



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

October 12, 2023

Brittney A. Cafero
bcafero@reedsmith.com

No Review

Record #: 4283
Date of Request: September 14, 2023
Facility Name: Richland Square
FID #: 970071
Business Name: Greensboro BG PROPCO LLC
Business #: 2425
Project Description: Change licensed operator to Greensboro MC, LLC and change facility name to Richland Square
County: Guilford

Dear Ms. Cafero:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law in effect on the date of this response to your request, the project as described is not governed by, and therefore, does not currently require a certificate of need. If the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

[Handwritten signature]

Gregory F. Yakaboski, Project Analyst

[Handwritten signature]

Micheala Mitchell, Chief

cc: Adult Care Licensure Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873



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Brittney A. Cafero
Direct: +1 212 241-1019
Email: bcafero@reedsmith.com

September 4, 2023

VIA OVERNIGHT MAIL

Micheala Mitchell, Chief,
NC Department of Health and Human Services
Division of Health Services Regulation
Certificate Of Need
809 Ruggles Dr
2704 Mail Service Center
Raleigh, NC 27699-2704

**Re: Notice of Intent To Change Licensee at Richland Place;
Adult Care Home License No. HAL-041-081; Facility ID 970071**

Dear Ms. Mitchell:

Greensboro BG Opco, LLC (the "Current Licensee"), the licensed operator of Richland Square (formerly Richland Place) located at 3823 Lawndale Drive, Greensboro, Guilford County, North Carolina 27455 (the "Facility") notifies NC Department of Health and Human Services, Division of Health Services Regulation Certificate Of Need, that Greensboro MC, LLC (the "New OpCo") has filed a Change of Ownership ("CHOW") application with the NC Department of Health and Human Services, Adult Care Licensure Section, seeking a change of ownership effective **November 8, 2023**.

Ownership of the Facility is not changing as a result of the CHOW.

This CHOW is authorized by the receiver, Michael Flanagan, who has authority to act for and on behalf of the Licensee pursuant to an Order issued by the United States District Court District of Columbia. A copy of the prior notice regarding the receivership, submitted to DHHS on April 4, 2023 is included as Exhibit A. Note that the ownership of the Community is not changing at this time.

Should you have any questions or concerns, please do not hesitate to contact me by phone at 215-241-1019 or by email at bcafero@reedsmith.com. Thank you.

Sincerely,

/s/ Brittney Cafero

Brittney A. Cafero, Esq.
cc: M. Flanagan, Receiver (*via email*)
Enclosures

From: [Waller, Martha K](#)
To: [Stancil, Tiffany C](#)
Subject: Received in Mail
Date: Thursday, September 14, 2023 1:40:44 PM
Attachments: [SKM_C754e23091412480.pdf](#)

Received the attached in today's mail, for logging....

Martha Waller

Administrative Specialist 1

Division of Health Service Regulation, Certificate of Need Section North Carolina Department of Health and Human Services

Main: 919-855-3873

Office: 919-855-3885

martha.waller@dhhs.nc.gov

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[***Know the 3 Ws. Wear. Wait. Wash.***](#)

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From: NOREPLY@DHHS.NC.gov <NOREPLY@DHHS.NC.gov>
Sent: Thursday, September 14, 2023 1:49 PM
To: Waller, Martha K <martha.waller@dhhs.nc.gov>
Subject: Message from KM_C754e



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April 4, 2023

Via Overnight Mail

Attn: Joyce Massey-Smith
North Carolina Department of Health and Human Services
Division of Health Services Regulation
Adult Care Licensure Section
2001 Mail Service Center
Raleigh, NC 27699-2000

**Re: Notice of Appointment of Receiver and New Manager
(License No. HAL-041-081)**

Dear Ms. Massey-Smith:

On March 30, 2023, the United States District Court District of Columbia (the “Court”), in an action styled: Fannie Mae, Plaintiff, vs. Amelia Aid PropCo LLC, et al., Case No. 1:23-cv-00862-JMC (the “Action”), entered an Agreed Order Appointing Receiver pursuant to which Michael F. Flanagan was appointed receiver (the “Receiver”) for the facility located at 3823 Lawndale Drive, Greensboro, NC 27455 (the “Community”). The Community is operated currently by Greensboro BG Opco, LLC (the “Licensee”). The receivership was requested by Fannie Mae due to the Licensee’s default under its loan made to such Licensee by Fannie Mae. A copy of the Court’s Order and Receiver’s CV showing the Receiver’s qualifications to serve as Receiver are enclosed herein for your files.

The effective date of the Receivership is March 30, 2023. The Receiver has retained Greensboro MC, LLC to manage the day-to-day operations of the Community and Enlivant, a related party of the current licensee, has been further appointed as the submanager, to maintain continuity of services. For the immediate future, **the Licensee of the Community will remain the same so there is no change of ownership (“CHOW”) as a result of the Receiver’s appointment. Instead, the Receiver’s appointment should be treated as a change of information only.** Additionally, during the receivership, we do not anticipate any material changes in the services provided, or any other changes to the delivery of care, at the Community beyond those expected in the normal course of business.

In a few months, we anticipate that Greensboro MC, LLC will become the new tenant and new licensee, taking control of the Community following the approval of a forthcoming new license application filed with your office. At the same time it becomes the Community’s new operator, Greensboro MC, LLC intends to appoint Enlivant to manage the day-to-day operations of the Community. As stated above,

under no circumstances should the Receiver's appointment be considered a CHOW, as the current licensee will remain in place until such time as a new operator takes over the licensee/owner of the Community.

If you have any questions, please do not hesitate to call or email me.

Very truly yours,

By: ***Brittney A. Cafero***
Brittney A. Cafero

Enclosures

cc: Michael F. Flanagan, Receiver (*via email*)

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

FANNIE MAE,
Plaintiff

v.

AMELIA AID PROPCO LLC, *et al.*,
Defendants.

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Civil Action No. 1:23-cv-00862-JMC

AGREED ORDER APPOINTING RECEIVER

Before the Court is Plaintiff Fannie Mae’s *Emergency Application for Appointment of Receiver* (the “*Application*”) against each of above-captioned defendants (each a “*Defendant*” or “*Borrower*”, and collectively, the “*Defendants*” or “*Borrowers*”). All capitalized terms not defined in this Order have the meanings ascribed to them in the Application.

By its Application, and in order to facilitate the transition of ownership and operations, Fannie Mae seeks the appointment of a receiver to enter upon and take exclusive power, authority, and control over the assets, management, operations, maintenance, leasing, repair, and preservation of the following properties, both real and personal, including the operations of the senior housing communities situated on such properties, except as set forth herein (as fully defined in the Application, each a “*Property*” and collectively the “*Properties*”):

- a. The following Properties are referred to collectively herein as the “*MCFA 54 Properties*”, and the corresponding Property Owners/Defendants are referred to collectively herein as the “*MCFA 54 Defendants*”.

Property Name	Property Address	Property Owner/Defendant
Amelia Place	57 W. Ferndale Drive, Council Bluffs, IA 51503	Amelia AID Propco LLC
Ashley Place	526 Haltiwanger Road, Greenwood, SC 29649	Ashley AID Propco LLC
Garden Way Place	2400 Garden Way, Hermitage, PA 16148	Bentley AID Propco LLC

Property Name	Property Address	Property Owner/Defendant
Bliss Place	3008 Shawnee Drive S., Bedford, IN 47421	Bliss AID Propco LLC
Blanchard Place	825 Richard Lane, Kenton, OH 43326	Blanchard AID Propco LLC
Bowman Place	1215 Elm Street, Three Rivers, MI 49093	Bowman AID Propco LLC
Bradfield Place	3700 Oates Drive, Mesquite, TX 75150	Bradfield AID Propco LLC
Brook Gardens Place	300 O'Neil Street, Lake Mills, WI 53551	Brook Gardens AID Propco LLC
Carlisle Place	1721 Whetstone Street, Bucyrus, OH 44820	Carlisle AID Propco LLC
Chisholm Place	1450 E. North 10 th Street, Abilene, TX 79601	Chisholm AID Propco LLC
Christina Place	1435 Christian Boulevard, Franklin, IN 46131	Christina AID Propco LLC
Conner Place	2 Cottonwood Lane, Canyon, TX 79015	Conner AID Propco LLC
Cottonwood Place	3271 29 th Avenue, Columbus, NE 68601	Cottonwood AID Propco LLC
Cypress Place	205 Midland Parkway, Summerville, SC 29485	Cypress AID Propco LLC
Emerald Place	297 S. 100 E., Washington, IN 47501	Emerald AID Propco LLC
Greene Place	600 Church Street, Seward, NE 68434	Greene AID Propco LLC
Clen-Moore Place	22 W. Clen Moore Boulevard, New Castle, PA 16105	Greer AID Propco LLC
Hammond Place	128 Walnut Lane, North Augusta, SC 29860	Hammond AID Propco LLC
Helena Place	1624 Paris Avenue, Port Royal, SC 29935	Helena AID Propco LLC
Hickory Place	717 S. Alamo Road, Levelland, TX 79336	Hickory AID Propco LLC
Highlands Place	225 Norfleet Drive, Somerset, KY 42501	Highlands AID Propco LLC
Hitchcock Place	102 Crepe Myrtle Drive, Aiken, SC 29803	Hitchcock AID Propco LLC
Keowee Place	475 Rochester Highway, Seneca, SC 29672	Inn at Seneca AID Propco LLC
Kingsbury Place	245 W. Rosewood Avenue, Defiance, OH 43512	Kingsbury AID Propco LLC

Property Name	Property Address	Property Owner/Defendant
Lake View Place	545 Luco Road, Fond Du Lac, WI 54935	Lake View AID Propco LLC
Langston Place	127 Springdale Drive, Clinton, SC 29325	Langston AID Propco LLC
Logan Place	180 Craigdell Road, New Kensington, PA 15068	Logan AID Propco LLC
Louisa Place	2240 Main Street, Ferndale, WA 98248	Louisa AID Propco LLC
Lowrie Place	100 Stirling Village, Butler, PA 16001	Lowrie AID Propco LLC
Mackenzie Place	8609 Boston Avenue, Lubbock, TX 79423	Mackenzie AID Propco LLC
Manning Place	10 Companion Court, Greer, SC 29651	Manning AID Propco LLC
Marquis Gardens Place	660 Cherry Tree Lane, Uniontown, PA 15401	Marquis AID Propco LLC
McCullough Place	500 Cheney Oak Drive, Johnston, PA 15905	McCullough AID Propco LLC
McKinney Place	3901 High Street, Logansport, IN 46947	McKinney AID Propco LLC
Mercer Place	5701 Dexham Road, Rowlett, TX 75089	Mercer AID Propco LLC
Meredith Place	812 W. 25 th Avenue, Pampa, TX 79065	Meredith AID Propco LLC
Somers Place	199 Steelmanville Road, Egg Harbor Township, NJ 08234	Mey AID Propco LLC
Miller Place	1506 Meadowview Drive, Celina, OH 45822	Miller AID Propco LLC
Monroe Place	2770 S. Adams Street, Bloomington, IN 47403	Monroe AID Propco LLC
Moorehead Place	116 Madison Circle, Indiana, PA 15701	Moorehead AID Propco LLC
Morton Place	1500 14 th Avenue, Nebraska City, NE 68410	Morton AID Propco LLC
River Woods Place	950 S. Rapids Road, Manitowoc, WI 54220	River Wood AID Propco LLC
North Woods Place	501 S. Lincoln Road, Escanaba, MI 49829	North Woods AID Propco LLC
Oakley Place	1275 Northview Drive, Greenville, OH 45331	Oakley AID Propco LLC
Pathfinder Place	3010 N. Clarkson Street, Fremont, NE 68025	Pathfinder AID Propco LLC

Property Name	Property Address	Property Owner/Defendant
Pinewood Place	101 Centennial Boulevard, Goose Creek, SC 29445	Pinewood AID Propco LLC
Santa Fe Place	3404 SW 5 th Street, Plainview, TX 79072	Santa Fe AID Propco LLC
Sojourner Place	5364 Green Meadow Drive, Kalamazoo, MI 49009	Sojourner AID Propco LLC
Woodbourne Place	2619 Trenton Road, Levittown, PA 19056	Stateman Woods AID Propco LLC
Terrace Place	1231 Eisner Avenue, Sheboygan, WI 53083	Terrace AID Propco LLC
Bell Gardens Place	251 Harry Sauner Road, Hillsboro, OH 45133	Highland AID Propco LLC
Wheeler Place	2310 E. Broadway Street, Gainesville, TX 76240	Wheeler AID Propco LLC
Wissota Place	2801 County Highway I, Chippewa Falls, WI 54729	Wissota AID Propco LLC
York Place	725 W. 50 th Street, Marion, IN 46953	York AID Propco LLC

- b. The following Properties are referred to collectively herein as the “***MCFA 25 Properties***”, and the corresponding Property Owners/Defendants are referred to collectively herein as the “***MCFA 25 Defendants***”.

Property Name (Type)	Property Address	Property Owner/Defendant
Aurora Place	675 W. Broadway Avenue, Apache Junction, AZ 85120	Aurora AID Propco LLC
Jasmine Place	3076 Shoshone Drive, Lake Havasu City, AZ 86406	Jasmine AID Propco LLC
Dalton Place	1300 W. Waugh Street, Dalton, GA 30720	Peachtree Estates AID Propco LLC
Northstar Place	3250 Quick Water Landing NW, Kennesaw, GA 30144	Sanctuary at Northstar AID Propco LLC
Seven Hills Place	279 Technology Parkway, Rome, GA 30165	Rome AID Propco LLC
Floyd Place	403 C. Street, Sergeant Bluff, IA 51054	Floyd AID Propco LLC
Pinicon Place	1615 Breca Ridge Drive, Anamosa, IA 52205	Anamosa AID Propco LLC
Garnet Place	5815 Coffey Street, Garden City, ID 83714	Rosewind AID Propco LLC

Property Name (Type)	Property Address	Property Owner/Defendant
Heron Place	715 W. Comstock Avenue, Nampa, ID 83651	Heron AID Propco LLC
Syringa Place	1880 Harrison Street N., Twin Falls, ID 83301	Chaparelle AID Propco LLC
Hamilton Place	2116 Butler Road, Fort Wayne, IN 46808	Hamilton AID Propco LLC
Lake City Place	425 Chinworth Court, Warsaw, IN 46580	Gardens at Lake AID Propco LLC
Lynd Place	2410 E. McGalliard Road, Muncie, IN 47303	Lynd AID Propco LLC
Seymour Place	2288 Nicholas Court, Seymour, IN 47274	Shields AID Propco LLC
Marigold Place	5723 Jackson Street Ext., Alexandria, LA 71303	Marigold AID Propco LLC
Lindsay Place	39 Supawna Road, Pennsville, NJ 08070	Lindsay AID Propco LLC
Broadmoor Place	2601 E. Villa Maria Road, Bryan, TX 77802	Millican AID Propco LLC
Grayson Place	3001 W. Crawford Street, Denison, TX 75020	Katy AID Propco LLC
Hoyt Place	1700 Hoyt Street, Sweetwater, TX 79556	Hoyt AID Propco LLC
Lakewell Place	3005 NE 2 nd Street, Mineral Wells, TX 76067	Lakewell AID Propco LLC
Rose Place	8214 Anchor Drive, Port Arthur, TX 77642	Rose AID Propco LLC
Winkler Place	513 N. Adams Street, Carthage, TX 75633	Winkler AID Propco LLC
Wren Place	814 Woodard Avenue, Cleburne, TX 76033	Wren AID Propco LLC
Blossom Place	5100 W. Nob Hill Boulevard, Yakima, WA 98908	Blossom AID Propco LLC
Meadows Place	1008 E. Mountain View Avenue, Ellensburg, WA 98926	Mountain View Meadows AID Propco LLC

- c. The following Properties are referred to collectively herein as the “**MCFA 11 Properties**”, and the corresponding Property Owners/Defendants are referred to collectively herein as the “**MCFA 11 Defendants**”.

Property Name (Type)	Property Address	Property Owner/Defendant
Copper Place	12234 E. North Frontage Road, Yuma, AZ 85367	Copper Hills AID Propco LLC
Powell Place	806 W. Longhorn Road, Payson, AZ 85541	Powell AID Propco LLC
Eiler Place	920 W. Garfield Street, Clarinda, IA 51632	Eiler AID Propco LLC
Swan Place	1024 E. 12 th Street, Carroll, IA 51401	Swan AID Propco LLC
Masonville Place	150 Northshore Drive, Coldwater, MI 49036	Masonville AID Propco LLC
Clyde Gardens	700 Coulson Street, Clyde, OH 43410	Gardens at Clyde AID Propco LLC
Strake Place	1701 Westview Boulevard, Conroe, TX 77304	Strake AID Propco LLC
Franklin Place	5713 Parker Road East, Sumner, WA 98390	Franklin AID Propco LLC
Windriver Place	7310 North Pine Rock Street, Spokane, WA 99208	Windriver AID Propco LLC
McKinley Place	W56 N225 McKinley Boulevard, Cedarburg, WI 53012	Cedar Gardens AID Propco LLC
Menomonee Place	N84 W17147 Menomonee Place, Menomonee Falls, WI 53051	Tamarack AID Propco LLC

- d. The following Properties are referred to collectively herein as the “***Bluegrass Properties***”, and the corresponding Property Owners/Defendants are referred to collectively herein as the “***Bluegrass Defendants***”.

Property Name (Type)	Property Address	Property Owner/Defendant
Trail Creek Place (ASL)	1400 E. Coolspring Avenue, Michigan City, Indiana 46360	Michigan City 1400 AL BG Propco LLC
Trail Creek Place (MC)	1300 E. Coolspring Avenue, Michigan City, Indiana 46360	Michigan 1300 MC BG Propco LLC
Willow Lake Place	2725 Lake Circle Drive, Indianapolis, Indiana 46268	Indianapolis 2725 Lake BG Propco LLC
Richland Place	3823 Lawndale Drive, Greensboro, North Carolina 27455	Greensboro BG Propco LLC

Property Name (Type)	Property Address	Property Owner/Defendant
Canfield Place	2300 Canfield Road, Youngstown, Ohio 44511	Youngstown BG Propco LLC
Fairfield Place	2357 Mack Road, Fairfield, Ohio 45014	Fairfield BG Propco LLC
Mansfield Place	1841 Middle Bellville Road, Mansfield, Ohio 44904	Mansfield BG Propco LLC
Urbana Place	609 E. Water Street, Urbana, Ohio 43078	Urbana BG Propco LLC
Deane Hill Place	401 Catherine McAuley Way, Knoxville, Tennessee 37919	Knoxville BG Propco LLC
Dewitt Place	2131 Walters Drive, Morristown, Tennessee 37814	Morristown BG Propco LLC
Foothills Place	3071 N. Swan Road, Tucson, Arizona 85712	Tucson BG Propco LLC
Hunters Crossing Place (ASL)	4601 NW 53rd Avenue, Gainesville, Florida 32653	Gainesville 4601 AL BG Propco LLC
Lehigh Acres Place	1251 Business Way, Lehigh Acres, Florida 33936	Lehigh Acres BG Propco LLC
Wayman Place	342 S. Wayman Street, Longwood, Florida 32750	Longwood BG Propco LLC
Abilene Place North & Abilene Place South	1100 & 1102 N. Vine Street, Abilene, Kansas 67410	Abilene 1100 East BG Propco LLC & Abilene 1102 West BG Propco LLC
Blue Ridge Place	615 W. Blueridge Drive, Midwest City, Oklahoma 73110	Midwest City BG Propco LLC
Dorset Place (ASL) & Dorset Place (MC)	2435 NW 122nd Street, Oklahoma City, Oklahoma 73120 & 12401 Dorset Drive, Oklahoma City, Oklahoma 73120	OKC 2435 122ND BG Propco LLC
Northhaven Place	7535 Hefner Road, Oklahoma City, Oklahoma 73162	OKC 7535 Hefner BG Propco LLC
Southridge Place	2500 SW 89th Street, Oklahoma City, Oklahoma 73159	OKC 2500 89TH BG Propco LLC
Ten Oaks Place	3610 SE Huntington Circle, Lawton, Oklahoma 73501	Lawton BG Propco LLC
Dublin Place	504 Firetower Road, Dublin, Georgia 31021	Dublin BG Propco LLC
Kennesaw Place	2800 Jiles Road NW, Kennesaw, Georgia 30144	Kennesaw BG Propco LLC

Property Name (Type)	Property Address	Property Owner/Defendant
Virginia Place	8253 Virginia Street, Merrillville, Indiana 46410	Merrillville BG Propco LLC
Park Creek Place (MC) & Park Creek Place (PC)	1089 Horsham Road & 1091 Horsham Road, North Wales, Pennsylvania 19454	North Wales BG Propco LLC
Athens Place	120 Keith Lane, Athens, Tennessee 37303	Athens BG Propco LLC
Bright Leaf Place	432 Hermitage Drive, Danville, Virginia 24541	Danville BG Propco LLC
Cave Spring Place	3585 Brambleton Avenue, Roanoke, Virginia 24018	Roanoke BG Propco LLC
Cherryvale Place	1545 Temple Lane, Rockford, Illinois 61112	Rockford BG Propco LLC
Rock Run Place (MC)	3315 Executive Drive, Joliet, Illinois 60431	Joliet 3315 MC BG Propco LLC
Kesslerwood Place	5011 Kessler Boulevard East Drive, Indianapolis, Indiana 46220	Indianapolis 5011 State BG Propco LLC

- e. The following Property is referred to herein as the “*Hopkins Property*”, and Hopkins AID Propco LLC is referred to herein as (“*Hopkins*”).

Property Name (Type)	Property Address	Property Owner/Defendant
Hopkins Place	890 Camp Street, Sulphur Springs, TX 75482	Hopkins AID Propco LLC

- f. The following Property is referred to herein as the “*Westwood Property*”, and Westwood Landing AID Propco LLC is referred to herein as “*Westwood*”.

Property Name (Type)	Property Address	Property Owner/Defendant
Westwood Place	37950 Airport Road, Woodsfield, OH 43793	Westwood Landing AID Propco LLC

- g. The following Property is referred to herein as the “*Bluebonnet Property*”, and Bluebonnet AID Propco LLC is referred to herein as (“*Bluebonnet*”).

Property Name (Type)	Property Address	Property Owner/Defendant
Bluebonnet Place	3601 Victoria Avenue, College Station, TX 77845	Bluebonnet AID Propco LLC

- h. The following Property is referred to herein as the “*Lucas Property*”, and Lucas AID Propco LLC is referred to herein as “*Lucas*”.

Property Name (Type)	Property Address	Property Owner/Defendant
Lucas Place	2910 Toccoa Road, Beaumont, TX 77703	Lucas AID Propco LLC

- i. The following Property is referred to herein as the “*Willowpark Property*”, and Willowpark AID Propco LLC is referred to herein as “*Willowpark*”.

Property Name (Type)	Property Address	Property Owner/Defendant
Willowpark Place	1706 Hoover Street, New Holstein, WI 53061	Willowpark AID Propco LLC

FINDINGS IN SUPPORT OF ORDER

A. MCFA 54 Loan Documents

1. On or about December 19, 2014, the MCFA 54 Defendants executed that certain Multifamily Note (the “*First MCFA 54 Note*”), payable to the order of KeyBank National Association, a national banking association (“*KeyBank*”), in the original stated principal amount of \$334,394,000.00 (the “*First MCFA 54 Loan*”). On or about October 31, 2016, the MCFA 54 Defendants executed that certain additional Multifamily Note (the “*Second MCFA 54 Note*”), payable to the order of KeyBank, in the original stated principal amount of \$80,236,000.00 (the “*Second MCFA 54 Loan*”). The First MCFA 54 Note and Second MCFA 54 Note are referred to collectively herein as the “*MCFA 54 Notes*.” Under the entire MCFA 54 Credit Facility, the original stated principal amount is \$414,630,000.00 (the “*MCFA 54 Loans*”). The MCFA 54 Loans are further evidenced by that certain Master Credit Facility Agreement between the MCFA 54 Defendants and KeyBank dated as of December 19, 2014, along with all schedules, exhibits, and amendments thereto (the “*MCFA 54 Loan Agreement*”).

2. The MCFA 54 Notes are secured by, among other instruments, no fewer than fifty-four (54) individual Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement

and Fixture Filings, corresponding to each of the MCFA 54 Defendants and MCFA 54 Properties (the “*MCFA 54 Deeds of Trust*”), dated accordingly, executed by each of the MCFA 54 Defendants for the benefit of KeyBank.

