an amendment to the Agreement or Addendum providing assurances regarding the safeguarding of PHI that CE, in its reasonable and good faith discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

4.6 Assistance in Litigation or Administrative Proceedings. BA shall make itself, and any subcontractors, employees or agents assisting BA in the performance of its obligations under the Agreement or Addendum, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA or its subcontractor, employee or agent is a named adverse party.

4.7 No Third-Party Beneficiaries. Nothing express or implied in the Agreement or this Addendum is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or

liabilities whatsoever.

4.8 Effect on Agreement. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

4.9 Interpretation. The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

4.10 Replaces and Supersedes Previous Business Associate Addendums or Agreements. This Addendum replaces and supersedes any previous business associate addendums or agreements between the parties hereto.

4.11 Counterparts. This Addendum may be executed and delivered via facsimile and in one or more counterparts and all such counterparts taken together shall constitute a single original agreement. Executed copies of this Addendum may be delivered by telecopier, email, DocuSign or other electronic means and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

[*signature page follows*]

IN WITNESS WHEREOF, the parties hereto have duty executed this Addendum as of the date set forth above.

BUSINESS ASSOCIATE:

_____,
a _____

By: _____
Name: _____
Title: _____

COVERED ENTITY:

_____,
a _____

By: _____
Name: _____
Title: _____

Exhibit E

Form of Joinder

JOINDER TO
ASSET PURCHASE AGREEMENT

[Signature date], 2024

THIS JOINDER (this "Joinder") to that certain Asset Purchase Agreement, dated as of [•], 2024, by and among Covenant Care California, LLC, a California limited liability company, CTR Partnership, L.P., the Transferors signatory thereto, and the Designated Assignees signatory thereto by executing a joinder thereto (as it may be amended, modified or restated from time to time, the "Agreement"), is made and entered into as of the date first set forth above by the signatory hereto (each, an "Operator Assignee"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, Operator Assignee has been assigned the right and obligation to acquire the Assets with respect to a specific Facility and to assume operations of such Facility; and

WHEREAS, pursuant to Section 10.1 of the Agreement, Operator Assignee is obligated to join the Agreement as a "Designated Assignee" and a "Transferee" thereunder and agree to comply with the terms and conditions of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as a condition of Operator Assignee becoming party to the Agreement, Operator Assignee hereby agrees as follows:

1. Joinder. Operator Assignee hereby acknowledges and agrees that it has received and reviewed a copy of the Agreement and all related exhibits thereto applicable to Operator Assignee prior to entering into this Joinder, and acknowledges and agrees that, upon execution and delivery of this Joinder, Operator Assignee shall (a) join and become a party to the Agreement as a "Designated Assignee" and a "Transferee" thereunder, (b) be bound by all of the terms, conditions and provisions of the Agreement applicable to a "Designated Assignee" and a "Transferee" thereunder, and (c) perform all obligations and duties required of a "Designated Assignee" and of a "Transferee" under the Agreement, in each case, in the same manner as if the undersigned were an original signatory to the Agreement.

2. Representations and Warranties and Agreements. By signing this Joinder, Operator Assignee hereby makes each of the representations and warranties set forth in Article V of the Agreement as of the date hereof and as of the Closing Date as though repeated herein in their entirety; provided that references therein to "this Purchase Agreement" shall be deemed to additionally refer to this Joinder.

3. Conflict with the Agreement. Notwithstanding anything to the contrary contained herein, the terms of this Joinder are subject to the terms, provisions, conditions and limitations set forth in the Agreement, and in the event the terms of this Joinder conflict with the terms of the Agreement, the terms of the Agreement shall govern.

4. Successors and Assigns. This Joinder shall bind and inure to the benefit of and be enforceable by the Principal Transferor, the Transferors, and the Principal Transferee and their respective successors and assigns and Operator Assignee and any subsequent successor or assign of each of them.

5. Notices. For purposes of Section 11.8 of the Agreement, all notices, requests, consents, claims, demands, waivers and other communications to Operator Assignee shall be directed to Operator Assignee at the address specified in Annex A hereto.

6. Counterparts. This Joinder may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. A facsimile, pdf, Docusigned or other electronic signature will have the same force and effect as an original and may be transmitted via facsimile, email or other means of electronic transmission.

7. Miscellaneous. Sections 11.3 - 11.7 and 11.9 – 11.13 of the Agreement are hereby incorporated herein by reference, *mutatis mutandis*.

* * * * *

IN WITNESS WHEREOF, this Joinder is entered into as of the day and year first written above.

[OPERATOR ASSIGNEE ENTITY NAME]

[Signature Line]

Name: [•]
Title: [•]

Annex A

Operator Assignee	Address
[Operator Assignee entity name]	[•]

Annex 2.5(j)

Excluded Assets

a) Any cash, cash equivalents, or bank accounts;

b) Utility deposits and inter-company accounts (excluding deferred Tax assets, except, for the avoidance doubt, any amount received by Transferor related to the ERC Filing);

c) Licenses and permits that are not assignable or transferable without third party consent (unless such consent is obtained) to Transferee;

d) Assets of Transferor disposed of in the Ordinary Course prior to the Closing Date; *provided,* that Transferor shall not dispose of any material Assets without the prior written consent of Transferee (other than Inventory used at the Facilities in the Ordinary Course, which may be used and disposed of; *provided, further*, that it shall also be replenished to a quantity that is required by Law);

e) Any management agreement between Transferor or its Affiliates, as the case may be (all of which are to be terminated as of the Closing Date and evidence thereof provide to Transferee);

f) The minute books and ownership records of Transferor, including all organizational documents, stock registers and such other records of Transferor as they pertain to the ownership, organization, or existence of Transferor and duplicate copies of such records;

g) Any claims for refunds of Taxes and other governmental charges imposed on Transferor of whatever nature including, but not limited to, those with respect to the Facilities or the business attributable to periods ending on or prior to the Closing Date;

h) All shares of any capital stock, membership interests or partner interests in any partnership, of Transferor;

i) All intellectual property, software, and other computer programs that do not constitute Company Intellectual Property Rights;

j) All rights of Principal Transferor and any Transferor under this Purchase Agreement or the other Transaction Documents;

k) All insurance policies of Principal Transferor, any Transferor, or any of their respective Affiliates and all rights of every nature and description under or arising out of such insurance policies, including the right to make claims thereunder, to the proceeds thereof and to any insurance refunds relating thereto, except as otherwise set forth in this Purchase Agreement;

l) Principal Transferor's and each Transferor's Tax Returns for periods up to and including the Closing Date and all rights of Principal Transferor and Transferor to any recoveries or refunds in respect of Taxes for periods up to and including the Closing Date, whether or not any refund of or credit for claims have been filed prior to the Closing Date;

m) All Employee Benefit Plans (including Plans) and all assets related thereto;

n) All funds and accounts of all employee retirement, deferred compensation, health, welfare or benefit plans and programs, including assets representing a surplus or overfunding of any Employee Benefit Plan;

o) All rights, claims, and credits of Transferor to the extent relating to any Retained Liability;

p) Any goodwill not exclusively related to the Business; and

q) The items of personal property brought to the Facilities by employees of Principal Transferor or any Transferor or its Affiliates that are not used or held for use with the Business and the operation of any of the Facility.