3. The MCFA 54 Deeds of Trust cover the real and personal property more particularly described therein and commonly known as per the Property Table located above. Non-defendant operating and management companies own the applicable licenses and operate and manage senior care and/or senior living facilities on each of the MCFA 54 Properties (the “*MCFA 54 Facilities*”).

4. The MCFA 54 Notes, MCFA 54 Deeds of Trust, and all other documents and instruments securing or evidencing the MCFA 54 Loans are hereinafter collectively referred to as the “*MCFA 54 Loan Documents*.” Fannie Mae is the assignee of the MCFA 54 Loan Documents by way of, without limitation, those certain Assignment of Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filings.

B. MCFA 25 Loan Documents

5. On or about June 28, 2017, the MCFA 25 Defendants executed that certain Multifamily Note (the “*MCFA 25 Note*”), payable to the order of KeyBank, in the original stated principal amount of \$84,570,000.00 (the “*MCFA 25 Loan*”). The MCFA 25 Loan is further evidenced by that certain Master Credit Facility Agreement between the MCFA 25 Defendants and KeyBank dated as of June 28, 2017, along with all schedules, exhibits, and amendments thereto (the “*MCFA 25 Loan Agreement*”).

6. The MCFA 25 Note is secured by, among other instruments, no fewer than twenty-five (25) individual Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filings, corresponding to each of the MCFA 25 Defendants and MCFA 25

Properties (the “*MCFA 25 Deeds of Trust*”), dated accordingly, executed by each of the MCFA 25 Defendants for the benefit of KeyBank.

7. The MCFA 25 Deeds of Trust cover the real and personal property more particularly described therein and commonly known as per the Property Table located above. Non-defendant operating and management companies own the applicable licenses and operate and manage senior care and/or senior living facilities on each of the MCFA 25 Properties (the “*MCFA 25 Facilities*”).

8. The MCFA 25 Note, MCFA 25 Deeds of Trust, and all other documents and instruments securing or evidencing the MCFA 25 Loan are hereinafter collectively referred to as the “*MCFA 25 Loan Documents*.” Fannie Mae is the assignee of the MCFA 25 Loan Documents by way of, without limitation, those certain Assignment of Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filings.

C. MCFA 11 Loan Documents

9. On or about December 22, 2016, the MCFA 11 Defendants executed that certain Multifamily Note (the “*MCFA 11 Note*”), payable to the order of KeyBank, in the original stated principal amount of \$70,564,000.00 (the “*MCFA 11 Loan*”). The MCFA 11 Loan is further evidenced by that certain Master Credit Facility Agreement between the MCFA 11 Defendants and KeyBank dated as of December 22, 2016, along with all schedules, exhibits, and amendments thereto (the “*MCFA 11 Loan Agreement*”).

10. The MCFA 11 Note is secured by, among other instruments, no fewer than eleven (11) individual Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filings, corresponding to each of the MCFA 11 Defendants and MCFA 11 Properties (the

“*MCFA 11 Deeds of Trust*”), dated accordingly, executed by each of the MCFA 11 Defendants for the benefit of KeyBank.

11. The MCFA 11 Deeds of Trust cover the real and personal property more particularly described therein and commonly known as per the Property Table located above. Non-defendant operating and management companies own the applicable licenses and operate and manage senior care and/or senior living facilities on each of the MCFA 11 Properties (the “*MCFA 11 Facilities*”).

12. The MCFA 11 Note, MCFA 11 Deeds of Trust, and all other documents and instruments securing or evidencing the MCFA 11 Loan are hereinafter collectively referred to as the “*MCFA 11 Loan Documents*.” Fannie Mae is the assignee of the MCFA 11 Loan Documents by way of, without limitation, those certain Assignment of Multifamily Deed of Trust, Assignment of Rents and Security Agreement.

D. Hopkins Loan Documents

13. On or about December 18, 2020, Defendant Hopkins executed that certain Multifamily Note (the “*Hopkins Note*”), payable to the order of KeyBank, in the original stated principal amount of \$2,784,000.00 (the “*Hopkins Loan*”). The Hopkins Loan is further evidenced by that certain Multifamily Loan and Security Agreement between Hopkins and KeyBank dated as of December 18, 2020 (the “*Hopkins Loan Agreement*”).

14. The Hopkins Note is secured by, among other instruments, a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “*Hopkins Deed of Trust*”), dated as of December 18, 2020, executed by Hopkins for the benefit of KeyBank.

15. The Hopkins Deed of Trust covers the real and personal property more particularly described therein and commonly known as Hopkins Place and located at 890 Camp Street, Sulphur

Springs, Texas 75482 (as fully defined in the Hopkins Deed of Trust, the “*Hopkins Property*”). Non-defendant operating and management companies own the license and operate and manage a senior care and/or senior living facility on the Hopkins Property (the “*Hopkins Facility*”).

16. The Hopkins Note, Hopkins Deed of Trust, and all other documents and instruments securing or evidencing the Hopkins Loan are hereinafter collectively referred to as the “*Hopkins Loan Documents*.” Fannie Mae is the assignee of the Hopkins Loan Documents by way of, without limitation, that certain Assignment of Deed of Trust.

E. Westwood Loan Documents

17. On or about December 18, 2020, Defendant Westwood executed that certain Multifamily Note (the “*Westwood Note*”), payable to the order of KeyBank, in the original stated principal amount of \$2,948,000.00 (the “*Westwood Loan*”). The Westwood Loan is further evidenced by that certain Multifamily Loan and Security Agreement between Westwood and KeyBank dated as of December 18, 2020 (the “*Westwood Loan Agreement*”).

18. The Westwood Note is secured by, among other instruments, a Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “*Westwood Deed of Trust*”), dated as of December 18, 2020, executed by Westwood for the benefit of KeyBank.

19. The Westwood Deed of Trust covers the real and personal property more particularly described therein and commonly known as Westwood Place and located at 37950 Airport Road, Woodsfield, Ohio 43793 (as fully defined in the Westwood Deed of Trust, the “*Westwood Property*”). Non-defendant operating and management companies own the license and operate and manage a senior care and/or senior living facility on the Westwood Property (the “*Westwood Facility*”).

20. The Westwood Note, Westwood Deed of Trust, and all other documents and instruments securing or evidencing the Westwood Loan are hereinafter collectively referred to as the “*Westwood Loan Documents*.” Fannie Mae is the assignee of the Westwood Loan Documents by way of, without limitation, that certain (i) Assignment of Mortgage, and (ii) an Assignment of Collateral Agreements and Other Loan Documents.

F. Bluebonnet Loan Documents

21. On or about December 18, 2020, Defendant Bluebonnet executed that certain Multifamily Note (the “*Bluebonnet Note*”), payable to the order of KeyBank, in the original stated principal amount of \$2,238,000.00 (the “*Bluebonnet Loan*”). The Bluebonnet Loan is further evidenced by that certain Multifamily Loan and Security Agreement between Bluebonnet and KeyBank dated as of December 18, 2020 (the “*Bluebonnet Loan Agreement*”).

22. The Bluebonnet Note is secured by, among other instruments, a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “*Bluebonnet Deed of Trust*”), dated as of December 18, 2020, executed by Bluebonnet for the benefit of KeyBank.

23. The Bluebonnet Deed of Trust covers the real and personal property more particularly described therein and commonly known as Bluebonnet Place and located at 3601 Victoria Avenue, College Station, Texas 77845 (as fully defined in the Bluebonnet Deed of Trust, the “*Bluebonnet Property*”). Non-defendant operating and management companies own the license and operate and manage a senior care and/or senior living facility on the Bluebonnet Property (the “*Bluebonnet Facility*”).

24. The Bluebonnet Note, Bluebonnet Deed of Trust, and all other documents and instruments securing or evidencing the Bluebonnet Loan are hereinafter collectively referred to as

the “*Bluebonnet Loan Documents*.” Fannie Mae is the assignee of the Bluebonnet Loan Documents by way of, without limitation, that certain (i) Assignment of Deed of Trust and (ii) an Assignment of Collateral Agreements and Other Loan Documents.

G. Lucas Loan Documents

25. On or about December 18, 2020, Defendant Lucas executed that certain Multifamily Note (the “*Lucas Note*”), payable to the order of KeyBank, in the original stated principal amount of \$4,372,000.00 (the “*Lucas Loan*”). The Lucas Loan is further evidenced by that certain Multifamily Loan and Security Agreement between Lucas and KeyBank dated as of December 18, 2020 (the “*Lucas Loan Agreement*”).

26. The Lucas Note is secured by, among other instruments, a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “*Lucas Deed of Trust*”), dated as of December 18, 2020, executed by Lucas for the benefit of KeyBank.

27. The Lucas Deed of Trust covers the real and personal property more particularly described therein and commonly known as Lucas Place and located at 2910 Toccoa Road, Beaumont, Texas 77703 (as fully defined in the Lucas Deed of Trust, the “*Lucas Property*”). Non-defendant operating and management companies own the license and operate and manage a senior care and/or senior living facility on the Lucas Property (the “*Lucas Facility*”).

28. The Lucas Note, Lucas Deed of Trust, and all other documents and instruments securing or evidencing the Lucas Loan are hereinafter collectively referred to as the “*Lucas Loan Documents*.” Fannie Mae is the assignee of the Lucas Loan Documents by way of, without limitation, that certain (i) Assignment of Deed of Trust and (ii) an Assignment of Collateral Agreements and Other Loan Documents.

H. Willowpark Loan Documents

29. On or about December 18, 2020, Defendant Willowpark executed that certain Multifamily Note (the “*Willowpark Note*”), payable to the order of KeyBank, in the original stated principal amount of \$2,126,000.00 (the “*Willowpark Loan*”). The Willowpark Loan is further evidenced by that certain Multiple Loan and Security Agreement between Willowpark and KeyBank dated as of December 18, 2020 (the “*Willowpark Loan Agreement*”).

30. The Willowpark Note is secured by, among other instruments, a Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “*Willowpark Deed of Trust*”), dated as of December 18, 2020, executed by Willowpark for the benefit of KeyBank.

31. The Willowpark Deed of Trust covers the real and personal property more particularly described therein and commonly known as Willowpark Place and located at 1706 Hoover Street, New Holstein, Wisconsin 53061 (as fully defined in the Willowpark Deed of Trust, the “*Willowpark Property*”). Non-defendant operating and management companies own the license and operate and manage a senior care and/or senior living facility on the Willowpark Property (the “*Willowpark Facility*”).

32. The Willowpark Note, Willowpark Deed of Trust, and all other documents and instruments securing or evidencing the Willowpark Loan are hereinafter collectively referred to as the “*Willowpark Loan Documents*.” Fannie Mae is the assignee of the Willowpark Loan Documents by way of, without limitation, that certain (i) Assignment of Mortgage and (ii) an Assignment of Collateral Agreements and Other Loan Documents.

I. Bluegrass Loan Documents

33. On or about August 31, 2016, the Bluegrass Defendants executed that certain Multifamily Note (the “*First Bluegrass Note*”), payable to the order of Wells Fargo Bank,

National Association, a national banking association (“*Wells Fargo*”), in the original stated principal amount of \$56,604,000.00 (the “*First Bluegrass Loan*”). On or about September 29, 2016, the Bluegrass Defendants executed that certain additional Multifamily Note (the “*Second Bluegrass Note*”), payable to the order of Wells Fargo, in the original stated principal amount of \$42,622,000.00 (the “*Second Bluegrass Loan*”). On or about November 1, 2016, the Bluegrass Defendants executed that certain additional Multifamily Note (the “*Third Bluegrass Note*”), payable to the order of Wells Fargo, in the original stated principal amount of \$40,333,000.00 (the “*Third Bluegrass Loan*”). The First Bluegrass Note, Second Bluegrass Note, and Third Bluegrass Note are referred to collectively herein as the “*Bluegrass Notes*.” Thus, the original, principal amount under the Bluegrass Credit Facility totals \$139,559,000.00 (the “*Bluegrass Loans*”). The Bluegrass Loans are further evidenced by that certain Master Credit Facility Agreement between the Bluegrass Defendants and Wells Fargo dated as of August 31, 2016, along with all schedules, exhibits, and amendments thereto (the “*Bluegrass Loan Agreement*”).

34. The Bluegrass Notes are secured by, among other instruments, no fewer than thirty (30)¹ individual Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filings, corresponding to each² of the Bluegrass Defendants and Bluegrass Properties (the “*Bluegrass Deeds of Trust*”), dated accordingly, executed by each of the Bluegrass Defendants for the benefit of Wells Fargo.

35. The Bluegrass Deeds of Trust encumber the real and personal property more particularly described therein and commonly known as per the Property Table located above (as

¹ While there are thirty-one Bluegrass Defendants and only thirty security instruments, two of the Defendants—Abilene 1100 East BG Propco LLC and Abilene 1102 West BG Propco LLC—are borrowers on the same property.

² One security instrument covers the Abilene Place North and Abilene Place South Properties (located at 1100 N. Vine Street, Abilene, Kansas 67410).

fully defined in the Bluegrass Deeds of Trust, the “*Bluegrass Properties*”). Non-defendant operating and management companies own the applicable licenses and operate and manage senior care and/or senior living facilities on each of the Bluegrass Properties (the “*Bluegrass Facilities*”).

36. The Bluegrass Notes, Bluegrass Deeds of Trust, and all other documents and instruments securing or evidencing the Bluegrass Loans are hereinafter collectively referred to as the “*Bluegrass Loan Documents*.” Fannie Mae is the assignee of the Bluegrass Loan Documents by way of, without limitation, those certain Assignment of Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filings. Thus, Fannie Mae is the owner and holder under the Bluegrass Loan Documents and the party entitled to enforce same.

J. Facts Relevant to All Loan Documents

37. The MCFA 54 Notes, MCFA 25 Note, MCFA 11 Note, Hopkins Note, Westwood Note, Bluebonnet Note, Lucas Note, Willowpark Note, and Bluegrass Notes are each a “*Note*” and collectively the “*Notes*.”

38. The MCFA 54 Loans, MCFA 25 Loan, MCFA 11 Loan, Hopkins Loan, Westwood Loan, Bluebonnet Loan, Lucas Loan, Willowpark Loan, and Bluegrass Loans are each a “*Loan*” and collectively the “*Loans*.”

39. The MCFA 54 Loan Agreement, MCFA 25 Loan Agreement, MCFA 11 Loan Agreement, Hopkins Loan Agreement, Westwood Loan Agreement, Bluebonnet Loan Agreement, Lucas Loan Agreement, Willowpark Loan Agreement, and Bluegrass Loan Agreement are each a “*Loan Agreement*” and collectively the “*Loan Agreements*.”

40. The MCFA Deeds of Trust, MCFA 25 Deeds of Trust, MCFA 11 Deeds of Trust, Hopkins Deed of Trust, Westwood Deed of Trust, Bluebonnet Deed of Trust, Lucas Deed of Trust,

Willowpark Deed of Trust, and Bluegrass Deeds of Trust are each a “*Deed of Trust*” and collectively the “*Deeds of Trust*.”

41. The MCFA 54 Loan Documents, MCFA 25 Loan Documents, MCFA 11 Loan Documents, Hopkins Loan Documents, Westwood Loan Documents, Bluebonnet Loan Documents, Lucas Loan Documents, Willowpark Loan Documents, and Bluegrass Loan Documents are collectively referred to herein as the “*Loan Documents*.”

42. The MCFA 54 Properties, MCFA 25 Properties, MCFA 11 Properties, Hopkins Property, Westwood Property, Bluebonnet Property, Lucas Property, Willowpark Property, and Bluegrass Properties are collectively referred to herein as the “*Properties*.”

43. The MCFA 54 Facilities, MCFA 25 Facilities, MCFA 11 Facilities, Hopkins Facility, Westwood Facility, Bluebonnet Facility, Lucas Facility, Willowpark Facility, and Bluegrass Facilities are collectively referred to herein as the “*Facilities*.” Each Facility is operated by a nondefendant operating company (each, an “*Existing Operator*”) that holds the license for such Facility, except for (i) those Properties commonly known as Garnet Place (Garden City, ID), Heron Place (Nampa, ID) and Syringa Place (Twin Falls, ID), where Existing Manager (as hereafter defined) is the license holder, and (ii) Abilene Place North (Abilene, KS) and Abilene Place South (Abilene, KS), where the applicable Defendants, Existing Operators and Existing Manager are collectively the license holders, and is managed by a nondefendant management company (each, an “*Existing Manager*”) under a management agreement between such management company and the corresponding nondefendant operating company (the “*Current Management Agreements*”).

44. KeyBank and Wells Fargo assigned, negotiated and transferred to Fannie Mae the Loan Documents regarding the Properties that secure the Notes, such that Fannie Mae is the current

owner and holder of the Notes and entitled to enforce the Notes and liens and security interests against Defendants as to the Properties. KeyBank is now the servicer of the MCFA 54 Loans, MCFA 25 Loan, MCFA 11 Loan, Hopkins Loan, Westwood Loan, Bluebonnet Loan, Lucas Loan, and Willowpark Loan. Wells Fargo is now the servicer of the Bluegrass Loans.

K. The Defendants' Obligations under the Loan Documents

45. The Defendants' obligations arising under the Loan Documents are secured by valid, binding, properly perfected first-priority liens on and security interests in the Properties and certain other collateral described more fully in the Deeds of Trust for each Property.

46. Each Defendant has failed to pay certain amounts due under the Notes and is in default for failure to pay such amounts. As a result of each Defendant's failure to timely pay all amounts due and owing, an "Event of Default" exists under the Loan Documents as to each Defendant, and the indebtedness evidenced by the Loan Documents has been accelerated. Each Defendant has been provided with actual notice of the Application. No further notice is required under the Loan Documents.

47. Fannie Mae's liens extend to all Defendants' real and personal property of any kind that is owned by Defendants as described in the Loan Documents. For the avoidance of doubt, nothing herein grants Fannie Mae any lien not already provided by the Loan Documents.

48. Each mortgage or deed of trust securing the Loan, as applicable, provides that upon the occurrence of, and during the continuance of any Event of Default: (i) Fannie Mae may enter into or upon each Property or any part thereof to take possession of each Property, either personally or through its agents; (ii) the applicable Defendant's right to collect rents shall automatically terminate and Fannie Mae shall without notice be entitled to all rents as they become due and payable, including rents then due and unpaid; and (iii) Fannie Mae may apply for the appointment

of a receiver for each Property. Each mortgage or deed of trust, as applicable, further provides that upon the occurrence of, and during the continuance of any Event of Default, should Fannie Mae apply for the appointment of a receiver, each Defendant has expressly consented to the appointment of a receiver.

49. The Loan Documents provide that upon the occurrence of, and during the continuance of, any Event of Default, Fannie Mae may, among other things, (i) declare the unpaid debt to be immediately due and payable, and (ii) institute proceedings for the complete foreclosure of the mortgage or deed of trust, as applicable.

50. Fannie Mae has valid claims against the Defendants, which claims are secured by the Properties. Due to the nature of each Property (which includes real property), and the requirement to provide advance notice to State regulators of a change of control of the operator holding the applicable licenses, it may take months to effectuate sales or foreclosures of the portions of the Properties constituting real property, during which time rents from the Properties (which are part of Fannie Mae's collateral) will be lost. Because those rents cannot be recovered after they are spent, foreclosure is an insufficient remedy, and Fannie Mae's rights will be frustrated and diminished in value unless a receiver is appointed. No less drastic equitable remedy is available. A receiver is therefore needed to take control of each Property and preserve the rents pending foreclosure of such Property.

ORDER APPOINTING RECEIVER

In light of the Application and the facts in support the Application, it is therefore ORDERED, ADJUDGED, and DECREED that:

1. **Appointment of Receiver.** Michael F. Flanagan of Kansas City, Missouri, who is not a party, attorney, or other person interested in this action, and otherwise qualified to serve as

receiver under applicable law, is appointed receiver of the Receivership Estate (as defined below) for all purposes (the “*Receiver*”) with all of the powers and obligations set forth herein.

2. **Bond of Receiver.** The Receiver shall file with the Clerk of this Court a cash deposit or bond in the penal amount of amount of \$10,000.00 (the “*Bond*”)³, on the Receiver’s pledge in writing that he will discharge the duties of Receiver in this action and obey the orders of this Court. The filing of Receiver’s Bond with this Court shall take place within ten (10) business days after the entry of this Order. This Order shall not be effective until the Bond is submitted and the Receiver’s oath is filed. Once this Order is effective, Receiver shall take and keep possession, custody, and control of the Properties subject to the terms of this Order. The cost of the Receiver’s Bond shall be an expense of the receivership estate, and the Receiver shall be entitled to be reimbursed for the costs associated with obtaining said Bond (including the cost of any premium for such Bond) from revenue generated from the Properties. The Bond shall be maintained in full force and effect during the course of the Receivership and continue until the Receiver files and obtains court approval for his final account and report, the expiration of any time periods to appeal the approval, or the resolution in favor of the Receiver of the appeal if one is filed. Upon filing the Bond and oath (which may be in the form of a declaration pursuant to 28 U.S. Code § 1746), the Receiver shall be vested with all the powers and responsibilities of a receiver as provided by law and as specifically set forth herein; provided, however, that the Receiver shall not be deemed to have commenced his responsibilities as receiver hereunder, including possession of the Receivership Estate (as defined below), until he has delivered a written notice by email to counsel

³ In the event the Receiver is unable to promptly post a bond, he may, in the alternative, post a \$10,000 cash deposit. Such deposit shall be deposited into the Registry of Court. Should the Receiver subsequently obtain a bond in the amount of \$10,000, the Receiver shall file a notice of such bond with the Court, at which time the Clerk of Court shall promptly return the \$10,000 cash deposit without further Court order, upon the Receiver producing a file-stamped copy of the notice of bond to the Clerk.

for the Parties declaring the date and time at which his oversight and control of the Defendants and possession of the Receivership Estate will begin (the “*Commencement Notice*”). Promptly following the delivery of the Commencement Notice, the Receiver is authorized, in coordination with the Existing Operators and the Existing Managers, to notify the residents of the Properties (as defined above) of the appointment of the Receiver.

3. **The Receivership Estate.** The Court shall have jurisdiction over the Receiver and over all tangible and intangible assets of each of the Defendants (collectively, the “*Receivership Estate*”), and all tangible and intangible assets used by Defendants or the Existing Operators for the operation of the Properties, including all real and personal property owned, leased or otherwise in the possession of the Defendants including the Properties and all offices owned, leased or occupied by the Defendants or the Existing Operators and/or the Existing Managers at the Properties, in each case, to the extent the Defendants have rights thereunder (together with the Properties, the “*Receivership Premises*”), all rents, funds, bank accounts, litigation claims, accounts receivable, computers, all media on which information is stored electronically, vehicles, equipment, inventory, furniture, furnishings, licenses, permits, books, records, and documents, but excluding any “Privileged Communications” as defined in paragraph 6.

4. **Defendants’, Existing Operators’, and Existing Managers’ Board of Directors.** The Defendants’, Existing Operators’ and Existing Managers’ managers and boards of directors (the “*Boards*”) shall remain in existence; provided, however, that the provisions of this sentence shall not apply once Existing Managers are no longer engaged by the Receiver or the Properties are no longer owned by the Defendants. The Receiver or his representative shall timely notify Fannie Mae and the designated representative of each Defendant and each Defendant’s Existing Manager as to material developments concerning the Receivership Estate and shall timely cause

to be provided any documents or information reasonably requested by the designated representative of the Existing Manager or the applicable Board upon written request.

5. **Receiver's Powers and Duties.** Immediately upon the later of the filing of the Receiver's oath and bond and delivery of the Commencement Notice, the Receiver shall, without further order of this Court unless specified, immediately have the following powers and legal responsibilities:

- a. **The Receivership Estate.** The Receiver shall take physical custody and possession of the Receivership Estate subject to the terms of this Order. Notwithstanding the foregoing, the Receiver shall not exclude the Existing Managers, Existing Operators, or any related parties from being physically present at each Property unless and until the Receiver has obtained, with respect to such Property, an alternative operator or manager to take control of and operate such Property, in which case the Receiver shall replace the Existing Operator or Existing Manager, as applicable, subject to the terms of this Order. Defendants, the Existing Operators and Existing Managers agree to cooperate with the Receiver and Fannie Mae to achieve the mutual goals of a prompt, consensual transfer of the Properties, while minimizing the impact of the receivership on the management and operation of the Properties and its residents, and on Existing Manager to permit Existing Manager to maintain continuity of care for the residents of the Properties.
- b. **Authorization to Enter New Agreements.** Promptly following the entry of this Order, to ensure sufficient revenue is made available for the operation and management of the Properties, and to protect continuity of care for Property residents, the Receiver is authorized to enter into one or more new Operations

Service Agreements (each, an “*OSA*”) with an affiliate of MonticelloAM, LLC (each, such affiliate, an “*Interim Advisor*”) to provide support for the operation of the Properties for and on behalf of the Receiver. Concurrently with the entry into the OSAs, Receiver will direct Existing Operators to terminate the Current Management Agreements, and immediately thereafter, Receiver or his designees, including but not limited to MonticelloAM LLC or its affiliates, shall enter into new management agreements with Existing Managers and relating to the Facilities (the “*New Management Agreements*”).

- c. **Management of Properties and Operations.** The Receiver, by and through each of the Defendants, and subject to sufficient funds being made available to the Defendants, is authorized, empowered, and directed to direct and cause the Existing Operators and Existing Managers to: (1) continue to manage all of the ordinary-course operations of the Properties, subject to and consistent with the terms and conditions of the *New Management Agreements*, and (2) in accordance with the *New Management Agreements* and the Loan Documents, regularly provide to the Receiver updates and reports relating to management or operation of the Properties, and the Receiver shall provide to the designated representatives of the Existing Managers any and all documents or information relating to the management or operation of the Properties not contained in such regular updates or reports, in each case, within three (3) business days following written request. For purposes hereof, any action or expenditure by Existing Managers contemplated by a line item in the Budget (subject to any Variances) (as such capitalized terms are herein defined) shall be deemed to be in the ordinary course of business. The Receiver, by and

through each of the Defendants, is authorized, empowered, and directed to direct and cause the Existing Operators and Existing Managers to carry out any of the foregoing or any other action provided for under the New Management Agreements. The Receiver is hereby authorized to enter into new or amended agreements with the Defendants, the Existing Operators and/or the Existing Managers to ensure sufficient revenue is made available for the operation and management of the Properties, and/or to protect continuity of care for Property residents.

- d. **Keys.** The Receiver shall have non-exclusive access to all keys, lock combinations, access cards and other means to access locked areas relating to the Receivership Premises, including all lockboxes and locked drawers and cabinets, except for keys and access cards in the possession of residents of the Properties. The Receiver is authorized to make copies of such keys, access cards, and other means to access locked areas relating to the Receivership Premises for his use in the administration of the Receivership Estate.
- e. **Books and Records.** The Receiver shall have non-exclusive access to all non-Privileged Communications in the books and records of the Defendant related to the management and operation of the Properties, whether in hard copy or electronic form, including all financial records, tax returns, and any and all documents under the control of, or prepared by any third party on behalf of the Defendant (the “***Books and Records***”). The Receiver is authorized to make copies of such non-Privileged Communications in the Books and Records for his use in the administration of the Receivership Estate.

- f. **Bank Accounts.** The Receiver, in his sole discretion and after consultation with the applicable Existing Operator and Existing Manager, may continue to use the existing bank accounts of all Defendants and Existing Operators (the “*Existing Accounts*”) or, at his discretion, may open one or more new bank accounts (each, a “*Receiver Account*”) to be held and operated under the Receiver’s control except as may be prohibited by applicable laws relating to Medicaid payments; provided, however, that Existing Operators, the Receiver, and the Defendants shall require the continued deposit of all of the Defendants’ gross revenues into such accounts. Existing Operators and Existing Managers shall have access to any Receiver Account, subject to the terms of this Order. The Defendants and their agents and employees shall provide the Receiver with all information necessary for the Receiver to take control of each of the Defendant’s bank accounts and to open and maintain the Receiver Account, including all login information necessary to access the Defendants’ bank accounts through the website(s) of the bank(s) where such accounts are maintained. The Receiver and Existing Managers (acting in the ordinary course of business or otherwise only upon instruction of the Receiver), shall be the sole signatories on all of the Defendants’ bank accounts.
- g. **Revenues.** The Receiver shall monitor cash management processes, including processing of payments and the preparation of financial reports. The Existing Managers and any New Manager, as applicable, in collaboration with the Receiver, are authorized to demand, collect, and receive all accounts receivable, monies, funds and payments related to the operations of the Properties, and shall ensure that all such amounts are received, collected, and recorded. All monies coming into the

possession of the Receiver and not reserved or expended for any purposes authorized hereunder shall be deposited in a Receiver Account.

- h. **Shared Expenses.** In some cases, Defendants or Defendants' affiliates, including Existing Managers, may pay for expenses, such as insurance, that are spread across multiple properties, including properties that are not included in the Properties of this Receivership Estate. In such event, the Receivership Estate shall be liable only for that portion of such expenses that is allocable to a Property, and not for any portion of such expense allocable to any other property that is not part of the Receivership Estate. The Defendants are ordered to provide the Receiver with sufficient information to determine the correct allocation of any such expenses. Unless Fannie Mae otherwise consents in writing, the Receiver shall not be authorized to disburse any funds for, or pay any expenses of, any property or facility operations other than a Defendant-owned Property and the Facility operations associated with such Properties.
- i. **Budget.** The budget for operations of the receivership is attached hereto as **Exhibit 1** (as may be amended or modified by future order of the Court, the "***Budget***") and shall govern the Receiver's operations for the first one hundred twenty (120) days of the receivership (unless a different time period is agreed to by the Receiver, Fannie Mae, and an applicable Existing Manager). The Receiver shall cause to be paid, on behalf of the Receivership Estate, all expenses necessary to operate the Properties, not to exceed the amounts permitted by the Budget and any Variances (as defined below). To the extent cash flow from the Properties is insufficient to pay such expenses, without further order of this Court, the Receiver is authorized,

on behalf of the Receivership Estate, to request funds from Fannie Mae pursuant to Section 5(l) of this Order as necessary to pay such amounts. Existing Managers and the Receiver shall be permitted to exceed the amounts set forth in the Budget to pay categories of expenses listed in the Budget to the extent that such payments would not cause the aggregate expenditures to exceed either (the following constituting “*Variances*”) (x) 110% of the total budgeted expenses for that same period or (y) 120% of the amount budgeted for that same line item for that same period (each comparison period, a “*Measuring Period*”) and *provided further, however*, that if the Receiver, in the exercise of his business judgment, determines that he must make expenditures in excess of the amounts as permitted by the Budget for purposes of resident life, health, or safety, the Receiver is authorized to do so and shall immediately notify Fannie Mae and Defendants. Following the entry of the Receivership Order, Existing Managers shall deliver to Fannie Mae and the Receiver on the 20th of each calendar month at a minimum (i) a budget-to-actual report comparing actual receipts and disbursements to the amounts budgeted in the preceding month and (ii) occupancy statistics.

- j. **Payment of Expenses and Use of Checks.** Subject to sufficient funds being made available, the Existing Managers shall pay the normal, ordinary, and necessary operating expenses of the Properties, in accordance with the Budget and subject to any Variances (except as otherwise expressly provided in this Order), from and to the extent of the rents and other revenues collected from the Properties. The Receiver shall pay any and all operating expenses of the Properties that are administrative expenses of the Receivership Estate. The Receiver is also authorized

to employ and pay the Existing Managers, property managers, property operators, accountants, and other persons and professionals as the Receiver deems appropriate to perform his and their duties without further order of this Court. Neither the Receivership Estate, the Receiver nor Fannie Mae shall be liable for any expense with regard to any Property that is incurred prior to the date of the Commencement Notice; *provided, however*, that each Existing Manager shall be entitled to pay, in the ordinary course of business, amounts accrued pre-receivership that include amounts which are within the normal billing cycles and as otherwise expressly set forth in the Budget. The Existing Managers and the Receiver are authorized to write checks and expend funds for the purpose of making any payments or distributions required or permitted to be made hereunder, including but not limited to expenses incurred in connection with the operation, preservation and maintenance of the Receivership Estate, bank service charges, insurance, accounting and other professional services, postage costs and courier and other delivery costs, inventory, office expenses, rent, security deposits, repairs, supplies, taxes, utilities, wages, and renewals of the Receiver's bond. For the avoidance of doubt, the Existing Managers shall write checks and expend funds to pay liabilities incurred in the ordinary-course operations of the Properties subject to the Budget and any Variances, availability of cash flow, and obligations imposed by federal, state or local statutes or regulations, or imposed by regulatory authorities, or, to the extent practical under the circumstances, only with the permission of the Receiver, except for emergencies resulting in life, health, or safety issues. The Receiver must

provide 48 hours' notice to Fannie Mae and Defendants prior to spending more than fifty thousand dollars (\$50,000) for items outside the ordinary course of business.

- k. **Insurance.** Following the entry of this Order, the Defendants shall promptly
- (a) provide the Receiver with copies of all existing insurance policies for the Defendants, the Properties, and/or the assets of the Receivership Estate, and
 - (b) name the Receiver as an additional insured on any existing insurance policies for the period that the Receiver shall be in possession of the Receivership Estate or direct the Existing Managers to do so. The Receiver shall determine, following consultation with the Defendants and Fannie Mae, whether in the Receiver's judgment there is sufficient insurance coverage for the Receivership Estate or any part of it and whether such coverage complies with the Loan Documents. If sufficient insurance coverage does not exist, the Receiver shall immediately notify the Parties and the Existing Managers, and the Receiver shall have sixty (60) days to procure sufficient insurance for the Receivership Estate. The Receiver shall name himself as the insured and Fannie Mae as additional insured and as loss payee for any such policy he procures. No insurer may cancel its existing policy as a result of the appointment of the Receiver without prior order of this Court. No Defendant may cancel, reduce the limits of, or modify any insurance coverage currently in existence with respect to any Defendant or Property except as otherwise provided herein or when the Existing Manager is replaced by the New Manager. For the avoidance of doubt, all insurance premiums, and all deductibles payable under the applicable insurance policies, shall be considered ordinary-course expenditures and payable from the Receivership Estate. Except as expressly set

forth in this Order, the Receivership Estate shall not be liable for any claims arising prior to entry of this Order.

1. **Debt.** The Parties acknowledge that some of the Properties currently operate, and are expected to continue to operate during this receivership, at a cash-flow deficit. Cash receipts from one Property shall not be commingled with cash receipts from any other Property. Without further order of this Court, the Receiver is authorized, on behalf of the Receivership Estate to borrow funds from Fannie Mae as necessary to perform his duties hereunder (including payment of amounts required to operate the Properties under the New Management Agreements) and to otherwise ensure sufficient funds to otherwise meet any and all obligations or requirements imposed by regulatory authorities (including legal counsel fees). The Receiver is authorized to issue one or more Receiver's certificates of indebtedness ("*Certificates*") to evidence such debt, and is authorized to execute such other documents as requested by Fannie Mae evidencing the advance of such funds (the "*Lending Documents*"). Any such funds advanced by Fannie Mae and evidenced by the issuance of Certificates shall be considered advances made under the Lending Documents between the Receiver and Fannie Mae and shall be added to the Indebtedness evidenced by the Loan Documents. The obligations under each Certificate shall be a super-priority administrative claim against the Receivership Estate, and shall be secured by a perfected first priority security interest in and lien on all of the Defendants' property, including all of the Defendants' existing and future acquired property interests of any nature whatsoever (including assets of the Receivership Estate), real and personal, tangible and intangible, including owned and leased real

property, any other interests in real property, accounts receivable, inventory, equipment, cash, deposit accounts, investment property, general intangibles, payment intangibles, supporting obligations, instruments, documents, chattel paper, commercial tort claims, insurance, licenses and permits, intellectual property, trade secrets, goodwill, machinery, contract rights and tax refunds, and all proceeds of the foregoing. Fannie Mae is authorized to take such actions and record such documents as it deems appropriate to reflect the granting and perfection of any such liens to secure obligations arising under the Lending Documents.

- m. **Foreclosure of Assets of the Receivership Estate.** Without further order of this Court, Fannie Mae may cause to be foreclosed by judicial or non-judicial means any or all its interests in the Receivership Estate with such advance notice to the Defendants as is required by applicable law.
- n. **Marketing and Sale of Assets of the Receivership Estate.** Without further order of this Court, and at the request of Fannie Mae, the Receiver is authorized to market any Property or Properties for sale or lease and to retain a real estate broker or other consultant for such purpose; provided, however, any final sale of a Property or Properties is subject to approval from Fannie Mae and this Court. Each Defendant hereby agrees to any sale that may be approved by Fannie Mae and waives any right to object to any such sale. In connection with the marketing, sale and management of any Property, the Receiver is authorized, but not directed, to retain real estate brokers or agents, surveyors, title companies, and conduct environmental assessments, take necessary environmental remedial measures and perform or have performed other engineering and studies without further order of this Court.

- o. **Contracts.** Subject to the Receiver making funds available as described in this Order, Defendants will direct each Existing Manager and Existing Operator to continue to operate and perform under its respective New Management Agreements, as well as any contracts, leases or other agreements required to operate the Properties in the ordinary-course of business of each Property. The Existing Operators and the Existing Managers may negotiate, make, enter into, or modify contracts or agreements related to the ordinary-course operations of any Property and the Receivership Estate only with the prior approval of the Receiver. The Receiver may negotiate, make, enter into, or modify contracts or agreements of or related to matters outside the ordinary-course operations of any Property and the Receivership Estate, and may immediately terminate any existing contract, agreement, lease or instrument of the Defendants if the Receiver determines such agreement not to be beneficial to the Receivership Estate, *provided* that, the Receiver shall first consult with the applicable Existing Managers. The Existing Managers may terminate any contracts that are not useful in connection with the management and operation of the Properties with the approval of the Receiver. The Receiver shall not be bound by any contract between the Defendants and any third party that the Receiver does not expressly assume in writing. The Receiver is authorized to sign any and all documents on behalf of the Defendants consistent with the terms of this Order.
- p. **Litigation.** The Receiver is authorized to initiate, defend, negotiate, settle or otherwise dispose of any claim that concerns property of the Receivership Estate.

- q. **Mail.** Each Defendant shall take any and all steps necessary to retrieve, collect, and review all non-Privileged Communications in mail addressed to the Defendants, and is authorized to instruct the United States Postal Service to reroute, hold, or release such mail to the Existing Managers. Each Defendant shall cause to be provided to the Receiver photocopies of all non-Privileged Communications in mail addressed to the Defendants that may relate to the Receiver's duties established hereunder or to the Receivership Estate.
- r. **Tax ID.** The Receiver is authorized to use any federal tax identification numbers of the Defendants to carry out his duties established hereunder.
- s. **Licenses and Permits.** The Receiver is authorized to use the Defendants' or Existing Operators' Medicaid Provider numbers, which, for the avoidance of doubt, will remain with the applicable Defendant or Existing Operator. The Receiver is authorized to apply for, obtain, and pay any reasonable fees for any necessary license, permit or other governmental approval relating to the Properties, the Receivership Estate, or the operation of either of the foregoing (and all such expenses shall be considered ordinary-course expenditures payable from revenues generated from the Properties or as otherwise provided by Fannie Mae in accordance with this Order), and confirm the existence of, and do all things necessary to protect and maintain, any such licenses, permits or governmental approvals. Upon appointment, the Receiver shall provide written notice to all applicable regulatory authorities.
- t. **Receiver's Professionals.** Subject to the express terms of this Order, the Receiver is authorized to employ legal counsel to assist him in the discharge of his duties

without the need for a Court order. In addition, upon further order of this Court, the Receiver is authorized to retain such accountants, consultants, managers, brokers, appraisers and other professionals as are necessary to the proper discharge of the Receiver's duties, and to pay such professionals reasonable fees from the funds of the Receivership Estate in accordance with the Budget. Notwithstanding the foregoing, the Receiver is authorized, without Court approval, to employ legal counsel to assist with any regulatory issues that may arise in connection with the Receivership Estate, with such legal fees not to exceed \$100,000, absent further Court order.

- u. **Improvements.** Each Defendant, through its respective Existing Manager and the Receiver, as applicable, is authorized to make such capital expenditures necessary or desirable relating to the operations and maintenance of the Properties as set forth in the Budget with the consent of Fannie Mae or as required by applicable regulations. The Receiver is authorized to make any alterations, renovations, repairs, improvements, or replacements of or to the Properties or the Receivership Estate that the Receiver deems necessary or otherwise required by the state regulator.
 - v. **Additional Powers.** The Receiver is hereby vested with any and all authority necessary or appropriate, at law and in equity, to carry out the intent of this Order.
6. **Cooperation by Defendants.** The Defendants for themselves and their Existing Operators, as well as their respective agents, directors, officers, employees, attorneys, representatives, affiliates, all other persons and entities who are successors in interest to or are acting in concert with the foregoing, and all persons and entities with control, possession,

knowledge, or oversight of any of the Defendants' assets, including its Books and Records:

(a) shall direct Existing Managers to cooperate with the Receiver and his professionals, representatives and their agents in connection with the Receiver's performance of his duties and the exercise of the authority granted to the Receiver herein (at no cost to Defendants, Existing Managers and such other related parties which are not paid out of the Receivership Estate); and

(b) are hereby enjoined and restrained from interfering with the Receiver carrying out his duties under this Order and any further orders of the Court. Notwithstanding any provision of this Order, nothing contained in this Order shall provide the Receiver with any right of access to any Defendant's privileged information (including by way of example and not limitation, any email, document, and conversation) subject to the Attorney/Client evidentiary privilege or Attorney Work Product Doctrine (a "*Privileged Communication*"). Should the Receiver discover that he has received, accessed, or obtained a Privileged Communication, he shall advise counsel for the affected Defendant by email, identify the Privileged Communication, destroy any copies in his possession, and refrain from using any knowledge of the Privileged Communication in any manner or for any purpose. Nothing contained in this Order shall waive the Defendant's Attorney/Client evidentiary privilege, the Attorney Work Product Doctrine, nor any provision of the Health Insurance Portability and Accountability Act of 1996 ("*HIPAA*") or similar privacy laws. The Receiver shall not have access to any patient care information protected under HIPAA except as provided in this Order. In the event Court intervention is required to obtain the Defendants' compliance with the terms of this Order, and an order is entered against the Defendants, Defendants acknowledge and agree that they may be liable for reasonable attorneys' fees and expenses incurred by the Receiver or Fannie Mae, as applicable, in obtaining such compliance.

7. **Cooperation by Banks.** Each institution where an Existing Account is maintained is hereby ordered, upon the Receiver's request and presentation of this Order and except as expressly prohibited by applicable laws or regulations, to allow the Receiver to take over such Existing Account, to transfer control to the Receiver of such Existing Account and any funds contained within it, and to provide the Receiver with account statements and other account documents for such Existing Account upon request. The Receiver is authorized to execute new signature cards for such accounts to ensure the transfer of control of such accounts to the Receiver. Upon the Receiver's request and presentation of this Order, each institution where an Existing Account is maintained is ordered to delete all current designated signatories on such accounts except for those signatories identified by the Receiver, which may include the Existing Managers.

8. **Addresses for Notice.** The Parties shall promptly notify the Receiver in writing of the names, addresses, and telephone numbers of all parties who appear in this action and their counsel, to the extent such information is available. The Parties shall give notice to the Receiver of any service of process affecting the Receivership Estate or any correspondence, notices, or other communications received on behalf of the Defendant.

9. **Suit Against Receiver.** All Parties and persons acting through them are hereby restrained and enjoined, without the prior approval of this Court, from taking any of the following actions, except in this Court, unless otherwise provided herein or in a subsequent order of this Court, consistent with general principles of equity and in accordance with its ancillary equitable jurisdiction in this matter:

- a. Except as provided herein with respect to Fannie Mae's right to foreclose on the Properties, the commencement or continuation, including the issuance or employment of process, of any judicial, administrative, or other proceeding against

- the Receiver or any Receiver-Related Person (as defined herein), or the Receivership Estate, arising from the subject matter of this proceeding;
- b. The enforcement against the Receiver, property of the Receivership Estate, or any Defendant of any judgment obtained before the date this proceeding was commenced;
 - c. Any act to obtain possession of property of the Receivership Estate or property from the Receivership Estate or to exercise control over property of the Receivership Estate;
 - d. Any act to create, perfect, or enforce any lien against property of the Receivership Estate, including against any Property;
 - e. Any act to collect, assess, or recover a claim against the Receiver or the Receivership Estate that arose before the date this proceeding was commenced;
 - f. The setoff of any debt owed by the Defendants or the Receivership Estate, or secured by assets of the Receivership Estate, against any claim against the Defendants or the Receivership Estate; and
 - g. Any claim for acts arising prior to entry of this Order.

For the avoidance of doubt, nothing contained in this Order shall restrain or enjoin any party from seeking an order of this Court or of any appellate court of competent jurisdiction to obtain compliance by Fannie Mae, the Receiver, or any Receiver-Related Persons (as defined herein) with the terms of this Order.

10. **No Personal Liability.** Michael F. Flanagan and Flanagan & Associates, LLC, through and by Michael F. Flanagan, is acting solely in its capacity as Receiver and, except as provided by applicable law, no risk, obligation, liability or expense incurred by the Receivership

Estate shall become the personal risk, obligation, liability, or expense of Mr. Flanagan or Flanagan & Associates LLC.

11. **Security Deposits; Resident Contracts.** All security and other deposits paid by any resident, tenant, or other person to any Defendant or its agent shall be turned over to the Receiver, with such funds to be used in accordance with the terms and conditions of the applicable resident contract. Any other security or other deposit that any resident, tenant, or other person has paid or may pay to the Receiver, if otherwise refundable under the terms of a lease or other agreement with such resident, tenant, or other person, shall be an expense of the Receivership Estate and shall be refunded by the Receiver in accordance with the applicable lease or agreement.

12. **Utilities.** Without prior order of this Court, no utility company, including electricity, gas, water, sewage, waste water, recycling, garbage, telephone, television, cable and internet providers, may terminate service to any Defendant or to the Receivership Estate as a result of nonpayment of any obligation incurred prior to the date of the Commencement Notice, nor may any utility demand an additional deposit as a condition to the continued provision of service.

13. **HIPAA.** This Order constitutes a Protective Order under HIPAA. The Receiver and the Receiver-Related Persons are authorized to access confidential patient information as necessary to carry out their duties under this Order; provided, however, that the Receiver and the Receiver-Related Persons shall implement the following procedures to safeguard the confidentiality of protected health information (“*PHI*”), as defined under HIPAA:

- a. The Receiver and Receiver-Related Persons shall be prohibited from using or disclosing PHI for any purpose other than for purposes of fulfilling the Receiver’s responsibilities under this Order. The Receiver and Receiver-Related Persons shall use only the minimum necessary confidential information for such purposes.

- b. The Receiver and Receiver Representatives shall implement appropriate safeguards to prevent review, use, or disclosure of PHI, including subjecting the Receiver and Receiver Representatives to the same standards regarding confidentiality of patient records as Defendants under applicable laws, including HIPAA.
- c. The Receiver and Receiver Representatives shall mitigate (to the extent reasonably practicable) any harmful effect that is known to them from a use or disclosure of PHI by them in violation of the requirements of this Order.
- d. The Receiver and Receiver Representatives must not make any paper or electronic copies of, or otherwise acquire, any PHI in the course of their duties, such that it is not necessary for them to return or destroy PHI received at the end of all litigation.
- e. Any other person that the Receiver retains, employs, or contracts, or that otherwise acts as an agent for the Receiver, shall abide by the same restrictions and conditions that apply to the Receiver with respect to PHI.

14. **Replacement of Existing Manager.** The Receiver shall engage the Existing Managers to operate the Properties in accordance with the terms of this Order and the New Management Agreements, and the Receiver shall be permitted, but not directed, to retain one or more replacement management companies acceptable to Fannie Mae (each, a “*New Manager*”) for any Property, and contract with that New Manager on commercially reasonable terms without further order of this Court. Any termination of a New Management Agreement shall be in accordance with the terms of such New Management Agreement. Any such New Manager shall have the same rights and responsibilities under this order as an Existing Manager. Any New Manager is expressly authorized to occupy a Property pending licensure of a new operator. Upon engagement of a New Manager, the Receiver shall confirm in writing to the applicable Defendant

and Existing Manager that the New Manager has been engaged to manage the Property. The Receiver shall consult and coordinate these communications with Defendants. The Parties agree to cooperate with each other to achieve the mutual goals of an efficient transfer of the Properties.

15. **Replacement of Existing Operator.** The Receiver shall cooperate with Fannie Mae in locating and licensing any operator (each, a “*New Operator*”) to replace any Existing Operator of any Property or a New Operator for each Property and the Receiver is authorized, as and when such new operators are secured and licensed with respect to each Property, to enter into and perform under any Operations Transition Agreement (an “*OTA*”), purchase and sale agreement, lease, or other agreement with each such New Operator or owner that the Receiver deems necessary or appropriate to ensure the uninterrupted care for residents at the subject Property and the orderly transfer of operations, subject to and in compliance with all applicable laws, rules and regulations relating to the transfer of operations for senior housing communities. Any such OTA, purchase and sale agreement, lease, or other agreement shall be in commercially reasonable form and substance acceptable to the applicable parties. The Receiver is authorized to pay any amounts owing pursuant to any such agreement. At a reasonable time prior to the appointment of a New Operator to replace any Existing Operator of any Property, the Receiver shall: (a) confirm in writing to the applicable Defendant and Existing Manager or New Manager, as applicable, that the New Operator has obtained all required licenses and permits needed to operate the Property under applicable law for the jurisdiction where the Property is located and provide the applicable Defendant, Existing Manager or any New Manager, as applicable, with copies of said licenses and permits; (b) execute an appropriate joint notice with the applicable Defendant, Existing Manager or New Manager required under applicable state law regarding the change in the controlling person over each Properties; (c) send the joint notice, along with a cover

letter explaining that the notice is an update pursuant to this Order and summarizing the anticipated change in the operator and/or controlling person of such Property, to each applicable state regulatory agency; and (d) either (i) terminate the New Management Agreement in accordance with Section 14 above, or (ii) provide evidence of New Operator's written agreement to assume all of Existing Operator's obligations under the New Management Agreement.

16. **Filing of Copies.** Within ten (10) days after entry of this Order, the Receiver shall, pursuant to 28 U.S.C. § 754, cause copies of Fannie Mae's Complaint and a copy of this Order to be filed in the federal district court for each district in which a Property is located.

17. **Compliance with Applicable Laws.** Upon taking charge of each Property as authorized by the immediately preceding paragraph, the Receiver shall comply with all applicable local, state and Federal regulations, including U.S. Department of Health and Human Services rules and regulations regarding the safety of residents.

18. **Contact with Regulatory Authorities.** The Receiver is authorized and directed to coordinate with Defendants to contact any regulatory authority responsible for a Property and to provide a copy of this Order. The Receiver is authorized to file documents with applicable regulatory authorities and pay all necessary fees. The Receiver is authorized to hire and retain professionals, including legal counsel, necessary to assist with such filings without further order of this Court.

19. **Retention of Possession.** Subject to the limitations expressly provided in this Order, the Receiver shall retain possession of each Property until the earlier of (i) further order of this Court, (ii) the disposition of such Property by the Receiver, or (iii) disposition of the Property by sale or by judicial or nonjudicial foreclosure by Fannie Mae, with the express understanding that any such judicial or nonjudicial foreclosure may proceed without further order of the Court.

20. **Receiver Compensation.** The Receiver shall be paid a monthly fee equal to \$1,000.00 per month per Property, plus reimbursement of all out of pocket fees, costs and expenses incurred in discharging Receiver's duties hereunder. All fees, together with allowed out of pocket fees, costs and expenses, approved in this paragraph are to be paid as a priority from the rents and revenues of each Property.

21. **Existing Manager Cooperation.** Each Defendant shall, either directly or through its Existing Operator, direct its Existing Manager to continue to provide all services required under each New Management Agreement or applicable licensing or regulatory requirements to operate and manage its Property under applicable law and shall cooperate with the Receiver in performing these services, and in the orderly transition to any New Operator or New Manager, and shall execute promptly all applications, assignments, consents, and documents requested by the Receiver to facilitate such transition; provided that, in all cases, appropriate funds are provided to the Existing Managers to carry out such obligations. The Receiver is further authorized to compensate any such Existing Manager in accordance with the provisions of any New Management Agreement. Upon successful transition of a Property to a New Manager, the Receiver shall cause to be terminated the New Management Agreement corresponding to such Property upon thirty (30) days' notice, unless the Parties agree otherwise, and the Existing Managers and their affiliates shall immediately be relieved and released from their obligations to operate and/or manage such Property.

22. **Accounting of Rents.** No later than the 25th day of each month, for each Property for so long as it is in the Receivership Estate, the Receiver shall make an accounting of all rents and revenues collected and all expenses paid for the previous month and file such accounting with the Court and shall serve upon Fannie Mae's counsel and Defendants' counsel a copy of said

accounting. The Receiver shall file a final report within ninety (90) days after the termination of the receivership unless otherwise ordered by the Court.

23. **Payment to of Indebtedness.** Within ninety (90) days after the termination of the receivership, the Receiver shall pay to Fannie Mae all receipts remaining, if any, after payment of the items set forth herein, to be applied to the indebtedness of the Defendants to Fannie Mae, pursuant to the Notes. The Receiver is authorized, but not required, to make any or all of the payments set forth in this paragraph during the pendency of the receivership.

24. **Repairs.** In the event the Receiver desires to make any repair to any Property or pay any unforeseen operating expenses other than those ordinarily and normally incurred in the operation of the business or which are required to address life safety concerns, the Receiver shall notify Fannie Mae, directly or through counsel, of the nature and approximate cost of the desired expenditure. Fannie Mae shall respond within three (3) business days of such notice to either authorize such expenditure or to join with the Receiver in a request for a hearing before the Court to determine whether such expenditure should be authorized. The provisions of this paragraph do not apply to emergency repairs, life safety repairs, or repairs required by applicable city, municipal, or state ordinance or code or as directed by federal, state or local regulatory authorities.

25. **No Impairment.** Fannie Mae's title to and security interest in the rents, issues, profits, and revenues of each and every Property shall not be impaired by the appointment of the Receiver.

26. **Liability:**

- a. Except as provided otherwise in this Order, neither Fannie Mae nor the Receiver shall be liable for any obligations incurred by or on behalf of any Defendant, Existing Operator, Existing Manager, New Manager, New Operator, or other

property operator, whether or not such obligations have been liquidated and whether or not such obligations are conditional, that arose prior to this Order and that relate in any way to the acquisition, ownership, maintenance, operation, financing, sale, or use of the any of the Properties and of any part of it. If obligated, Defendants shall remain liable for all obligations of the Properties.

- b. This Order shall not impose upon either Fannie Mae or the Receiver any liability to any party for any claim, action, or cause of action relating to any Property and arising out of or relating to events or circumstances occurring prior to the appointment of the Receiver, including any liability resulting from the performance of services rendered by third parties on behalf of Defendants, and any liability to which Defendants are currently or may ultimately be exposed under any applicable laws pertaining to the ownership, management, and operations of any of the Properties.
- c. To the extent the Receiver continues the services of any current employee, agent, or other person with respect to any Property, the Receiver shall not be liable for any claims of any nature whatsoever of such employee, agent, or other person that arose prior to the date and time of the entry of this Order, including any liability related to unemployment or worker's compensation claims, claims or violations related to Employee Retirement Income Security Act of 1974, or any other claims relating to employee benefits or employee benefits plan.
- d. Except for acts of willful misconduct, gross negligence, or fraud, neither the Receiver nor any of his employees, agents, representatives, attorneys, officers, directors, partners, shareholders, members, affiliates, successors or assigns (the

“Receiver-Related Persons”) shall have any liability for any loss or damage incurred by the Receivership Estate, any Defendant, any Defendant’s clients, patients or associates, or any of their respective subsidiaries, affiliates, officers, directors, agents, employees, or equity holders because of any act performed or not performed by the Receiver or any Receiver-Related Person in connection with the discharge of the Receiver’s duties and responsibilities hereunder. Further, there shall be no claims brought by any party arising out of related to the appointment of the Receiver.

27. **Not Deemed Owners.** Neither the Receiver nor Fannie Mae shall be deemed in any way to be an owner or operator of any Property or any agent of any Defendant, owner, or operator of any Property. Except for claims arising from the Receiver’s willful misconduct, gross negligence, or fraud, the Receiver shall have no liability as to any claim, action, or cause of action of any third party who has or would have claims against any Defendant or any officer, director, or shareholder thereof (including any claims under any federal or state environmental laws).

28. **Further Instructions.** The Receiver or any party may, upon 72 hours’ notice to each other (or, in the case of an extreme emergency, on 24-hours’ notice), petition the Court for instructions in furtherance of this Order and any further orders the Court may make with respect to the Receivership Estate.

29. **Inventory.** Within thirty (30) days of the date of this Order and with the assistance of the Existing Managers, the Receiver shall file an inventory of all assets of the Receivership Estate, including all real property, tangible personal property and intangible personal property, but excluding the personal property of any residents of the Property.

30. Fannie Mae agrees that notwithstanding anything contained in the Loan Documents to the contrary, neither Defendants nor any of the Guarantors (as defined in the applicable Loan Documents) shall have any liability to Fannie Mae under any Loan Documents (including, but not limited to, with respect to Guarantors, each Guaranty of Non-Recourse Obligations (as defined in the applicable Loan Agreements) and with respect to Guarantors and Defendants, each Environmental Indemnity Agreement (as defined in the applicable Loan Agreements), for any sums, claims, amounts, obligations or liabilities (collectively, “**Claims**”) to the extent such Claims are solely attributable to the acts, directions, or omissions of the Receiver from and after the date this Order is entered, all such Claims being waived. Except as expressly provided herein, nothing in this Order is intended to modify the obligations of any party under any Loan Document.

31. Money coming into the possession of the Receiver and not expended for any of the purposes authorized herein shall be held by the Receiver subject to such orders as this Court may hereafter issue.

32. The Receiver shall not be responsible for the preparation and filing of any tax returns for Defendants or any affiliate(s) of Defendants or any Existing Operator, Existing Manager, New Operator, or New Manager, including income, personal property, commercial activity, gross receipts, sales and use, or other tax returns. Upon reasonable request, the Receiver shall provide the Defendants or their affiliates with information in the Receiver’s possession that may be necessary for the Defendants or their affiliate to prepare and file their tax returns. Notwithstanding the above, the Receiver shall be responsible for the preparation and filing of any tax returns required for the Receivership Estate but not the Defendants.

33. The Receiver may at any time request from the Court that they be exonerated, discharged and released from his appointment as Receiver.

34. No lien, claim, or other security interest in any Property shall be affected by this Order, nor shall the appointment of the Receiver impair Fannie Mae's right or ability to proceed with any judicial or nonjudicial foreclosure of any Property now posted or instituted or hereafter posted or instituted by Fannie Mae, with the express understanding that judicial or nonjudicial foreclosure of any Property may occur without further order of the Court in accordance with applicable state law.

35. This Court shall retain exclusive jurisdiction and supervision of all matters concerning the Receiver, the receivership created hereby, the interpretation and implementation of this Order and the Properties.

36. This receivership shall continue in effect until further order of this Court.

SIGNED: March 30, 2023

The Honorable Jia M. Cobb
U.S. District Court Judge

AGREED AS TO FORM AND SUBSTANCE BY:

REED SMITH LLP

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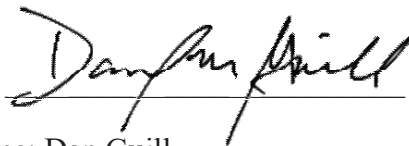
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**On behalf of the MCFA 54 Defendants,
MCFA 11 Defendants, MCFA 25
Defendants, HOPKINS AID PROPCO
LLC, WESTWOOD LANDING AID
PROPCO LLC, BLUEBONNET AID
PROPCO LLC, LUCAS AID PROPCO
LLC, and WILLOWPARK AID
PROPCO LLC**

By: 

Name: Dan Guill

Title: Authorized Signatory

On behalf of the Bluegrass Defendants

By: 

Name: Matthew Coleman

Title: Authorized Signatory

EXHIBIT 1

ENLIVANT PORTFOLIO - PROJECTED RECEIVERSHIP BUDGET⁽¹⁾

	4-Month Total
<u>Revenue⁽²⁾</u>	
Portfolio Revenue	88,530,826
<u>Expenses⁽²⁾</u>	
Portfolio Operating Expenses	74,163,692
<u>Net Operating Income</u>	
Net Operating Income	14,367,134
Pre Mgmt Fee Margin	16.23%
<u>Management Fee</u>	
Total Management Fee	12,500,000
<u>Capex⁽³⁾</u>	
Total Capex	3,300,000
Per Unit	26,400
<u>Other Expenses</u>	
Onboarding Fee	5,090,336
Property Level Retention Cost	1,750,000
Other Costs	2,000,000
Receivership Fees	500,000
Receivership Legal	200,000
Total Other Expenses	9,540,336
<u>Portfolio Net Cash Flow⁽⁴⁾</u>	
Total Portfolio Property Net Cash Flow	\$ (10,973,202)

(1) Projected budget subject to change following any property dispositions during receivership period

(2) Based on Borrower/Manager provided financials, for the trailing twelve month period as of 12/31/22

(3) Based on Borrower/Manager provided budget for fiscal year 2023

(4) Includes property level expenses only



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Missouri, Kansas, Illinois & Nebraska

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LEGAL EXPERIENCE

November 1997 to present. Sole member of Michael F. Flanagan, L.L.C. and Flanagan & Associates, L.L.C. Flanagan's clients include long term care facility owners and operators, as well as lenders and landlords to long term care facility owners and operators. Flanagan concentrates his practice in the areas of health care, corporate, bankruptcy, debtor/creditor rights, commercial law and business workouts primarily involving long term care facilities. Flanagan has assisted numerous lenders, indenture trustees, bondholders and owners of health care facilities, including acting as a receiver on numerous facilities. Flanagan is well versed in corporate and regulatory matters involving long term care facilities and has developed a special expertise in advising and consulting with owners, operators and/or lenders to long term care facilities that are experiencing financial or other difficulties in connection with the operation of their facilities. He has acted as borrower's counsel on matters involving hundreds of millions of dollars in conventional, HUD and tax-exempt bond financing. Flanagan also serves as a member of the Board of Directors for Central Bank of Kansas City.

May 1988 – November 1997. Associate (May 1988 to November 1994) and Equity Shareholder (November 1994 to November 1997) with Polsinelli P.C. During his employment at Polsinelli, Flanagan represented numerous clients in complex Chapter 11 bankruptcy proceedings. Flanagan drafted and successfully confirmed a Chapter 11 Plan of Reorganization for a not-for-profit nursing home owner that owed secured and unsecured debts in excess of \$100 million. At the time, this chapter 11 case was the second largest ever filed in the Western District of Missouri and the largest involving a not-for-profit owner of nursing homes. Flanagan's bankruptcy practice required that he handle various aspects of corporate, real estate, bond and tax law matters as each has related to bankruptcy cases. Flanagan has negotiated numerous leases, asset purchase agreements, loan agreements, real estate contracts, debtor in possession financing agreements and cash collateral orders, as well as represented clients in negotiations or disputes involving various governmental agencies, including the Internal Revenue Service and the Environmental Protection Agency. While at Polsinelli, Flanagan also served as the Chairman of the Recruiting Committee.

PROFESSIONAL ASSOCIATIONS

Flanagan is licensed to practice in the States of Missouri, Kansas, Illinois and Nebraska. At the special request of the Chief Bankruptcy Judge, he served as a member of the Ad Hoc Advisory Committee for the Western District of Missouri Bankruptcy Court. He is a member of the Corporate, Banking and Business Sections of the American Bar Association and The Missouri Bar Association and the American Health Lawyers Association. Flanagan is also a member of the Board of Directors of Central Bank of Kansas City.

EDUCATION

Flanagan received his law degree, with distinction, from the University of Iowa in May 1988, where he received the American Jurisprudence Award for excellence in Bankruptcy Reorganizations. Flanagan served as a law clerk for The Honorable Chief Bankruptcy Judge Michael J. Melloy, United States Bankruptcy Court for the Northern District of Iowa, who now sits on the Eighth Circuit Court of Appeals. A 1985 graduate of Central College, a liberal arts college in Pella, Iowa, Flanagan was a four (4) year recipient of the Rolscreen Scholarship (the top academic scholarship awarded by Central College).

REPRESENTATIVE TRANSACTIONS

In re: First Humanics Corporation

United States Bankruptcy Court for the Western
District of Missouri, Western Division,
Case No. 89-42041-11

First Humanics Corporation was one of the largest not-for-profit long-term care providers to ever file a chapter 11 bankruptcy proceeding. This case involved twenty-one (21) nursing homes that were acquired through the issuance of approximately \$83,000,000 in I.R.C. §501(c)(3) tax-exempt bonds. Flanagan represented the debtor in this proceeding and developed and confirmed the plan of reorganization which involved obtaining a \$5,000,000 super-priority priming loan for use as post-confirmation working capital and numerous modifications to the existing bond documents to maximize the return to bondholders.

In re: South Park Care Associates, Inc.

United States Bankruptcy Court for the Western
District of Missouri, Western Division,
Case No. 94-42992-11

South Park Care Center is a 178 licensed bed skilled nursing facility located in Kansas City, Missouri. Flanagan represented Tutera as the debtor's post-petition manager and debtor in possession lender in the total amount of \$250,000. Flanagan proposed and confirmed a plan of reorganization in October, 1995 whereby a newly formed limited partnership (whose general partner is a limited liability company wholly owned by Tutera and whose limited partners are the debtor's unsecured creditors) purchased this project through the assumption of various secured debts pursuant to 11 U.S.C. § 363(f).

In re: Third and Oak Corporation

United States Bankruptcy Court for the Western
District of Kentucky, Louisville Division,
Case No. 94-32247-11

Flanagan represented the special advisor to Mark Twain Bank, as Successor Indenture Trustee for the \$22,370,000 County of Jefferson (Kentucky) First Mortgage Residential Care Facilities Revenue Bonds (Treyton Oak Towers Economic Development Project) Series 1988, in connection with the debtor's chapter 11 bankruptcy proceeding until the debtor's plan was confirmed in August, 1995.

In re: The SterlingCare Group, Ltd.
United States Bankruptcy Court for the Southern
District of Indiana, Indianapolis Division,
Case No. 92-9594-RLB-11

The SterlingCare Group, Ltd. filed a voluntary chapter 11 petition for relief on September 18, 1992. Flanagan represented the post-petition manager and DIP lender for SterlingCare's seven (7) facilities. During the course of this case, Flanagan prepared and filed a plan of reorganization proposing to assume the leases for these seven (7) facilities, which had a collective value in excess of \$20,000,000, and operate the facilities for the benefit of the creditors. However, prior to the confirmation of this plan, the State of Indiana enacted Rule 14, which dramatically changed the method by which Medicaid payments were being reimburse to Indiana providers and rendered the continued operation of these seven (7) homes unprofitable. In part based upon the advice of Flanagan, the debtor requested that the Bankruptcy Court authorize the debtor to reject the leases for the seven (7) facilities and hand them back to their respective landlords.

In re: Brook Meade Health Care Center, Inc.
United States Bankruptcy Court for the Middle
District of Tennessee, Nashville Division,
Case No. 391-04724-11

Flanagan prepared and filed a plan of reorganization on behalf of his bondholder client proposing to purchase this long term care facility through a refunding the \$4,900,000 Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee Industrial Revenue Bonds (Brook Meade Health Care Center Project) Series 1985 and the \$575,000 Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee Industrial Revenue Bonds (Brook Meade Health Care Center Project) Series 1986. While Flanagan's client was not the successful plan proponent, Flanagan's client was paid a substantial "break up fee" not to pursue its plan.

Mattoon Convalescent Care Center
Mattoon, Illinois

Flanagan represents Mattoon, Inc., which is the court-appointed receiver for this Illinois nursing home since April, 1991 in conjunction with a foreclosure proceeding filed by South Side National Bank in St. Louis, as Indenture Trustee for the \$5,650,000 City of Mattoon, Illinois First Mortgage Revenue Bonds (Mattoon Manor Project) Series 1985. In conjunction with the rehabilitation of a portion of the facility, Flanagan devised a method by which the receiver make a substantial capital improvement loan for use at the facility which otherwise appeared to be prohibited under the applicable bond documents. This facility was thereafter sold to a third party.

Bayou Villas
Pensacola, Florida

Flanagan represented the receiver of this Florida nursing home, which was appointed at the request of the debtor and Barnett Bank, as Successor Indenture Trustee for the \$3,700,000 Pensacola Care, Inc. First Mortgage Revenue Bonds Series 1980, from October, 1992 until the facility was sold by Barnett Bank to a third party in 1996.



In re: Gallatin Health Care Associates
United States Bankruptcy Court for the Middle
District of Tennessee, Nashville Division,
Case No. 395-09504

Flanagan acted as a consultant and special advisor to the debtor's general partner in connection with the formulation, negotiation and financing of the debtor's chapter 11 plan of reorganization. The major component of the plan was the refinancing of the \$6,700,000 Health, Educational and Housing Facilities Board of the County of Sumner, Tennessee Revenue Bonds, Series 1986 (Gallatin Health Care Associates Project) through the private placement of \$5,200,000 refunding tax exempt bonds and a \$900,000 taxable note with a single sophisticated investor arranged by Flanagan. The debtor's confirmed plan became effective on August 1, 1997.

In re: The Phoenix Rehabilitation Center, Inc.
United States Bankruptcy Court for the
District of Kansas, Topeka Division,
Case No. 97-41334-11

The Phoenix Rehabilitation Center, Inc. is a Kansas not-for-profit corporation which owned The Phoenix Nursing & Rehabilitation Center, a 235 licensed bed skilled nursing facility located in Olathe, Kansas. Flanagan's client provided post-petition consulting services, as well as a debtor in possession loan in the total amount of \$150,000, to the owner during its chapter 11 bankruptcy proceeding filed on May 16, 1997. At the time that the chapter 11 bankruptcy was filed, the facility was the subject of a de-certification proceeding and its Medicaid provider agreement was set to terminate on June 9, 1997. Flanagan's client ultimately purchased the facility pursuant to a credit bid submitted in accordance with 11 U.S.C. § 363(k) in an amount equal to the first mortgage note which had been previously purchased by Flanagan's client.

In re Stonebridge, L.L.C., et al.
United States Bankruptcy Court for the Eastern
District of Louisiana, New Orleans Division,
Case No.'s 97-14854, 97-14855, 97-14856,
97-14857, 97-14858 and 97-14859
(Jointly Administered)

On August 29, 1997, Stonebridge, L.L.C., Audubon Living Center, Inc., Carrollton-Glyndana, L.P., Flower Mound-Glyndana, L.P., Glenn Laborde, Inc., and Glyndana-Windsor, L.P., filed voluntary chapter 11 petitions for relief. Flanagan represented the post-petition manager of the six (6) facilities that are owned or leased by the above-referenced debtors. On July 23, 1998, the Bankruptcy Court confirmed plans of reorganization for Stonebridge, Cross Timbers and Amite which provided for the restructuring of debts totaling in excess of \$20,000,000, including approximately \$13,000,000 in long term debt currently held by Bank One Louisiana, N.A., which was negotiated, in large part, by Flanagan. Flanagan also represented Tutera in the acquisition of Windsor Care Center pursuant to a Section 363 sale of the facility conducted by the Bankruptcy Court.

Belwood Nursing Home
Peoria County, Illinois

Flanagan represented the consultant and special advisor for the operation of Belwood Nursing Home, which is owned and operated by Peoria County, Illinois.

In re: Fountain Manor, Inc.

United States Bankruptcy Court for the
Eastern District of Louisiana, New Orleans Division,
Case No. 98-15367-B-11

Fountain Manor, Inc., a Louisiana corporation, owned Fountain Manor, a 131 licensed bed skilled and intermediate care nursing facility located in East New Orleans, Louisiana. On September 3, 1998, the Bankruptcy Court appointed a chapter 11 trustee to take over the management and operation of FMI and the facility. The chapter 11 trustee thereafter immediately engaged Flanagan's client to provide management services at the facility pending the sale of the facility through a bankruptcy court auction.

Armour Assisted Living Facility, Inc.

Kansas City, Missouri

On January 14, 1999, Flanagan's client was engaged by the state court appointed receiver to manage this 120 unit residential care II facility located in Kansas City, Missouri following the receiver's appointment upon the request of the Missouri Department of Social Services, Division of Aging.

In re: Carewell Corporation of Oklahoma, Inc., et al.

United States Bankruptcy Court for the Western
District of Missouri, Western Division,
Case No. 99-40827-1-11, et seq.
(Jointly Administered)

On March 8, 1999, Carewell Corporation of Oklahoma, Inc., together with six (6) wholly owned limited liability companies (collectively "Carewell"), filed voluntary chapter 11 petitions for relief. Flanagan's client was the manager of nine (9) facilities owned and operated by Carewell until the facilities were ultimately transferred back to Carewell's respective secured creditors following a determination that the terms and conditions by which such lenders would agree to such a transfer would be far in excess of what general unsecured creditors would ever receive if the Debtors' were to reorganize under chapter 11.

In re: Axiom Healthcare Services, Inc., et al.

United States Bankruptcy Court for
the Eastern District of Louisiana
Case No.'s 99-11875-11, et seq.
(Jointly Administered)

On April 14, 1999, Axiom Healthcare Services, Inc., together with six (6) wholly owned limited liability companies (collectively "Axiom"), filed voluntary chapter 11 petitions for relief. Pursuant to an order entered by the Bankruptcy Court on or about April 19, 1999, Flanagan's client began managing six (6) skilled nursing facilities leased or owned and operated by Axiom that are located in the State of Oklahoma. Flanagan's client also provided Axiom with a debtor in possession line of credit in the total amount of \$500,000 for use as working capital at the facilities. Shortly following the filing of the procedure, it became clear that Axiom would be unable to reorganize its affairs, primarily since five (5) of the facilities were leased by Axiom and the landlord was unwilling to make the concessions necessary to allow the facilities to operate profitably. Therefore, upon the advice of Tutera, the Court rejected the leases for the five (5) facilities effective as of June 11, 1999, thereby preserving the ability of Axiom to pay in full its administrative expense claims owing to creditors.

Blue Hills Care Center
Kansas City, Missouri

On July 12, 1999, Flanagan's client was appointed by the Missouri Department of Social Services, Division of Aging and the licensed operator of the facility to serve as the temporary manager to manage and close this 180 bed skilled nursing facility leased and operated by an affiliate of Lenox Healthcare located in Kansas City, Missouri, which has a population of 132 residents upon the date of appointment. Within approximately 3 weeks of being appointed as receiver, all residents were relocated to other facilities and this facility was closed in accordance with applicable law.

In re: Oakwood Village Nurse Care Center, Inc., et al.

United States Bankruptcy Court for
the Western District of Louisiana
Case No. 00-50485 (Jointly Administered)

On March 9, 2000, Geriatrics, Inc., a Louisiana corporation ("Geriatrics") and six (6) wholly owned subsidiaries filed Voluntary Chapter 11 Petitions for Relief with the United States Bankruptcy Court for the Western District of Louisiana. The subsidiaries each own and operate a long term care facility, multi-handicapped center and/or group home for the developmentally disabled. Flanagan's client initially proposed to provide the Debtors with a debtor in possession loan in the total amount of \$1,500,000, which caused the Debtors' primary secured creditor to agree to provide a debtor in possession loan in the amount of \$1,750,000 on virtually identical terms and conditions. Flanagan's client subsequently did make a \$500,000 debtor in possession loan to the Debtors, whose plan of reorganization was confirmed and went effective as of April 1, 2003. Subsequently thereafter, Flanagan represented his client in the making of a \$5,300,000 loan to take out the indebtedness owing by Geriatrics to Hibernia National Bank.

In re: Brentwood Nursing and Rehabilitation Center, Inc.

United States Bankruptcy Court for
the Northern District of Illinois

On March 24, 2000, Brentwood North Nursing and Rehabilitation Center, Inc. and Riverwoods Associates each filed Voluntary Chapter 11 Petitions for Relief with the United States Bankruptcy Court for the Southern District of Florida, which cases were later transferred to the United States Bankruptcy Court for the Northern District of Illinois. Riverwoods owns and leases Brentwood Nursing and Rehabilitation Center, a 244 licensed bed skilled care and rehabilitation facility located near Deerfield, Illinois to Brentwood. Flanagan's client took over the management of Brentwood immediately prior to the filing of the chapter 11 proceedings and, in conjunction therewith, offered to make a debtor in possession loan in the amount of \$500,000 available to Brentwood. However, this offer ultimately caused Brentwood's primary working capital lender to make a \$500,000 debtor in possession loan available to Brentwood on virtually identical terms and conditions as those offered by Flanagan's client. This facility was sold on July 20, 2001 through a bankruptcy court auction.

Holmesdale Care Center
Kansas City, Missouri

On July 1, 2000, Flanagan's client took over the day-to-day management of Holmesdale Care Center for the landlord of this facility following the rejection of a lease by an affiliate of Integrated Health Services, Inc. in conjunction with IHS's chapter 11 proceeding pending before the United States Bankruptcy Court for District of Delaware. Flanagan's client and the landlord worked in unison with the Missouri Department of Social Services, Division of Aging to cause this facility to be closed and all of its residents relocated to other facilities in the Kansas City area by July 10, 2000.

Senior Living Properties, LLC

On October 1, 2000, Flanagan's client took over the day-to-day management of thirty-one (31) long term care facilities located in the State of Illinois which are owned by Senior Living Centers, LLC. These facilities, together with an additional fifty-five (55) facilities located in Texas which are owned by SLP, serve as the collateral for a \$225,000,000 loan provided to SLP by GMAC Commercial Mortgage Credit Corporation. Flanagan's client was selected as the replacement third party manager for these thirty-one (31) facilities following an extensive interview process jointly conducted by SLP, GMAC and ZC Specialty Insurance Company, which had issued a surety bond in the amount of \$140,000,000 to secure, in part, repayment of the obligations owing by SLP to GMAC. These facilities were subsequently sold to a third party.

Oak Forest North, L.L.C.

St. Louis, Missouri

On February 5, 2001, Flanagan's client took over the day-to-day management of Oak Forest North, a 120 bed long term care in accordance with a Consent Agreement entered into by and between Oak Forest North, L.L.C. and the Missouri Department of Social Services, Division of Aging whereby Oak Forest was permitted by the MDOA to engage Tutura as its manager in lieu of having MDOA revoke its license for failing to cure certain survey deficiencies which occurred while Oak Forest was operating the facility. Tutura ceased managing this facility on July 9, 2001 when Oak Forest, together with its various affiliates, leased all of their respective properties to a new third party operator.

Grand Court II – Chattanooga

Chattanooga, Tennessee

On March 1, 2001, Flanagan's client took over the day-to-day management of the Grand Court II – Chattanooga, which is a 142 unit independent living and assisted living facility located in Chattanooga, Tennessee. This facility was previously operated by Grand Court Lifestyles, Inc., who is currently involved in a chapter 11 proceeding pending before the United States Bankruptcy Court for District of New Jersey. This engagement was arranged by CRIIMI MAE Services, L.P., as the subservicer for the holder of first mortgage loan. This facility was later sold to a third party.

Sunbridge Care Center at Jackson

Jackson, California

On April 23, 2001, Flanagan's client took over the day-to-day management of Sunbridge Care Center for the landlord of this long term care facility following the rejection of a lease by an affiliate of Sun Healthcare Group in conjunction with Sun's chapter 11 proceeding pending before the United States Bankruptcy Court for District of Delaware. Flanagan's client and the landlord, together with FINOVA Capital Corporation, which held a first mortgage lien in the facility, worked in unison to take back the operations for Sun. In conjunction with the management of this facility, Tutura provided the owner with access to a \$1,050,000 line of credit for which FINOVA agreed to subordinate its first mortgage liens and security interests to secure repayment of such loan. The facility was subsequently sold to a third party.

The Manor

Las Vegas, Nevada

On August 15, 2001, Flanagan was appointed the receiver for The Manor, a 225 bed skilled nursing facility located in Las Vegas, Nevada which opened in 1999, in conjunction with a legal proceeding filed by Key Corporate Capital, Inc. seeking to foreclose on the facility based upon the borrowers' default on

indebtedness owing to Key in excess of \$16,000,000. In conjunction with his appointment as Receiver, Flanagan engaged Tutera to assume the day to day management of the facility, and oversaw the marketing and negotiations for the sale of the facility through a foreclosure sale.

Medford Nursing Center
Medford, Oklahoma

Flanagan was appointed the receiver for this Oklahoma nursing home in January 2002 in conjunction with a foreclosure proceeding filed by the first mortgage lender in the United States District Court for the Western District of Oklahoma. Flanagan oversaw the marketing and sale of the facility through a foreclosure sale.

Grand Court II – Kansas City
Kansas City, Kansas

On March 21, 2002, Flanagan was appointed as the receiver of the Grand Court II – Kansas City, Kansas, which is a 127 unit independent living and assisted living facility located in Kansas City, Kansas. Flanagan's appointment was accomplished at the request of Brotherhood Bank & Trust Company, which held the first mortgage loan and was the subject of a foreclosure action. This facility was ultimately sold by Brotherhood following its foreclosure for more than the original debt against it based, in part, on the actions of the Reciever to stabilize and improve the operation of the facility.

In re: TriNat Health Care, Inc.
United States Bankruptcy Court for the Southern
District of Indiana, Indianapolis Division
Case No. 02-06360-JKC-11

TriNat Health Care, Inc. filed a voluntary chapter 11 petition for relief on April 15, 2002. TriNat leases and operated nine (9) long term care facilities located in Indiana. Flanagan's client took over the management of the TriNat facilities immediately prior to the filing of the chapter 11 proceeding and, in conjunction therewith, offered to make a debtor in possession loan in the amount of \$500,000 available to TriNat. However, shortly following the filing of the proceeding, the State of Indiana implemented another dramatic Medicaid rate decrease that reduced the overall annual Medicaid revenue for these nine (9) homes by approximately \$2,800,000. Once it was determined that TriNat would be unable to reorganize its affairs, primarily since TriNat leased its facilities and the landlord was unwilling to make the rent concessions necessary to allow the facilities to operate profitably, the Court authorized the rejectio of the leases for the nine (9) facilities effective as of June 30, 2002, thereby preserving the ability of TriNat to maximize its distributions to its creditors.

In re: Metro Health/Indiana, Inc.
United States Bankruptcy Court for the Northern
District of Georgia, Atlanta Division
Case No. 02-63019

Metro Health/Indiana, Inc. filed a voluntary chapter 11 petition for relief on March 19, 2002. Metro owns and operates twenty (20) long-term care facilities located in Indiana. On September 20, 2002, Tutera was appointed as the oversight manager and consultant for the Metro Health/Indiana facilities. Flanagan's client is the oversight manager in this chapter 11 proceeding, with its primary duties to include reviewing and commenting on Metro's operations in an effort to improve the profitability and efficiency of the facilities, as well as recommending changes in the owner's operating procedures and confirming whether certain facilities should be sold or closed.

In re: Highland Health Services, Inc., et al.

United States Bankruptcy Court for the
Southern District of Texas – Houston Division
Case No. 01-35491-H5-11

On January 28, 2002, the Bankruptcy Court confirmed the Plan of Reorganization filed by the Debtors in the above-referenced case. In accordance with the confirmed Plan, all of the Debtors' assets were transferred into Autumn Hills Health Foundation. Flanagan was nominated by the Official Unsecured Creditors' Committee, and approved by the Bankruptcy Court, to serve as one of the directors of Autumn Hills upon the confirmation of the Plan. Following confirmation, Flanagan was elected Chairman of the Board and oversaw the initial operation of the Debtors' twelve (12) long term care facilities. After operating the facilities for a period of time, it became apparent that the facilities would not be able to make their debt payments under the plan, and Flanagan (as the sole remaining officer and directors as all other officers and directors had resigned) oversaw the transfer of control of the facilities back to the lender, followed by the liquidation of Autumn Hills' remaining assets.

Maplewood Nursing and Rehabilitation Center

Monroe, Louisiana

On November 19, 2002, Flanagan's client was appointed as the receiver of Maplewood Nursing and Rehabilitation Center, a 99 bed licensed skilled nursing care facility located in Monroe, Louisiana, at the request of Bank One Trust Company, N.A., the indenture trustee of the tax exempt bonds which encumber the facility. Flanagan negotiated the sale of the facility in conjunction with a foreclosure sale.

In re: Mariner Post-Acute Networks, Inc.

United States Bankruptcy Court for the
District of Delaware
Case Nos. 00-113 (MFW) through 00-214 (MFW)

On December 1, 2002, Flanagan assisted LaSalle Bank National Association (formerly known as LaSalle National Bank), as Trustee under that certain Pooling and Servicing Agreement effective as of December 1, 1995, relating to the RMF Commercial Mortgage Pass-Through Certificates, Series 1995-1, in taking back three (3) long term care facilities located in Illinois from Mariner in conjunction with Mariner's chapter 11 bankruptcy proceeding. Flanagan's client thereafter purchased the facilities from the lender.

Country Gardens

Norcross, Georgia

On January 21, 2003, Flanagan was appointed as the rent receiver of Country Gardens, a 27 bed assisted living facility located in Norcross, Georgia. Flanagan's appointment was requested by CRIIMI MAE Services, L.P., as the subservicer for holder of the first mortgage loan. This facility was later sold to a third party.

Lodge at Lompoc

Lompoc, California

On February 6, 2003, Flanagan was appointed as the receiver of the Lodge at Lompoc, a 130 bed assisted living facility located in Lompoc, California. Flanagan's appointment was requested by CRIIMI MAE Services, L.P., as the subservicer for holder of the first mortgage loan which is the subject of a

pending foreclosure action. Flanagan negotiated the sale of the facility to a third party at a price which was in excess of the appraised value of the facility.

**The Plaza at Sun Mountain and
The Regency Plaza at Sun Mountain**
Las Vegas, Nevada

On March 11, 2003, Flanagan was appointed the receiver for The Plaza at Sun Mountain, a 179 unit assisted living facility, and The Regency at Sun Mountain, a 188 licensed bed skilled nursing facility, both of which are located in Las Vegas, Nevada. Flanagan was appointed in conjunction with a legal proceeding filed by Lehman Brothers Holdings, Inc. seeking to foreclose on the facility based upon the borrowers' default on indebtedness owing to Lehman Brothers in excess of \$20,000,000. The facility was thereafter sold for a price well in excess of the amount of the debt outstanding at the time of the foreclosure.

Meadowbrook Manor
Topeka, Kansas

On April 14, 2003, Flanagan was appointed as the receiver for Meadowbrook Manor of Topeka, L.P., which owns a 95 bed skilled nursing facility located in Topeka, Kansas. Flanagan's appointment was requested by Beal Bank, which was the holder of a HUD insured loan which it purchased from HUD. The home was thereafter sold through a foreclosure action.

In re: Southern Healthcare Systems, Inc.
United States Bankruptcy Court for the Middle
District of Louisiana, Baton Rouge Division
Case No. 02-11621

Southern Healthcare Systems, Inc. filed a voluntary chapter 11 petition for relief on June 11, 2002. Southern owns and operates six (6) long-term care facilities located in Texas, Kentucky and Tennessee. On December 11, 2002, a chapter 11 trustee was appointed to serve in the case. On April 29, 2003, the chapter 11 Trustee engaged Tutera as the oversight manager and consultant for Southern's facilities, which engagement was arranged by Flanagan. Tutera's primary duties included reviewing and commenting on the clinical and accounting aspects of Southern's operations until the sale of the facilities was closed.

Grand Court II – Overland Park
Overland Park, Kansas

On June 7, 2003, Flanagan's client was appointed as the receiver for the Grand Court II – Overland Park, which is a 100 unit assisted living facility located in Overland Park, Kansas. The appointment of Flanagan's client was arranged by The Mission Bank, which held the first mortgage loan in a pending foreclosure action. Flanagan assisted in negotiating the resolution of several issues involving the transition of operations from Brookdale Living Communities and the issuance of a provisional license by the Kansas Department of Aging. Flanagan thereafter assisted Tutera in the purchase of this facility from The Mission Bank.

The Vyne at Crestview
Wichita, Kansas

On November 24, 2004, Flanagan was appointed as the receiver for The Vyne at Crestview, an assisted living facility located in Wichita, Kansas. Flanagan's appointment was made at the request of TouchStone Asset Management LLC, as servicer for TC10 Grantor Trust, which filed a foreclosure action against its collateral. Flanagan negotiated the sale of the facility to a third party at a price which was in excess of the appraised value of the facility.

Camelot Nursing and Rehabilitation Center
Farmington, Missouri

On December 13, 2004, Flanagan was appointed by the Missouri Department of Health and Senior Services, Division of Senior Services and Regulation, to serve as the receiver for this facility due to the insolvency of its licensed operator. On January 12, 2005, the Coles County Circuit Court discharged Flanagan as the receiver following Flanagan's completion of a transaction to turn the facility back to the landlord, who had a pending licensure application on file when Flanagan was appointed.

Caravilla Charitable Corporation
Mount Vernon, Illinois

On February 2, 2005, Flanagan was appointed by the Circuit Court of the Second Judicial Circuit, Jefferson County, Illinois as the receiver for Casey Care Center, Jeffersonian Care Center and Mount Vernon Care Center, all three of which are skilled nursing facilities located in Mount Vernon, Illinois which are owned by Caravilla Charitable Corporation, an Illinois not-for-profit corporation. Flanagan's appointment was made at the request of Midland Loan Services, Inc., as servicer for PAMI MidAtlantic LLC, which filed a foreclosure action against its collateral. Flanagan oversaw the sale of the facilities to a third party purchaser of the lender's debt at a foreclosure sale conducted in Jefferson County, Illinois.

Independence Court at Ormond Beach
Ormond Beach, Florida

On March 30, 2005, the Circuit Court of the Seventh Judicial Circuit, Volusia County, Florida, in an action styled: TC10 Grantor Trust, Plaintiff, vs. Independence Court of Ormond Beach Associates, L.P., et al., Defendants., Case No. 2005-30383-CICI appointed Flanagan as the receiver for Independence Court of Ormond Beach, an assisted living facility located at 535 North Nova Road, Ormond Beach, Florida 32174. Flanagan was appointed as the receiver for the Facility at the request of TC10 Grantor Trust, who is the holder of the first mortgage indebtedness encumbering the Facility.

Austin Nursing Center
Austin, Texas

On May 27, 2005, the Circuit Court of the 200th Judicial Circuit, Travis County, Texas, in an action styled: TC10 Grantor Trust, Plaintiff, vs. Century Care of America, Inc. et al., Defendants., Case No. GN501-879, appointed Flanagan as the receiver for Austin Nursing Center, a 170 bed skilled nursing facility located at 110 E. Live Oak at Congress, Austin, Texas. Flanagan was appointed as the receiver for the Facility at the request of TC10 Grantor Trust, who is the holder of the first mortgage indebtedness encumbering the Facility. This facility was sold in August 2007 to a third party.

Somerset Point Assisted Living and Nursing Home
Shaker Heights, Ohio

On October 3, 2005, the Court of Common Pleas for Cuyahoga County, Ohio, in an action styled: TC14 Grantor Trust, Plaintiff, vs. Somerset Point, L.P., et al., Defendants., Case No. CV 05 573748, appointed Flanagan as the receiver for Somerset Point Assisted Living and Nursing Home, a skilled nursing and assisted living facility located in Shaker Heights, Ohio. Flanagan was appointed as the receiver for the Facility at the request of TC14 Grantor Trust, who is the holder of the first mortgage indebtedness encumbering the Facility.

Chestnut Grove Assisted Living Facility
Richmond, Virginia

On March 3, 2006, the Circuit Court for Henrico County, Virginia, in an action styled: TC14 Grantor Trust, Plaintiff, vs. Chestnut Grove, L.P., Defendants. Case No. CL06-466, appointed Flanagan as the receiver for Chestnut Grove Assisted Living Facility. Flanagan was appointed as the receiver for the Facility at the request of TC14 Grantor Trust, who is the holder of the first mortgage indebtedness encumbering the Facility. Flanagan thereafter sold the facility to a third party at a foreclosure sale.

The Rose Estates Assisted Living Facility
Overland Park, Kansas

On June 15, 2006, the District Court for Johnson County, Kansas, in an action styled: TI – HUD Investments I, L.L.C., Plaintiff, vs. The Rose Estates, L.L.C., Defendant. Case No. 06CV04595 - Division 7, appointed Flanagan as the receiver for The Rose Estates Assisted Living Facility. The Receiver was appointed at the request of TI – HUD Investments I, L.L.C. The Facility was later sold at a foreclosure sale.

St. Louis Hills Retirement Center
St. Louis, Missouri

On August 23, 2006, the Circuit Court for St. Louis City, Missouri, in an action styled: Metro St. Louis Property, LLC, Plaintiff, vs. Maloney Group and Maloney Group II, Defendants. Cause No. 0622-CC05304, appointed Flanagan as the receiver for Maloney Group II and St. Louis Hills Retirement Center. Flanagan was appointed as the receiver for the Facility at the request of Metro St./Louis Property, LLC, who is the holder of the first mortgage indebtedness encumbering the Facility, and the State of Missouri Department of Department of Health and Senior Services. The Facility was later sold to the note holder at a foreclosure sale.

In re: Robert E. Lee, LLC
United States Bankruptcy Court for the Southern
District of Indiana, New Albany Division
Case No. 05-92641-BHL-11

Robert E. Lee, LLC filed a voluntary chapter 11 petition for relief on July 8, 2005. Robert E. Lee, LLC owns and operates Landmark Nursing and Rehabilitation Center, a 142 licensed bed skilled nursing facility located in New Albany, Indiana. On January 26, 2007, Elliott D. Levin was appointed as the Chapter 11 trustee was appointed to serve in the case. On January 29, 2007, the Chapter 11 Trustee engaged Walnut Creek (an affiliate of Tutera) as the oversight manager and consultant for the facility, which engagement was arranged by Flanagan. The facility was sold to a third party purchaser at a bankruptcy court sale in July 2007.

Gentilly Gardens
Stateboro, Georgia

On February 5, 2007, the Superior Court for Bulloch County, Georgia, in an action styled: TI – HUD Investments I, L.L.C., Plaintiff, vs. Integra of Statesboro, L.L.C., Defendant, Case No. 1B07CV068T, appointed Flanagan as the receiver for Gentilly Gardens Assisted Living Facility. The Receiver was appointed at the request of TI – HUD Investments I, L.L.C.. The Facility was later sold at a foreclosure sale.

In re: Pleasant Care Corporation, et al.
United States Bankruptcy Court for the Central
District of California, Los Angeles Division
Case No. LA 07-12312-EC

On March 22, 2007, Pleasant Care Corporation, SNF Properties Incorporated, PCC Health Services, Inc., Atlas Care Enterprises, Inc., and Ember Care Corporation each filed voluntary chapter 11 petitions for relief. The Debtors are the second largest operator of skilled nursing facilities in the State of California, currently lease and operate 27 skilled nursing facilities and 3 assisted living facilities, with annual revenues in excess of \$200,000,000. Effective as of April 1, 2007, Flanagan’s client (Joseph C. Tutera), at the insistence of the secured creditors, unsecured creditors and regulatory authorities, was installed as the President and COO of the Debtors in accordance with a Retention Agreement executed by Manny Bernabe, the Debtors’ principal shareholder. Pursuant to the terms of the Retention Agreement, Mr. Tutera was vested with full and complete control over the Debtors' business operations, including having exclusive control over, and decision-making power with respect to, the Debtors’ day-to-day business operations and the sale, assignment or transfer of any assets or Facilities of the Debtors. Flanagan was actively involved in supporting Mr. Tutera in all aspects of operating the business and selling or disposing of various of the assets.

Garden Valley Retirement Village
Garden City, Kansas

On February 13, 2008, the 25th District Court for Finney County, Kansas, in an action styled: Bank of Oklahoma, N.A., as successor trustee for the holders of the Retirement Facility Refunding Revenues Bonds (Garden Valley Retirement Village, Inc.) Series 1993, Plaintiff, vs. Garden Valley Retirement Village, Inc. and the City of Garden City, Kansas, Defendants, Case No. CV-08, appointed Flanagan as the receiver for Garden Valley Retirement Village. The Facility was later sold at foreclosure.

In re: Haven Eldercare, LLC, et al.
United States Bankruptcy Court for the
District of Connecticut, New Haven Division
Case No. 07-32720

Haven Eldercare, LLC and its affiliates filed for chapter 11 relief in November 2007. Haven was the one of the largest operators of skilled nursing facilities in New England, having owned or leased and operated 25 skilled nursing facilities. In July 2008, Flanagan assisted Tutera and CapitalSource Finance, LLC in purchasing four (4) long term care facilities located in Connecticut and New Hampshire from Haven’s bankruptcy estate and following such purchase, Tutera thereafter began leasing and operating the facilities through December 2010, at which time they were sold by CapitalSource Finance, LLC to an unrelated third party purchaser.

Chestnut Hill of Highlands Assisted Living Facility
Highlands, Macon County, North Carolina

On November 17, 2008, the General Court for Justice, Superior Court Division for Macon County, North Carolina, in an action styled: The Palmetto Bank, Plaintiff, vs. Highlands Senior Living Property, LLC, Highlands Senior Living, LLC, Jon M. Harder, Kristin P. Harder, Darryl E. Fisher, Carol L. Fisher and Sunwest Management Inc., Defendants. Case No. 08 CVS 798, appointed Michael F. Flanagan as the Receiver pursuant to N.C. Gen. Stat. § 1-501 *et seq.*, over: (a) Highlands Senior Living Property, LLC; and (b) Highlands Senior Living, LLC; and (c) the senior living community commonly known as “Chestnut Hill of Highlands” located in Highlands, Macon County, North Carolina. The Receiver was appointed at the request of the Palmetto Bank. The Facility was later sold to the note holder at a foreclosure sale.

Park Place Assisted Living Facility
Spartanburg County, South Carolina

On January 20, 2009, the Court of Common Pleas for Spartanburg County, South Carolina, in an action styled: The Palmetto Bank, Plaintiff, vs. Spartanburg Senior Living, LLC, et al., Defendants. Case No. 2008-CP-42-6355, appointed Michael F. Flanagan as the Receiver pursuant to S. C. Code § 15-65-10(1) *et seq.*, over: (a) Spartanburg Senior Living, LLC; and (b) the senior living community commonly known as Park Place located in Spartanburg County, South Carolina. The Receiver was appointed as the receiver at the request of The Palmetto Bank. The Facility was later sold to the note holder at a foreclosure sale.

Loving Care Home
Lindenwood, Missouri

On August 30, 2010, the Circuit Court for St. Louis County, Missouri in an action styled: First Bank, Plaintiff, vs. Lindenwood Care Corporation, Jamieson Realty, L.L.C., et al., Defendants. Case No. 10SL-CC03497, Division 20 entered an Order appointing Michael F. Flanagan as the Receiver for Loving Care Home, a 111-bed Residential Care Facility I as located at 3715 Jamieson Ave., St. Louis, MO 63109. The Receiver was appointed as the receiver at the request of First Bank. The Facility was later sold to the note holder at a foreclosure sale.

Summer Place Assisted Living Facility
Spartanburg County, South Carolina

On August 3, 2010, the Court of Common Pleas for Spartanburg County, South Carolina, in an action styled: The Palmetto Bank, Plaintiff, vs. Summer Place Assisted Living, LLC, et al., Defendants. Case No. 2010-CP-42-1740, entered an Order appointed Michael F. Flanagan as the Receiver over the senior living community commonly known as “Summer Place Assisted Living” located 916 Wesley Court, Boiling Springs, South Carolina 29316, effective as of September 4, 2010. The Receiver was appointed as the receiver at the request of The Palmetto Bank. The Facility was later sold to the note holder at a foreclosure sale.

Paradise Park Assisted Living Facility
New Lenox, Illinois

On December 23, 2010, the Circuit Court of Twelve Judicial District for Will County, Illinois, in an action styled: First Choice Bank, Plaintiff, vs. Paradise Park Assisted Living – New Lenox, LLC and James F. Boris, Defendants. Case No. 10 CH 7749 (Will Cty., IL), entered an Order appointed

Michael F. Flanagan as the Receiver over the assisted living facility commonly known as “Paradise Park Assisted Living” located at 1023 South Cedar Road, New Lenox, Will County, Illinois. The Receiver was appointed as the receiver at the request of First Choice Bank. The Facility was sold to a third party purchaser pursuant to a Receiver’s sale approved by the court.

Wichita Nursing Center

Wichita, Kansas

On September 2, 2011, the Eighteenth Judicial District Court for Sedgwick County, Kansas, in an action styled: Shawn Sullivan, Secretary of the Kansas Department on Aging, Applicant, vs. Kansas Healthcare Leasing, Inc., d/b/a Wichita Nursing Center, Respondent., Case No. 11 CV 3086, entered an Order appointing Shawn Sullivan, Secretary of the Kansas Department on Aging, as the duly appointed receiver for Wichita Nursing Center, a 70 bed skilled nursing facility located at 2840 S Hillside Street, Wichita, KS 67216-2544. The Receiver engaged Flanagan as a consultant and business advisor to the Receiver to assist the Receiver in discharging his duties and responsibilities as Receiver. Flanagan and the Facility’s manager closed down the Facility and relocated all of the residents to other long term care facilities in the Wichita area within approximately 45 days after being appointed.

Wardship Residential Care, LLC

St. Louis, Missouri

On March 10, 2014, the Circuit Court for the City of St. Louis County, Missouri, in an action styled: State of Missouri, et al., Plaintiff, vs. Wardship Residential Care, LLC, Defendant, Case No. 1422-CC00546, entered an Order appointing Flanagan as the Receiver for Wardship Residential Care Facility, a 30 bed Residential Care II Facility located at 3409 Missouri Avenue, St. Louis, MO 63118. Flanagan was appointed as the receiver at the request of Missouri Department of Health and Senior Services. Flanagan ultimately sold the Facility to a new qualified operator.

Deseret Nursing & Rehabilitation at Onaga

Onaga, Kansas

On May 12, 2014, the Second Judicial District Court of Pottawatomie County, Kansas, in an action styled: Shawn Sullivan, Secretary of the Kansas Department for Aging and Disability Services, Applicant, vs. Deseret Health and Rehab at Onaga, LLC, d/b/a Deseret Nursing & Rehabilitation at Onaga, Respondent., Case No. 14-CV-34, entered an Order appointing Shawn Sullivan, Secretary of the Kansas Department of Aging and Disability Services, as the duly appointed receiver for Deseret Nursing & Rehabilitation at Onaga, a 46 bed skilled nursing facility located at 500 Western Street, Onaga, Kansas 66521. The Receiver engaged Flanagan as a consultant and business advisor to the Receiver to assist the Receiver in discharging his duties and responsibilities as Receiver. The Facility was ultimately sold to a new qualified operator.

Washburn Community Care Center

Topeka, Kansas

On May 1, 2015, the Third Judicial District Court of Shawnee County, Kansas, in an action styled: Kari M. Bruffett, Secretary of the Kansas Department for Aging and Disability Services, Applicant, vs. Washburn Community Care Center, LLC, et al., Respondents., Case No. 15-CV-398, entered an Ex Parte Temporary Restraining Order appointing Kari M. Bruffett, Secretary of the Kansas Department of Aging and Disability Services, as the duly appointed receiver for Washburn Community Health Care, a skilled nursing facility located at 1334 Buchanan Street, Topeka, Kansas 66604. The Receiver engaged Flanagan as a consultant and business advisor to the Receiver to assist the Receiver in

discharging her duties and responsibilities as Receiver. Flanagan and the Facility's manager closed down the Facility and relocated all of the residents to other long term care facilities in the Topeka area within approximately 30 days after being appointed.

Deseret Health and Rehab at Woodlawn
Wichita, Kansas

On May 4, 2015, the Second Judicial District Court of Sedgwick County, Kansas, in an action styled: Kari M. Bruffett, Secretary of the Kansas Department for Aging and Disability Services, Applicant, vs. Deseret Health and Rehab at Woodlawn, LLC, Respondent., Case No. 15-CV-1123, entered an Order appointing Kari M. Bruffett, Secretary of the Kansas Department of Aging and Disability Services, as the duly appointed receiver for Deseret Health and Rehab at Woodlawn, a skilled nursing facility located at 1600 South Woodlawn, Wichita, Kansas 67218. The Receiver engaged Flanagan as a consultant and business advisor to the Receiver to assist the Receiver in discharging her duties and responsibilities as Receiver. The Facility was sold to a new qualified operator eighty (8) days following the appointment of the Receiver.

Close to Home, Ramsey Creek Village and Holly Ridge
Southeastern Missouri

On October 21, 2015, the Circuit Court for St. Louis County, Missouri, Division 12, in an action styled: Great Southern Bank, Plaintiff, vs. Arbor Health Properties, Inc., et al., Defendants, Case No. 15SL-CC03593, entered an Order appointing Flanagan as the Receiver for Close to Home, Ramsey Creek Village and Holly Ridge. The Receiver was appointed at the request of Great Southern Bank. The three facilities were ultimately sold.

Maple Heights
Hiawatha, Kansas

On April 28, 2016, the 22nd District Court for Brown County, Kansas entered an Order in an action styled: BOKF, N.A., as Successor Trustee for the holders of the Health Care Facilities Revenue Bonds Series 1999A and Taxable Health Care Facilities Revenue Bonds Series 1999B (Maple Heights Nursing and Rehabilitation Center, Project), Plaintiff, vs. Lafayette Lifeplans Corporation, Lafayette Lifeplans of Hiawatha, Inc. and the City of Hiawatha, Kansas, Defendants, Case No. 2016-CV-000010 appointing Flanagan as the receiver for Maple Heights Nursing and Rehabilitation Center, a 67 bed skilled nursing facility and 13 unit/15 bed residential care facility located at 302 East Iowa Street, Hiawatha, Brown County, Kansas 66434. The Receiver was appointed at the request of Bank of Oklahoma.

Bright Oaks of Aurora
Aurora, Illinois

On August 9, 2017, the Circuit Court of the Sixteenth Judicial Circuit, Kane County, Illinois entered an Order in an action styled: West Suburban Bank, Plaintiff, vs. Aurora Memory Care, LLC, et al., Defendants, Case No. 17-CH-662 appointing Flanagan to serve as the receiver for Bright Oaks of Aurora, a 60-unit assisted living and memory care facility located at 1340 River Street, Aurora, Kane County, Illinois 60506. The Receiver was appointed at the request of West Suburban Bank and oversaw the operation of the Facility until it was sold.

Skyline Healthcare

Kansas

On March 28, 2018, Timothy E. Keck, Secretary of the Kansas Department for Aging and Disability Services, was appointed as the receiver by the various state district courts across the State of Kansas with respect to the fifteen (15) skilled nursing facilities located throughout the State of Kansas. These cases were consolidated into a single action pending before the District Court for Johnson County, Kansas styled: Timothy E. Keck, Secretary of KDADS v. Spring Hill Care and Rehabilitation Center, LLC, et al., Case No. 18-CV-01688. The Receiver engaged Flanagan as a consultant and business advisor to the Receiver to assist the Receiver in discharging his duties and responsibilities as Receiver. Flanagan oversaw the sale of the facilities to a new qualified owner and operator.

DJKierl, Inc.

Fort Scott and Pleasanton, Kansas

On May 15, 2018, the District Court of Bourbon County, Kansas entered a Temporary Restraining Order appointing Timothy E. Keck, Secretary of the Kansas Department of Aging and Disability Services, as the duly appointed receiver for Ft. Scott Manor, a licensed bed skilled nursing facility located at 736 Heylman Street, Fort Scott, Bourbon County, Kansas 66701. The Receiver engaged Flanagan as a consultant and business advisor to the Receiver to assist the Receiver in discharging his duties and responsibilities as Receiver. Flanagan oversaw the closure of the Ft. Scott facility. In conjunction therewith, the District Court of Linn County, Kansas entered an Order appointing Flanagan as the receiver for The Residences at Pleasanton, an assisted living facility located at 706 West 15th Street, Pleasanton, Linn County, Kansas 66075 and Flanagan is currently operating this facility pending the completion of the foreclosure action and sale of the facility.

Great Bend Care & Rehab

Great Bend, Kansas

On July 11, 2018, the District Court of Barton County, Kansas, in an action styled: Timothy E. Keck, Secretary of the Kansas Department for Aging and Disability Services, Applicant, vs., Great Bend Health & Rehab Center, HP/Great Bend, Inc., Great Bend – LTC, LLC, Five Rivers Management, LLC, Douglas Mittleider, Kerry Gibson and Daren Douston, Respondents., Case No. 2018-CV-000080, entered a Temporary Restraining Order appointing Timothy E. Keck, Secretary of the Kansas Department of Aging and Disability Services, as the duly appointed receiver for Great Bend Health & Rehab Center, which is located at 1560 K 96 Hwy, Great Bend, KS 67530. Receiver engaged Flanagan as a consultant and business advisor to Receiver with full and complete control over the Facility to assist Receiver in discharging his duties and obligations as receiver.

Pinnacle Management

Nortonville, Topeka and Emporia, Kansas

On August 1, 2018, the District Court for Shawnee County, Kansas appointed Timothy E. Keck, Secretary of the Kansas Department of Aging and Disability Services, as the receiver over Village Villa, Inc., Village Estates, Inc., Providence Living Center, Inc., and Flint Hills Care Center, Inc. Receiver engaged Flanagan as a consultant and business advisor to Receiver with full and complete control over the Facilities. Flanagan is currently overseeing the operation of the facilities while they are being marketed for sale.

Westview of Derby
Derby, Kansas

On September 12, 2018, the District Court of Sedgwick County, Kansas, in an action styled: Timothy E. Keck, Secretary of the Kansas Department for Aging and Disability Services, Applicant, vs. and LSL of Derby, LLC, Sovran Management Company, LLC, Michael Marshall and Westview of Derby, Respondents., Case No. 2018-CV-001991-TO, entered a Temporary Restraining Order appointing Timothy E. Keck, Secretary of the Kansas Department of Aging and Disability Services, as the duly appointed receiver for Westview of Derby, a skilled nursing facility commonly located at 445 North Westview Drive, Derby, Sedgwick County, Kansas 67037. Receiver engaged Flanagan as a consultant and business advisor to Receiver with full and complete control over the Facility. In November 2018, the facility's secured lender had Flanagan appointed as the replacement receiver of the facility pending completion of a pending foreclosure action and the sale of the facility.

Christian Care Home
Ferguson, Missouri

On November 16, 2018, the Judicial Circuit Court of Cole County, Missouri, in an action styled: State of Missouri ex rel. Josh Hawley, Attorney General, at the request of the Missouri Department of Health and Senior Services, Division of Long Term Regulation & Licensure, Section for Long-Term Care Regulation, Petitioners, vs. Christian Woman's Benevolent Association, d/b/a Christina Care Home, Respondent., Case No. 18AC-CC00461, entered an Order Appointing Receiver appointing Flanagan as the duly appointed receiver for Christian Care Home, a skilled nursing and residential care facility located at 800 Chambers Road, Ferguson, Missouri 63135 for the purpose of relocating the residents and closing the facility as soon as possible, which Flanagan accomplished in less than 20 days.

Westview Manor of Peabody
Peabody, Kansas

On December 12, 2018, the District Court of Marion County, Kansas, in an action styled: Timothy E. Keck, Secretary of the Kansas Department for Aging and Disability Services, Applicant, vs. Franklin Healthcare of Peabody, LLC, d/b/a Westview Manor of Peabody, Altacare Corporation, Franklin Healthcare, Inc., Peabody Associates, LLC, Douglas Mittleider and Julie Mittleider, Respondents., Case No. 2018-CV000068, entered a Temporary Restraining Order appointing Timothy E. Keck, Secretary of the Kansas Department of Aging and Disability Services, as the duly appointed receiver for Westview Manor of Peabody, a skilled nursing facility located at 500 Peabody Street, Peabody, Marion County, Kansas 66866. Receiver engaged Flanagan as a consultant and business advisor to Receiver with full and complete control over the Facility to assist Receiver in discharging his duties and obligations as receiver. Flanagan assisted in the sale of the Facility, which concluded the receivership action.

Eden Springs
Green Springs, Ohio

On January 18, 2019, the Court of Common Pleas for Sandusky County, Ohio, in an action styled: CIBC Bank USA, Plaintiff, vs. and Eden Realty West LLC, Eden Realty East LLC, Eden Springs Independent Living LLC, Eden Springs Assisted Living East LLC, Eden Springs Nursing and Rehabilitation East LLC, Eden Springs Nursing and Rehabilitation West LLC, Eden Springs Healthcare Center LLC Eden Springs Pharmacy LLC, Defendants., Case No. 19-CV-50, entered an Order appointing Flanagan as the duly appointed receiver for Eden Springs, which consists of skilled nursing

facilities, a long term acute care hospital, an assisted living facility, a pharmacy, independent senior housing (rental) units, and vacant land whose principal office is located at 430 North Broadway Street, Green Springs, Ohio 44836. The Receiver was appointed at the request of CIBC Bank.

SureFunding, LLC
Las Vegas, Nevada

On April 13, 2020, the District Court for Clark County, Nevada, in an action styled: Brett Hatton, et al., Plaintiffs, vs. and SureFunding LLC, Defendant, Case No. A-20-812651-B, entered an Order appointing Flanagan as the duly appointed receiver for SureFunding, LLC. The Receiver was appointed at the request of group of noteholders who had loaned SureFunding, LLC in excess of \$23,000,000 for the purpose of making investments in a diversified portfolio of assets. Instead, SureFunding, LLC placed 80%-90% of those assets with TradePAY Capital, LLC, an international A/R factoring company located in India, who proceeded to defraud SureFunding, LLC and divert the money for the benefit of the principals of TradePAY Capital, LLC. Flanagan was appointed to oversee the liquidation of SureFunding, LLC, which will involve liquidating the balance of its assets, as well as pursuing litigation against parties who may contributed to the noteholders' losses.

Capital Senior Living
Dallas, Texas
Case No. 3:20-cv-2395

On on August 21, 2020, the United States District Court for the Northern District of Texas, Dallas Division, in an action styled: Fannie Mae, Plaintiff, vs. Capital Senior Living Properties 2 - Gramercy, Inc., CSL Bridle Brook, LLC, CSL Canton GA, LLC, CSL Charlestown, LLC, CSL Dillon Pointe SC, LLC, CSL Fort Wayne LLC, CSL Harbor Court, LLC, CSL Middletown, LLC, CSL Oshkosh, LLC, CSL Peachtree LLC, CSL Plainfield, LLC, CSL Richmond Heights, LLC, CSL Roanoke, LLC, CSL Whitcomb House, LLC, Triad Senior Living III, L.P., Defendants., Case No. 3:20-cv-2395, entered an Agreed Order Appointing Receiver pursuant to which Michael F. Flanagan was appointed Receiver for the eighteen (18) communities located in ten (10) states which were owned and operated by the defendants. Flanagan was appointed Receiver at the request of Fannie Mae due to each defendant's default under its loan made by Fannie Mae, and is worked with Fannie Mae and its representatives to transition the homes over to new management.

The Lydia Building
Lydia, Illinois

On January 8, 2021, the Circuit Court of Cook County, Illinois, Chancery Division, in an action styled: The Lydia Group LLC, Plaintiff, vs. Chicago Title Land Trust as Successor under Trust Agreement dated May 22, 2003 known as Trust Number 25-8214, Lydia Healthcare I, LLC, The Lydia Building, LLC, as the successor trust beneficiary to the Arnold J. Simonsen Trust under Trust Agreement dated 03-08-73 as amended and restated, The Lydia Building, LLC, Susan Simonsen, Unknown Owners and Non-Record Claimants, Defendants, Case No. 20-CH-6935, appointing Flanagan to serve as the property receiver for Lydia Health Care Center, a 412 bed Specialized Mental Health Rehabilitation Facility located at 13901 Lydia Avenue Robbins, Illinois 60472. Flanagan was initially appointed as the receiver for the real property at the request of the lender that holds the first mortgage indebtedness that is secured by the Facility. On March 26, 2021, the Court appointed Flanagan as receiver over the operations of the Facility as well.



Bright Oaks of Aurora

Aurora, Illinois

On February 26, 2021, the Circuit Court of the Sixteenth Judicial Circuit, Kane County, Illinois entered an Order in an action styled: DCR Mortgage 7 Sub 3, LLC, Plaintiff, vs. Aurora Senior Care, LLC, SMSK Aurora, LLC, et al., Defendants, Case No. 20-CH-000235, appointing Flanagan to serve as the receiver for a second time for Bright Oaks of Aurora, a 60-unit assisted living and memory care facility located at 1340 River Street, Aurora, Kane County, Illinois 60506. Flanagan was appointed as the receiver for the Facility at the request of the lender that holds the first mortgage indebtedness that is secured by the Facility.

Sundance at Woodcreek Reserve

Katy, Texas

Case No. 4:21-cv-02819

On September 2, 2021, the United States District Court for the Southern District of Texas, Houston Division, in an action styled: Fannie Mae, Plaintiff, vs. Huntington Creek Capital IV, LLC, Defendant, Case No. 4:21-cv-02819 (the “Action”), entered an Agreed Order Appointing Receiver pursuant to which Flanagan was appointed receiver for the Sundance at Woodcreek Reserve Assisted Living Facility located at 1820 Wood Creek Bend Lane, Katy, TX 77494. Flanagan was appointed Receiver at the request of Fannie Mae due to each defendant’s default under its loan made by Fannie Mae, and worked closely with Fannie Mae and its representatives to transition the home over to new management.

RiverView Senior Resort

Palm Bay, Florida

Case No. 2019-CA-028708

On April 21, 2022, the Circuit Court of the Eighteenth Judicial Circuit in and for Brevard County, Florida entered an Order in an action styled: U.S. Bank National Association, in its capacity as trustee, Plaintiff, vs. The Cape LLC, et al., Defendants, Case No. 2019-CA-028708, appointing Michael F. Flanagan to serve as the receiver for RiverView Senior Resort, a 120 unit assisted living and memory care facility located at 3490 Gran Ave NE, Palm Bay, Florida 32905. The Receiver was appointed as the receiver for the Facility at the request of U.S. Bank National Association, in its capacity as trustee for the Revenue Bonds, Series 2014A (\$24,910,000) and Series 2014B (\$4,455,000) which are secured by first mortgage liens against the Facility.

Royal Golden Hospitality, LLC

Mattoon, Coles County, Illinois

Case No. No. 2022FC34

On June 29, 2022, the Circuit Court of Fifth Judicial Circuit, Coles County, Illinois entered an Order in this action appointing Flanagan to serve as the receiver for closed down Hampton Inn located at 1416 East Broadway Avenue, Mattoon, Coles County, IL 61939. Flanagan was appointed at the request of Inland Bank and Trust, which holds the first mortgage indebtedness that is secured by the property.

Prairie Rose Portfolio

Polk County, Iowa
Law No. LACL153369

On August 9, 2022, the Iowa District Court in and for Polk County, Iowa enter an Agreed Order in an action styled: 801 28th Avenue N Propco LLC, et al., Plaintiffs, vs. OpCo Clinton, IA, LLC et al., Defendants, Law No. LACL153369 appointing Flanagan to serve as the receiver for seven (7) skilled nursing facilities and one (1) independent living facility located throughout the State of Iowa. The Receiver was appointed as the receiver for the Facilities at the request of plaintiff landlord entities, who Flanagan will be working with to ultimately transition the facilities over to new operators.

Allegiant Healthcare of Phoenix

Maricopa County, Arizona
CV2022-001329

On August 30, 2022, the Maricopa County Superior Court entered an Order in an action styled: SE Phoenix, DST, Plaintiff, vs. Allegiant Healthcare of Phoenix, LLC, et al., Defendants, Case No. CV2022-001329, appointing Flanagan to serve as the receiver for Allegiant Healthcare of Phoenix, a 120 bed skilled nursing facility located at 1880 East Van Buren Street, Phoenix, Arizona. The Receiver was appointed as the receiver for the Facility at the request of SE Phoenix, DST, the owner of the Facility who leases it to Allegiant Healthcare of Phoenix, LLC.

Minocqua Health And Rehabilitation Center
Aspen Health And Rehabilitation Center

Douglas County, Wisconsin
Case No. 2022CV000214

On September 16, 2022, the State of Wisconsin Circuit Court for Douglas County entered an Order in an action styled: Oxford Finance, LLC vs. Minocqua Health and Rehab LLC, Aspen Health and Rehab, LLC, Winters Paradise LLC, and Nursing Home on the Range, LLC, Defendants., Case No. 2022CV000214 appointing Flanagan to serve as the receiver for Minocqua Health And Rehabilitation Center, a 72 licensed bed skilled nursing facility located at 9969 Old Hwy 70, Minocqua, WI 54548, and Aspen Health And Rehabilitation Center, an 86 licensed bed skilled nursing facility located at 8274 San Road, South Range, WI 54874. The Receiver was appointed at the request of Oxford Finance, LLC. , which holds first priority liens against both facilities.

The Maples of Towson

Towson, Maryland
Case No. 22 Civ 1918

On September 23, 2022, the United States District Court for the District of Maryland (Northern Division) entered an Order in an action styled: Fannie Mae, Plaintiff, vs. Sunrise Homes of Towson Limited Partnership, Defendant, Case No. 22 Civ 1918, appointing Flanagan to serve as the Receiver for The Maples of Towson, an assisted living facility located at 7925 York Road, Towson, Maryland 21204 effective as of September 26, 2022. The Receiver was appointed as the receiver for the Facility at the request of Fannie Mae, which holds a first priority lien against the facility.

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reedsmith.com

September 6, 2023

Via USPS Express Mail

ATTN: License Materials Enclosed
North Carolina Department of Health Service Regulation
Division of Health Service Regulation
Adult Care Licensure Section
801 Biggs Drive
Raleigh, North Carolina 27603

**Re: Change of Ownership Application – Assisted Care Living Facility
Greensboro MC, LLC d/b/a Richland Square (License No. 970071)**

To Whom It May Concern:

I am writing on behalf of Greensboro BG OpCo, LLC (“Current OpCo”), which operates an assisted living facility known as Richland Square located at 3823 Lawndale Drive, Greensboro, NC 72455 (the “Community”) and is licensed by the North Carolina Department of Health (the “Department”) under License Number 970071. Specifically, we are writing to notify the Department of a planned change of ownership of the Community on or around **November 8, 2023** (the “Proposed Transaction”).

By way of background, after Current OpCo defaulted on a financial loan issued by Fannie Mae (the “Lender”), the United States District Court for the District of Columbia, entered an Agreed Order Appointing Receivership on March 30, 2023 (the “Order”).¹ Pursuant to the Order, the court appointed Michael F. Flanagan as receiver (the “Receiver”) of the Community, along with 124 other communities operated by affiliates of Current OpCo and their respective property owners.²

We are submitting the change of ownership application in advance of the transfer date that is anticipated to occur on or around November 3, 2023, wherein Greensboro MC, LLC (“New OpCo”) is the proposed new operator and licensee. The New OpCo has entered into a lease agreement (as tenant) with the Receiver, on behalf of the current property owner (as landlord), until such time as a newly formed property owner (“New PropCo”) acquires title to the real property, at which time the Receiver will assign his rights, as landlord, under such lease to New PropCo. Please note that under notice previously provided

¹ This Order was entered in the following action: *Fannie Mae, Plaintiff, vs. Amelia Aid Propco LLC, et al.* The parties are listed on pages 1-9 of the Order.

² By letter dated April 4, 2023, the Department was provided notice of Mr. Flanagan’s appointment as Receiver and a copy of the Order. As described in the letter, his appointment as Receiver does not constitute a change of ownership or a change in property ownership for purposes of licensure. Should you have any questions regarding his appointment and/or require an additional copy of the Order for your records, please contact Mr. Flanagan directly at MikeFlanagan@mffllc.com.

to the Department, the New OpCo has entered into a management agreement with a new manager (the “New Manager”) to manage the day-to-day operations of the Community. Prior to the Proposed Transaction closing date, the Community will provide notice to its residents and employees of the Proposed Transaction.

The Community does not anticipate any material changes to its day-to-day operations, the services provided to its residents, or any other changes to the delivery of care currently provided beyond those expected in the normal course of business. Specifically, as a result of the Proposed Transaction:

- There will be no change in the professional staffing of the Community, other than changes in the ordinary course.
- There will be no changes in the Community’s policies and procedures, other than changes in the ordinary course.
- The Community will continue to maintain compliance as it relates to training, quality control and related records.
- The Community will continue to abide by all regulations.

Because the transaction described above will result in a change of ownership of the Community, we are providing this notice letter and the enclosed application. We will supplement this filing with any missing items as soon we have them. Please let me know if I can provide any additional information to clarify the Proposed Transaction described in this letter, or if you have any questions. You can reach me at bcafero@reedsmith.com or 215-241-1019.

Finally, we kindly request that you keep all information disclosed in this letter confidential. Thank you for your time and attention to this matter.

Very truly yours,

/s/ Brittney Cafero

Brittney A. Cafero

Enclosures

cc: Michael Flanagan, Receiver (via email w/encls.)

**CHANGE LICENSURE
APPLICATION PACKET
FOR
ADULT CARE HOME
(7 OR MORE BEDS)**

Return the entire packet to

Mailing address of Adult Care Licensure Section:

U.S. Postal Service:

Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center
Raleigh NC 27699-2720
Attn: License Materials Enclosed

Express/Overnight Courier (FED-EX, UPS):

Division of Health Service Regulation
Adult Care Licensure Section
801 Biggs Drive
Raleigh, North Carolina 27603
Attn: License Materials Enclosed

Adult Care Licensure Section: 919-855-3765

STEPS FOR A CHANGE OF OWNERSHIP FOR ADULT CARE HOMES WITH 7 OR MORE BEDS

Please read and follow these steps to complete a change of ownership successfully

1. The applicant or prospective licensee must contact the Certificate of Need with the Division of Health Service Regulation (DHSR):
 - i. To obtain a letter of exemption from review from the Certificate of Need (CON) prior to the obligation to purchase the building (*when the applicant or prospective licensee plans to purchase the building*). Or
 - ii. Notifying CON of the intent to change licensee (*when licensee is changing but ownership of building is not*);
2. The current licensee informs the Adult Care Licensure Section (ACLS) central office, the local county department of social services and the residents or their responsible persons in writing of the proposed change of business ownership and the anticipated date of the change. **This notice should be made at least 30 days in advance of the proposed change.**
3. The Construction Section of the DHSR must approve any proposed structural changes of building before a license can be approved. (See page 4 for review form)
4. Unpaid fines for penalties imposed will result in denial of licensure. License applications will not be processed if there are outstanding/unpaid fines for penalties.
5. The applicant/prospective licensee compiles the following information and submits it to the Adult Care Licensure Section.
 - a. Adult Care Home Licensure Change Application to facilitate compliance history check
 - b. Non-refundable licensure fee of \$360.00 plus a per-bed fee of \$17.50 by check, money order or certified check and made payable to the "NC Division of Health Service Regulation"
 - c. Assisted Living Administrator Certificate
 - d. Approved fire and building safety inspection reports completed within past 12 months
 - e. Approved sanitation inspection report for facility completed within past 12 months
 - f. Certificate of occupancy or certificate of compliance from local building officials upon completion of any construction or renovation
 - g. Signed letter from previous owner relinquishing ownership (this letter must specify the date of the change in ownership)
 - h. Copy of CON letter (Licensure applications cannot be processed without approval or exemption by CON)
6. **Note:** A compliance history will be conducted on the prospective licensee. Based on the results of this compliance additional information may be requested.
7. New providers will be required to submit Policy and Procedures for review. Existing providers must submit policy and procedures upon request.
8. Upon receipt of the above information or packet, the Adult Care Licensure Section will review and contact the prospective licensee for additional information if needed. If all documentation is complete and approved, the Adult Care Licensure Section will issue a new license to the applicant.

Any information not included in the packet will render the application incomplete and it will not be processed



**N.C. Department of Health and Human Services
Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center ■ Raleigh, North Carolina 27699-2720**

CHANGE LICENSURE APPLICATION FOR ADULT CARE FACILITIES

TYPE OF LICENSURE APPLICATION: Adult Care Home

(7 or more beds)

CURRENT FACILITY LICENSE Number- HAL - 041 - 081

- Change of Facility Name Change of Licensee/Ownership
 Change of Capacity Change to Special Care Unit (specify bed Number) _____
 Other (specify): _____

Requested Effective Date of Change: November 8, 2023

No less than 30 days from submission of application/fee

Note: Change in Ownership requires a license fee. Change of Capacity requires a Construction review and fee.

CURRENT INFORMATION (Prior to Change)

1. **CURRENT FACILITY NAME:** Richland Place

2. **CURRENT FACILITY SITE ADDRESS: (NO P.O. BOXES)**

Street: 3823 LAWNDALE DR

City Greensboro Zip Code 27455 County Guilford

Facility Telephone Number (336) 916-7226 Fax Number (336) 545-2088

3. **CURRENT LEGAL IDENTITY OF OWNERSHIP/LICENSEE:**

Name of Owner: Greensboro BG OPCO, LLC

Address: 330 N WABASH AVE, STE 3700

City: Chicago State: IL Zip Code: 60611

Business Phone # of Applicant/Licensee: (336) 546-1523 Fax (336) 545-2088

DHSR USE ONLY
License#
FID#
Region
Compliance Check Completed () _____
Entry by _____ Reviewed by _____
Date: _____ Date: _____
License Fee:

PLEASE COMPLETE THE APPLICATION FOR NEW APPLICANT

Part A. Facility/Administrator Information

Facility Name: RICHLAND SQUARE (FORMERLY RICHLAND PLACE)			
Physical Address: 3823 LAWNSDALE DR	City: GREENSBORO	State: NC	Zip: 27455
Telephone Number: (336) 288-8688	Fax number: (336) 545-2088		
If applicable - Please provide your National Provider Identifier Number (NPI) if applicant is an owner of a currently licensed Adult Care Home. For questions regarding NPI, contact 1-800-465-3203 (NPI Toll-Free)		NPI: 1598210148	

Correspondence Mailing Address: (where you want to receive all correspondence including the license from Division of Health Service Regulation):

Name: MELISSA RORIE	Title: EXECUTIVE DIRECTOR
Address: 3823 LAWNSDALE DR	Telephone Number: (336) 916-7226
City, State Zip Code: GREENSBORO, NC 27455	
Primary Email: melissa.rorie@navionsl.com	

Building Owner

Is the building where services are offered leased/ rented? <u> X </u> Yes ___ No. If yes, please complete the following on the building/property owner and provide a copy of the lease agreement.		
Name: 3823 Lawndale, LLC		
Street/Box: 600 Third Ave FL 21		
City: NEW YORK	State: NY	Zip: 10016
Telephone Number: (646) 844-3600	Fax Number: (646) 844-3610	
Email Address:		

CERTIFIED ADMINISTRATOR

Name: MELISSA RORIE	
Telephone Number: (336) 288-8688	Fax: (336) 545-2088
Administrator Certificate No. A00004467	Expiration Date: 12/31/2024
Email: melissa.rorie@navionsl.com	

Part B. Operation Disclosure

LEGAL IDENTITY OF LICENSEE

Licensee Information

- Print name, address and phone number(s) for the facility
- The Licensee is the name of the legal entity licensed to operate the business at that site as indicated in Part A
- The Licensee is responsible for compliance to NC rules and laws governing adult care homes
- The status of the Legal Entity will be verified with the NC Secretary of State

Licensee Name: GREENSBORO MC, LLC		
Address: C/O JASON SERVICING, LLC, 600 THIRD AVE. 21 ST FL		
City: NEW YORK	State: NY	Zip code: 10016
Telephone Number: 646-844-3600		Fax Number: 646-844-3610
The licensee is a: (check one) <input checked="" type="checkbox"/> For Profit <input type="checkbox"/> Not For Profit		

The licensee is: (Check one)	
<input type="checkbox"/> Proprietorship (individual owner) <input type="checkbox"/> Corporation (Inc)* <input checked="" type="checkbox"/> Limited Liability Company (LLC)*	<input type="checkbox"/> Partnership (Unincorporated) <input type="checkbox"/> Limited Liability Partnership (LLP)* <input type="checkbox"/> Government Unit
*NC Secretary of State ID #: 2608936	<input checked="" type="checkbox"/> Registered in Other State. (Attach a copy of the Certificate of Authority issued by NCSOS)

COMPLETE THE FOLLOWING INFORMATION:

- If the licensee is **not for profit**, the name of each Officer, Director or Trustees.
- If the licensee is **a corporation (Inc)**, the name and title of each corporate officer.
- If the licensee is **a limited liability company (LLC)**, the names of the managing members.
- If the licensee is **a partnership or limited liability partnership (LLP)**, the name of each partner.
- If the licensee is **a governmental unit**, the name and title of the individual in charge of the governmental agency or the individual designated in writing by the individual in charge of the governmental agency.

Executive Officer, General Partner, Managing Member		
Name: GREENSBORO MC, LLC	Telephone Number: (646) 844-3600	Fax Number: (646) 844-3610
Address: C/O JASON SERVICING, LLC, 600 THIRD AVE, 21ST FL		
City: NEW YORK	State: NY	Zip: 10016
Name ALAN LITT	Title MANAGING MEMBER	
Name THOMAS LALLY	Title MANAGING MEMBER	
Name JONATHAN LITT	Title MANAGING MEMBER	
Name	Title	

Management Company:		
Is the business operated under a management contract? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No. If yes, provide name and address of the management company		
Company Name: RSS/Richland Place Manager, LLC		
Contact Name: Stephen T. Morton	Telephone number: (919) 371-4233	
Street/Box: <u>5430 WADE PARK BLVD, STE 310</u>		
City: RALEIGH	State: NC	Zip: 27607-4191
Email: smorton@navionsl.com		

Part C. Ownership Disclosure

For the purpose of this application the following definitions apply:

The following definitions shall apply throughout this application:

- (1) "Person" means an individual; a trust or estate; a partnership; a corporation; or any grouping of individuals, each of whom owns five percent or more of a partnership or corporation, who collectively own a majority interest of either a partnership or a corporation.
- (2) "Owner" means any person who has or had legal or equitable title to or a majority interest in an adult care home.
- (3) "Affiliate" means any person that directly or indirectly controls or did control an adult care home or any person who is controlled by a person who controls or did control an adult care home. In addition, two or more adult care homes who are under common control are affiliates.
- (4) "Principal" means any person who is or was the owner or operator of an adult care home, an executive officer of a corporation that does or did own or operate an adult care home, a general partner of a partnership that does or did own or operate an adult care home, or a sole proprietorship that does or did own or operate an adult care home.
- (5) "Indirect control" means any situation where one person is in a position to act through another person over whom the first person has control due to the legal or economic relationship between the two.

RELATED AND APPLICABLE RULES

SECTION 10.40A.(1) G.S. 131D-34:

"§ 131D-34. Penalties; remedies

(d1) The Department shall impose a civil penalty on any applicant for licensure who provides false information or omits information on the portion of the licensure application requesting information on owners, administrators, principals, or affiliates of the facility. The amount of the penalty shall be as is prescribed for a Type A Violation.

Part C. Ownership Disclosure

OWNERS, PRINCIPLES, AFFILIATES, SHAREHOLDERS, MEMBERS

Complete the information below on **all** individuals who are owners, principles, affiliates, shareholders or members holding an interest of 5% or more of the licensee. Attach additional pages if necessary. **If you are the only owner, complete the information below, listing the percentage interest as 100%.**

Name: Alan Litt
Address: 600 Third Ave, 21st FL
City: New York State: NY Zip Code: 10016
Phone #: (646) 844-3600 Fax (646) 844-3610
Email Address: alitt@monticelloam.com
Percentage interest in this licensed Facility: 33.333% Title: Managing Member
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: See Attached List

Name: Thomas Lally
Address: 600 Third Ave, 21st FL
City: New York State: NY Zip Code: 10016
Phone #: (646) 844-3600 Fax (646) 844-3610
Email Address: tlally@monticelloam.com
Percentage interest in this licensed Facility: 33.333% Title: Managing Member
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: See Attached List

Name: Jonathan Litt
Address: 600 Third Ave, 21st FL
City: New York State: NY Zip Code: 10016
Phone #: (646) 844-3600 Fax (646) 844-3610
Email Address: jlitt@monticelloam.com
Percentage interest in this licensed Facility: 33.333% Title: Managing Member
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: See Attached List

Name: 125 HOLDCO. LLC
Address: 600 Third Ave, 21st FL
City: New York State: NY Zip Code: 10016
Phone #: (646) 844-3600 Fax (646) 844-3610
Email Address: info@monticelloam.com
Percentage interest in this licensed Facility: 99.999% indirect Title: Operating Parent SPI
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: See Attached List

Part C. Ownership Disclosure

OWNERS, PRINCIPLES, AFFILIATES, SHAREHOLDERS, MEMBERS

Complete the information below on **all** individuals who are owners, principles, affiliates, shareholders or members holding an interest of 5% or more of the licensee. Attach additional pages if necessary. **If you are the only owner, complete the information below, listing the percentage interest as 100%.**

Name:	Saltaire Partners, LLC				
Address:	600 Third Ave, 21st FL				
City:	New York	State:	NY	Zip Code:	10016
Phone #:	(646) 844-3600	Fax (646)	844-3610		
Email Address:	info@monticelloam.com				
Percentage interest in this licensed Facility:	99.999% Indirect	Title:			
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate:	See Attached List				

Name:	Saltpac Holding Co., Inc.				
Address:	600 Third Ave, 21st FL				
City:	New York	State:	NY	Zip Code:	10016
Phone #:	(646) 844-3600	Fax (646)	844-3610		
Email Address:	info@monticelloam.com				
Percentage interest in this licensed Facility:	99.999% Indirect	Title:			
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate:	See Attached List				

Name:	Jason Servicing, LLC				
Address:	600 Third Ave, 21st FL				
City:	New York	State:	NY	Zip Code:	10016
Phone #:	(646) 844-3600	Fax (646)	844-3610		
Email Address:	info@monticelloam.com				
Percentage interest in this licensed Facility:	0.001% Indirect	Title:			
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate:	See Attached List				

Name:					
Address:					
City:		State:		Zip Code:	
Phone #:	()	Fax ()			
Email Address:					
Percentage interest in this licensed Facility:	^t	Title:			
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate:					

LICENSED CAPACITY AND SPECIAL CARE UNIT

Check here if this Adult Care Home serves Only elderly persons.

(In accordance with NC G.S. 131D-2.1 (5) – Elderly person means any person who has attained the age of 55 years or older and requires assistance with activities of daily living, housing, and services, or any adult who has a primary diagnosis of Alzheimer's disease or other form of dementia who requires assistance with activities of daily living, housing, and services provided by a licensed Alzheimer's and dementia care unit.)

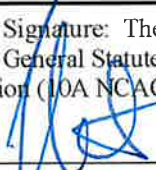
Requested Capacity 70

Requested Special Care Unit Capacity: 70

As defined in **10A NCAC 13F. 1302 SPECIAL CARE UNIT DISCLOSURE**

- a. Only those facilities with units that meet the requirements of this Section may advertise market or otherwise promote themselves as providing special care units for persons with Alzheimer's Disease or related disorders.
- b. The facility shall disclose information about the special care unit according to G.S. 131D-8 and which address policies and procedures listed in Rule .1305 of this Section.

Authenticating Signature: The undersigned submits this application for licensure in accordance with Article 1 Chapter 131 D-2 of the General Statutes of North Carolina and to the rules adopted there under by the North Carolina Medical Care Commission (10A NCAC 13F) and certifies the accuracy of this information.

Signature:  Date: 9/5/2023

Print Name: Jonathan Ross Anderson Phone Number: () _____
1-5-2023

Part C. Ownership Disclosure – Confidential Information

The following information will be used for internal compliance history checks as required by G.S. 131D-2.4(b). We ask that you voluntarily provide the last four digits of your social security number with the understanding that it will be used only as an identification number for internal record keeping and data processing. Incomplete data will delay the application being processed.

Category	Name	Last 4 digits of SSN of Individuals or EIN of Corporation	Contact Number	Percentage of interest as reported on pages 15
			Cell Number	
Licensee	GREENSBORO MC, LLC	***_**-____ or EIN 92 - 3629933		
Executive Officer		***_**-____		
owners, principles, affiliates, shareholders or members	ALAN LITT	***_**- 2176 or EIN ____ - _____	646-844-3600	33.333%
owners, principles, affiliates, shareholders or members	THOMAS LALLY	***_**- 3061 or EIN ____ - _____	646-844-3600	33.333%
owners, principles, affiliates, shareholders or members	JONATHAN LITT	***_**- 5346 or EIN ____ - _____	646-844-3600	33.333%
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members	125 Holdco, LLC	***_**-____ or EIN 92- 3057179	646-844-3600	99.999% indirect
owners, principles, affiliates, shareholders or members	Saltaire Partners, LLC	***_**-____ or EIN 85 - 3087513	646-844-3600	99.999% indirect
owners, principles, affiliates, shareholders or members	SaltPac Holding Co., Inc.	***_**-____ or EIN 85 - 3137147	646-844-3600	99.999% indirect

Reminder: *Failure to complete this information will delay the process*

Part C. Ownership Disclosure (Cont.) – Confidential Information

Category	Name	Last 4 digits of SSN of Individuals or EIN of Corporation	Contact Number	Percentage of interest as reported on pages 15
			Cell Number	
owners, principles, affiliates, shareholders or members	Jason Servicing, LLC	***_**-____ or EIN 85- 3087445		0.001% indirect
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		
owners, principles, affiliates, shareholders or members		***_**-____ or EIN ____ - _____		

Letter to North Carolina Division Health Service Regulation--
Certificate of Need Division

Brittney A. Cafero
Direct: +1 212 241-1019
Email: bcafero@reedsmith.com

September 4, 2023

VIA OVERNIGHT MAIL

Micheala Mitchell, Chief,
NC Department of Health and Human Services
Division of Health Services Regulation
Certificate Of Need
809 Ruggles Dr
2704 Mail Service Center
Raleigh, NC 27699-2704

**Re: Notice of Intent To Change Licensee at Richland Place;
Adult Care Home License No. HAL-041-081; Facility ID 970071**

Dear Ms. Mitchell:

Greensboro BG Opco, LLC (the "Current Licensee"), the licensed operator of Richland Square (formerly Richland Place) located at 3823 Lawndale Drive, Greensboro, Guilford County, North Carolina 27455 (the "Facility") notifies NC Department of Health and Human Services, Division of Health Services Regulation Certificate Of Need, that Greensboro MC, LLC (the "New OpCo") has filed a Change of Ownership ("CHOW") application with the NC Department of Health and Human Services, Adult Care Licensure Section, seeking a change of ownership effective **November 8, 2023**.

Ownership of the Facility is not changing as a result of the CHOW.

This CHOW is authorized by the receiver, Michael Flanagan, who has authority to act for and on behalf of the Licensee pursuant to an Order issued by the United States District Court District of Columbia. A copy of the prior notice regarding the receivership, submitted to DHHS on April 4, 2023 is included as Exhibit A. Note that the ownership of the Community is not changing at this time.

Should you have any questions or concerns, please do not hesitate to contact me by phone at 215-241-1019 or by email at bcafero@reedsmith.com. Thank you.

Sincerely,

/s/ Brittney Cafero

Brittney A. Cafero, Esq.
cc: M. Flanagan, Receiver (*via email*)
Enclosures

Exhibit A

Administrator's Certificate

State of North Carolina
Department of Health and Human Services
Division of Health Service Regulation

Effective July 17, 2023, this document
certifies that

MELISSA RORIE

is certified by the State of North Carolina as an

Assisted Living Administrator

This certification is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire

midnight December 31, 2024

A00004467



Authorized by:

Kerry D. King

Secretary, N.C. Dept. of Health and Human Services

Angela Payne

Director, Division of Health Service Regulation

Sanitation Inspection Reports

Establishment Name: RICHLAND PLACE ASSISTED LIVING

Establishment ID: 3041400050

Location Address: 3823 LAWNSDALE DR

City: GREENSBORO State: North Carolina

Zip: 27455 County: 41 Guilford

Licensee: JUSUSAN DAGGETT

(336) 288-8688

Telephone: _____

Date: 08/10/2023

Status Code: A

Time In: 8:45 AM

Time Out: 12:15 PM

Inspection

Re-Inspection

Wastewater System:

Municipal/Community On-site System

Water Supply:

Municipal/Community Onsite Supply

Deductions

FLOORS: WALLS AND CEILINGS: [.1309, .1310]			
1	Floors and carpets cleanable, clean, good repair; carpet odor free	<input checked="" type="checkbox"/>	1 0
2	Walls and ceilings clean, good repair	2	<input checked="" type="checkbox"/> 0
3	Ceiling attachments cleanable, clean, good repair	1	0.5 0
LIGHTING AND VENTILATION: [.1311]			
4	Lighting at least 10 foot candles, 30 inches above floor	1	<input checked="" type="checkbox"/> 0
5	Ventilation equipment clean, good repair	1	0.5 0
6	Ambient indoor air temperatures maintained	2	1 0
TOILET: HANDWASHING: AND BATHING FACILITIES: [.1312]			
7	Facilities provided, accessible, clean, good repair	2	<input checked="" type="checkbox"/> 0
8	Toilet rooms free of storage, handwash signs posted	1	0.5 0
9	Bedpans, urinals, bedside commodes and emesis basins properly cleaned and disinfected	1	<input checked="" type="checkbox"/> 0
10	Handwashing facilities properly located and equipped	3	1.5 0
11	EPA registered disinfectants used according to manufacturers' instructions; approved testing methods and devices used	2	<input checked="" type="checkbox"/> 0
12	Bathing facilities properly equipped, equipment cleaned and disinfected	3	<input checked="" type="checkbox"/> 0
WATER SUPPLY: [.1313]			
13	Approved water supply	4	2 0
14	Bacteriological sampling current as required	2	1 0
15	No cross-connections observed	2	1 0
16	Hot water between 105°F and 116°F	3	<input checked="" type="checkbox"/> 0
17	Back-up water supply plan available and complete	1	<input checked="" type="checkbox"/> 0
DRINKING WATER FACILITIES: ICE HANDLING: [.1314]			
18	Drinking fountains clean, good repair	1	0.5 0
19	Multi-use utensils for service of ice and water cleaned, sanitized, good repair; single use utensils not reused	2	1 0
20	Ice protected and clean; dispensed properly; ice machines, scoops, containers; clean, good repair	2	1 0
LIQUID WASTES: [.1315]			
21	Approved sewage disposal	4	2 0
22	Mop basins or mop sinks used for mop waste	3	1.5 0
SOLID WASTES: PREMISES: MEDICAL WASTES: [.1316]			
23	Solid waste containers properly constructed, covered where required; good repair	1	<input checked="" type="checkbox"/> 0
24	Refuse, recyclables, and returnables properly stored	1	0.5 0
25	Containers and areas clean; sufficient capacity	1	0.5 0
26	Premises properly maintained	2	1 0
27	Medical waste properly handled and disposed of	2	1 <input checked="" type="checkbox"/>
PEST CONTROL: PESTICIDES: [.1317]			
28	No pest presence; effective pest control measures	1	0.5 0
29	Pesticides registered and approved for institutional use, properly handled	2	1 0

Deductions

MEDICAL SUPPLIES: [.1318]			
30	Medication carts clean; sharps containers attached; food, utensils, medication and medication dispensers properly handled	2	<input checked="" type="checkbox"/> 0
31	Feeding bags, tubes, syringes and oral suction catheters properly handled	2	1 0
FURNISHINGS AND LAUNDRY: [.1319]			
32	Furnishings clean and in good repair; mattresses dry, clean, good repair	<input checked="" type="checkbox"/>	0.5 0
33	Bed linens in good repair; soiled linens changed, properly handled, containers properly labeled	1	<input checked="" type="checkbox"/> 0
34	Linens provided by the institution properly cleaned and sanitized	3	1.5 0
35	Resident's personal laundry properly handled; containers properly labeled; combined resident's laundry properly handled	1	<input checked="" type="checkbox"/> 0
36	Laundry area and equipment kept clean	1	0.5 0
37	Wheelchairs, walkers, lifts, and other mobility equipment properly cleaned and sanitized	1	0.5 0
ACTIVITY KITCHENS, REHABILITATION KITCHENS, AND NOURISHMENT STATIONS: [.1320]			
38	Food service equipment and utensils clean, good repair	1	0.5 0
39	Utensils properly cleaned and sanitized; approved methods used	3	1.5 0
40	Handwash lavatory provided and properly equipped	2	1 0
41	Food contact surfaces of cooking and baking equipment clean	1	0.5 0
FOOD SUPPLIES: [.1321]			
42	Food and food supplies from approved sources; properly stored and handled	3	1.5 0
43	Food brought into the institution by employees or visitors of patients or residents properly stored, labeled and dated	1	0.5 0
FOOD PROTECTION IN ACTIVITY KITCHENS, REHABILITATION KITCHENS, AND NOURISHMENT STATIONS: [.1323]			
44	Time/Temperature Control for Safety (TCS) foods maintained as required	4	2 0
45	Hot and cold holding equipment provided; thermometers provided, accurate	1	0.5 0
46	Food properly stored and protected from contamination	1	0.5 0
47	No live animals where food is prepared or stored; proper measures to prevent contamination	2	1 0
EMPLOYEES: [.1324]			
48	Clean outer clothing	2	1 0
49	Hands washed when required	3	1.5 0
50	Hands properly washed or decontaminated	3	1.5 0
51	Proper use of restriction, exclusion, and reporting	4	2 0
52	Vomitus and diarrheal clean up supplies; written clean up procedures available and complete	2	1 0

Total Deductions: 13



Comment Addendum to Inspection Report

Establishment Name: RICHLAND PLACE ASSISTED LIVING

Establishment ID: 3041400050

Date: 08/10/2023 **Time In:** 8:45 AM **Time Out:** 12:15 PM

Observations and Corrective Actions

- 1 Replace carpets as needed, repair floors or missing thresholds in rooms and laundry room areas, moldings in many areas missing or in poor repair. Keep all storage off floors on shelves or racks to allow cleaning.
- 2 Repair any holes or damage on walls and repaint in many areas, ceilings in laundry need repair of ceiling covering.
- 4 Lights require shielding in several areas.
- 7 Repair any resident showers where the shower pan or walls are chipped - repair to make smooth and cleanable. Hand wash sink should not be a soak sink in any laundry.
- 9 Mark all plastics used by residents such as basins, bed pans, urinals etc..
The soiled utility needs to be set with a ready to use cleaner disinfectant to clean and disinfect as needed.
Reorganize the soiled utility room.
- 11 All chemicals are required to be in a bottle labeled for what is inside.
Need test strips for the chemicals used to disinfect.
- 12 A cleaner disinfect is required to be available for use in any common spa room - replace.
- 16 Hot water was above 116F - at 120F - reduce to range of 105F to 116F.
- 17 Back up water plan required 2 liters per day supply for 3 days for each resident - need more water. Mark on the paperwork for the plan the number for the company to reorder for it to be complete.
- 23 Keep the dumpster doors closed, open at time of inspection. Remove chair and weedeat this area - overgrown.
- 27 Move the biohazard bin into a soiled utility room and mark properly.
- 30 Do not store medical supplies on floors in storage areas - these are required to be clean and need to be stored in a clean environment.
- 32 Any mattresses that are absorbent need to be covered with plastic cover - found absorbent mattress with stains, urine smell.
Repair any furniture or window ledges in rooms in poor repair.
Replace any missing screens to windows.
- 33 When making up beds check linens and replace when soiled - soiled left on bed when making bed.
- 35 When moving dirty laundry through facility there is a requirement to cover all dirty laundry - can do this with bags to tie shut or snap top bins or containers -
Laundry sanitizer needed for common washes.

Comment Addendum to Inspection Report

Establishment Name: RICHLAND PLACE ASSISTED LIVING

Establishment ID: 3041160039

Date: 04/18/2023 **Time In:** 1:15 PM **Time Out:** 4:00 PM

Observations and Corrective Actions

Violations cited in this report must be corrected within the time frames below, or as stated in sections 8-405.11 of the food code.

- 3 Missing employee health agreement / policy - replaced with paperwork.
2-201.11 - Responsibility of Permit Holder, Person in Charge, and Conditional Employees: Ensure food employees report illnesses, symptoms and exposure. Pf
- 5 Body fluid plan missing along with equipment for the plan, replace.
- 16 Keep sanitizer available to sanitize after cleaning food prep areas, remade and used.
4-702.11 - Before Use After Cleaning: Utensils and Food contact surfaces shall be sanitized before use after cleaning. P
- 39 Do not place food items in storage on the floor, keep at least 6 inches off floors to keep from contamination.
3-305.11 - Food Storage: Store food in a clean, dry location, not exposed to contamination. Keep at least 6 inches above the floor.
- 47 Remove rust from any conduit.
4-501.11 - Good Repair and Proper Adjustment: Equipment shall be maintained in good repair.
- 49 Clean in walkin shelves, clean fan covers in walkin, clean roll can rack, clean rolling caddies, clean around dirty drainboard of the dish machine, clean can opener after each use. clean bottom of the reachin.
4-601.11 - Equipment, Food-Contact Surfaces, Nonfood-Contact Surfaces, and Utensils: Non-food contact surfaces and utensils shall be clean to sight and touch.
- 55 Clean floors better in corners, Repair and repaint walls as needed, repair walls that have damage from pan impact or holes. Keep storage off floors.
6-501.12 - Cleaning, Frequency and Restrictions: All physical facilities shall be maintained in good repair and shall be cleaned as often as necessary to keep them clean and by methods that prevent contamination of food products.
- 56 Clean hood filters, vent cover in ceiling, fan covers in walkins. Replace any light shields in poor repair, replace light shield missing.
4-204.11 - Ventilation Hood Systems, Drip Prevention: Exhaust ventilation hood systems in food preparation and warewashing areas, including components such as hoods, fans, guards, and ducting shall be designed to prevent grease or condensation from draining or dripping onto food, equipment, utensils, linens, and single-service and single-use articles.
6-202.11 - Light Bulbs, Protective Shielding: Light bulbs shall be shielded, coated, or otherwise shatter-resistant in areas where there is exposed food; clean equipment, utensils, and linens; or unwrapped single-service and single-use articles.

Comment Addendum to Food Establishment Inspection Report

Establishment Name: RICHLAND PLACE ASSISTED LIVING
Location Address: 3823 LAWNSDALE DR
City: GREENSBORO **State:** NC
County: 41 Guilford **Zip:** 27410
Wastewater System: Municipal/Community On-Site System
Water Supply: Municipal/Community On-Site System
Permittee: EMERITUS ASSISTED LIVING
Telephone: _____

Establishment ID: 3041160039
 Inspection Re-Inspection **Date:** 04/18/2023
Comment Addendum Attached? **Status Code:** A
Water sample taken? Yes No **Category #:** 1
Email 1: ddaigle@enlivant.com
Email 2: _____
Email 3: _____

Temperature Observations

Effective January 1, 2019 Cold Holding is now 41 degrees or less

Item	Location	Temp	Item	Location	Temp	Item	Location	Temp

Person in Charge (Print & Sign): *First* _____ *Last* Alexis Caldwell
Regulatory Authority (Print & Sign): *First* Brian *Last* Burton

REHS ID: 1498 - Burton, Brian **Verification Required Date:** _____
REHS Contact Phone Number: (336) 601-5829 **Authorize final report to be received via Email:** _____

Food Establishment Inspection Report

Score: 94

Establishment Name: RICHLAND PLACE ASSISTED LIVING

Establishment ID: 3041160039

Location Address: 3823 LAWDALE DR

City: GREENSBORO State: North Carolina

Zip: 27410 County: 41 Guilford

Permittee: EMERITUS ASSISTED LIVING

Telephone: _____

Inspection Re-inspection

Wastewater System:

Municipal/Community On-Site System

Water Supply:

Municipal/Community On-Site Supply

Date: 04/18/2023

Status Code: A

Time In: 1:15 PM

Time Out: 4:00 PM

Category#: 1

FDA Establishment Type: Nursing Home

No. of Risk Factor/Intervention Violations: 3

No. of Repeat Risk Factor/Intervention Violations: 0

Foodborne Illness Risk Factors and Public Health Interventions						
Risk factors: Contributing factors that increase the chance of developing foodborne illness.						
Public Health Interventions: Control measures to prevent foodborne illness or injury						
Compliance Status		OUT	CDI	R	VR	
Supervision .2652						
1	IN	OUT	N/A			
PIC Present, demonstrates knowledge, & performs duties		1	0			
2	IN	OUT	N/A			
Certified Food Protection Manager		1	0			
Employee Health .2652						
3	IN	OUT	N/A			
Management, food & conditional employee; knowledge, responsibilities & reporting		2	X	0		
4	IN	OUT	N/A			
Proper use of reporting, restriction & exclusion		3	1.5	0		
5	IN	OUT	N/A			
Procedures for responding to vomiting & diarrheal events		1	0.5	0		
Good Hygienic Practices .2652, .2653						
6	IN	OUT	N/A			
Proper eating, tasting, drinking or tobacco use		1	0.5	0		
7	IN	OUT	N/A			
No discharge from eyes, nose, and mouth		1	0.5	0		
Preventing Contamination by Hands .2652, .2653, .2655, .2656						
8	IN	OUT	N/A			
Hands clean & properly washed		4	2	0		
9	IN	OUT	N/A			
No bare hand contact with RTE foods or pre-approved alternate procedure properly followed		4	2	0		
10	IN	OUT	N/A			
Handwashing sinks supplied & accessible		2	1	0		
Approved Source .2653, .2655						
11	IN	OUT	N/A			
Food obtained from approved source		2	1	0		
12	IN	OUT	N/A			
Food received at proper temperature		2	1	0		
13	IN	OUT	N/A			
Food in good condition, safe & unadulterated		2	1	0		
14	IN	OUT	N/A			
Required records available: shellstock tags, parasite destruction		2	1	0		
Protection from Contamination .2653, .2654						
15	IN	OUT	N/A			
Food separated & protected		3	1.5	0		
16	IN	OUT	N/A			
Food-contact surfaces: cleaned & sanitized		3	0.5	0		
17	IN	OUT	N/A			
Proper disposition of returned, previously served, reconditioned & unsafe food		2	1	0		
Potentially Hazardous Food Time/Temperature .2653						
18	IN	OUT	N/A			
Proper cooking time & temperatures		3	1.5	0		
19	IN	OUT	N/A			
Proper reheating procedures for hot holding		3	1.5	0		
20	IN	OUT	N/A			
Proper cooling time & temperatures		3	1.5	0		
21	IN	OUT	N/A			
Proper hot holding temperatures		3	1.5	0		
22	IN	OUT	N/A			
Proper cold holding temperatures		3	1.5	0		
23	IN	OUT	N/A			
Proper date marking & disposition		3	1.5	0		
24	IN	OUT	N/A			
Time as a Public Health Control; procedures & records		3	1.5	0		
Consumer Advisory .2653						
25	IN	OUT	N/A			
Consumer advisory provided for raw/undercooked foods		1	0.5	0		
Highly Susceptible Populations .2653						
26	IN	OUT	N/A			
Pasteurized foods used; prohibited foods not offered		3	1.5	0		
Chemical .2653, .2657						
27	IN	OUT	N/A			
Food additives: approved & properly used		1	0.5	0		
28	IN	OUT	N/A			
Toxic substances properly identified stored & used		2	1	0		
Conformance with Approved Procedures .2653, .2654, .2658						
29	IN	OUT	N/A			
Compliance with variance, specialized process, reduced oxygen packaging criteria or HACCP plan		2	1	0		

Good Retail Practices						
Good Retail Practices: Preventative measures to control the addition of pathogens, chemicals, and physical objects into foods.						
Compliance Status		OUT	CDI	R	VR	
Safe Food and Water .2653, .2655, .2658						
30	IN	OUT	N/A			
Pasteurized eggs used where required		1	0.5	0		
31	IN	OUT	N/A			
Water and ice from approved source		2	1	0		
32	IN	OUT	N/A			
Variance obtained for specialized processing methods		2	1	0		
Food Temperature Control .2653, .2654						
33	IN	OUT	N/A			
Proper cooling methods used; adequate equipment for temperature control		1	0.5	0		
34	IN	OUT	N/A			
Plant food properly cooked for hot holding		1	0.5	0		
35	IN	OUT	N/A			
Approved thawing methods used		1	0.5	0		
36	IN	OUT	N/A			
Thermometers provided & accurate		1	0.5	0		
Food Identification .2653						
37	IN	OUT	N/A			
Food properly labeled: original container		2	1	0		
Prevention of Food Contamination .2652, .2653, .2654, .2656, .2657						
38	IN	OUT	N/A			
Insects & rodents not present; no unauthorized animals		2	1	0		
39	IN	OUT	N/A			
Contamination prevented during food preparation, storage & display		2	X	0		
40	IN	OUT	N/A			
Personal cleanliness		1	0.5	0		
41	IN	OUT	N/A			
Wiping cloths: properly used & stored		1	0.5	0		
42	IN	OUT	N/A			
Washing fruits & vegetables		1	0.5	0		
Proper Use of Utensils .2653, .2654						
43	IN	OUT	N/A			
In-use utensils: properly stored		1	0.5	0		
44	IN	OUT	N/A			
Utensils, equipment & linens: properly stored, dried & handled		1	0.5	0		
45	IN	OUT	N/A			
Single-use & single-service articles: properly stored & used		1	0.5	0		
46	IN	OUT	N/A			
Gloves used properly		1	0.5	0		
Utensils and Equipment .2653, .2654, .2663						
47	IN	OUT	N/A			
Equipment, food & non-food contact surfaces approved, cleanable, properly designed, constructed & used		1	0.5	X		
48	IN	OUT	N/A			
Warewashing facilities: installed, maintained & used; test strips		1	0.5	0		
49	IN	OUT	N/A			
Non-food contact surfaces clean		1	0.5	0		
Physical Facilities .2654, .2655, .2666						
50	IN	OUT	N/A			
Hot & cold water available; adequate pressure		1	0.5	0		
51	IN	OUT	N/A			
Plumbing installed; proper backflow devices		2	1	0		
52	IN	OUT	N/A			
Sewage & wastewater properly disposed		2	1	0		
53	IN	OUT	N/A			
Toilet facilities: properly constructed, supplied & cleaned		1	0.5	0		
54	IN	OUT	N/A			
Garbage & refuse properly disposed; facilities maintained		1	0.5	0		
55	IN	OUT	N/A			
Physical facilities installed, maintained & clean		X	0.5	0		
56	IN	OUT	N/A			
Meets ventilation & lighting requirements; designated areas used		1	0.5	0		
TOTAL DEDUCTIONS:						6



Fire And Building Safety Inspection Report



Greensboro Fire and Life Safety Division

1512 N Church Street
Greensboro, NC 27405

Inspection Summary



Responsible Party	Inspected Property
-------------------	--------------------

Contact: Byrd, Richard	Business: Richland Place
Address: 3823 Lawndale Dr Greensboro, NC 27405	Address: 3823 LAWNDAL DR Greensboro, NC 27455
Phone: 336-529-9626	
Email: rbyrd@enlivant.com	

Inspection Information:	Fee: \$150
--------------------------------	--------------------------

Inspection Type: 1A3-3 - Institutional / Group Home Inspection - 51 to 100
Inspection Date: Mon Oct 31, 2022
Fire Inspector: Bump, W. A.
Fire Inspector Email: WA.Bump@greensboro-nc.gov
Fire Inspector Phone: 336-373-7829

For questions about your inspection or other fire code inquiries, please contact your Fire Inspector by the email or phone number listed above. Or you may contact the Greensboro Fire and Life Safety Division by calling (336)373-2177.

Inspection Violations: This inspection revealed violation(s) as indicated below.

Order to Comply:

Since these conditions are contrary to law, you must correct them upon receipt of this notice. Failure to correct these violations can result in re-inspection fees and/or fines.

The Fire Code Official can, at any time, conduct a re-inspection to ensure compliance.

005-001 - Chapt.05 - Fire Service Features

This chapter applies to all buildings and occupancies and pertain to access roads; access to buildings and roofs; premises identification; key boxes; fire protection water supplies; fire command centers; fire department access to equipment and emergency responder radio coverage in buildings. ***See specific code violation below:

*** PROVIDE AND INSTALL A 3200 SERIES KNOX KEY BOX ADJACENT TO THE FRONT DOOR. THIS BOX SHALL HOUSE KEYS TO ALL AREAS OF THE BUILDING. THIS BOX CAN BE ORDERED FROM WWW.KNOXBOX.COM AND SELECT "GREENSBORO FIRE DEPARTMENT" FOR PROPER ACCESS KEYING.

006-001 - Chapt.06 - Building Services & Systems

This chapter applies to building systems and services as they relate to potential safety hazards and when and how they are installed, maintained and tested. ***See specific code violation below:

*** PLEASE REPLACE WHITE EXTENSION CORD WITH AN APPROVED POWER STRIP - TV IN THE ACTIVITY ROOM

007-001 - Chapt.07 - Fire & Smoke Protection

This chapter applies to the maintenance of assemblies required to be fire-resistance rated to limit fire spread. ***See specific code violation below



Greensboro Fire and Life Safety Division

1512 N Church Street
Greensboro, NC 27405

Inspection Summary



*** THERE ARE THREE FIRE-RATED DOORS TO THE LAUNDRY ROOM IN THE STAFF HALLWAY. EACH OF THESE DOORS WAS PROPPED OPEN. THIS WAS CORRECTED AT THE TIME OF THE INSPECTION. PLEASE PLACE A SIGN ON EACH DOOR READING "FIRE DOOR - KEEP CLOSED" IN ACCORDANCE WITH NCFE SECTION 703.2.1

007-001 - Chapt.07 - Fire & Smoke Protection

Repaired: 10/31/2022

009-001 - Chapt.09 - Fire Protection Systems

This chapter prescribes the minimum requirements for active systems of fire protection equipment to perform the functions of detecting a fire, alerting the occupants or fire department of a fire emergency, controlling smoke and controlling or extinguishing the fire. ***See specific code violation below:

***PLEASE ADDRESS DEFICIENCIES AS NOTED ON THE FIRE SPRINKLER INSPECTION REPORT. ONCE THE DEFICIENCIES ARE ADDRESSED, THE VENDOR SHALL DOCUMENT THE CORRECTIONS IN THE BRYCER COMPLIANCE ENGINE.

010-001 - Chapt.10 - Means of Egress

Repaired: 10/31/2022

010-001 - Chapt.10 - Means of Egress

Repaired: 10/31/2022

053-001 - Chapt.53 - Compressed Gases

This chapter regulates the storage, use and handling of all flammable and nonflammable compressed gases, such as those that are used in medical facilities, air separation plants industrial plants, agricultural equipment and similar occupancies. ***See specific code violation below:

*** THE CYLINDER IN THE ACTIVITY ROOM CLOSED IS SECURED TO THE WALL WITH A SERIES OF ZIP TIES AND A BUNGEE CORD. PLEASE REPLACE THIS WITH A PROPERLY ANCHORED CHAIN TO SECURE THE CYLINDER AGAINSE TIP-OVER.

G001-0003 - GSO-0003 - Stop Work Order

Repaired: 10/31/2022

G001-0008 - GSO-0008 - Fire Protection System:

Repaired: 10/31/2022

G001-0012 - GSO-0012 - Compliance Engine/Brycer

Records of all system inspections, tests, and maintenance required by their referenced standard shall be maintained on premises for a minimum of 3 years and shall be provided to the fire code official through a third-party inspection reporting system at a fee of twelve dollars (\$12.00) per system (Compliance Engine/Brycer).***If the company contracted to perform the required inspections, tests or maintenance fails to upload the report to the Compliance Engine/Brycer within 10 business days, the fire code official can issue a citation to that company, in the amount of (\$50.00 per system, per occurrence).

THE KITCHEN HOOD WAS INSPECTED/CLEANED BY CINTAS. THE REPORT IS REQUIRED TO BE UPLOADED TO THE BRYCER COMPLIANCE ENGINE BY THE VENDOR WITHIN 10 (TEN) DAYS OF SERVICE. THIS HAS NOT BEEN COMPLETED. A SEPARATE NOTICE OF VIOLATION WILL BE SENT TO THE VENDOR.

G001-0014 - GSO-0014 - Electrical hazards

Repaired: 10/31/2022



Greensboro Fire and Life Safety Division

1512 N Church Street
Greensboro, NC 27405

Inspection Summary



Permits linked to this Inspection:

There is no permit linked to this inspection.

Summary of Charges:

Inspection Fees:	\$150
Violation Fines:	\$0
Permit Fees:	\$0

Total Charges: \$150

The Greensboro Fire and Life Safety Division has contracted with Fire Recovery USA to provide electronic invoicing and collections.

Inspection notices and invoices will be electronically delivered and tracked to the email address you provide the fire inspector.

Business owners without email addresses will still receive their bills through traditional mail.

You will have the option of several payment methods. Please follow the instructions provided in your emailed invoice.

For invoicing and payment inquiries, you may contact Fire Recovery USA at (888) 640-7222, ext. 103.

Policies and Procedures For Special Care Unit



Resident Services Policy and Procedure



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ALL FORMS ARE LOCATED ON THE COMMUNITY DRIVE

Pre-admission/readmission Assessment Review

Purpose

To assure that any resident is evaluated prior to admission to determine the care and services they will necessitate once they have moved in. To set in place a process for evaluating and addressing known needs, to promote a seamless process in the coordination of team members, as well as third party participants if indicated, and identifying any additional care or training that may be required prior to their admission.

Procedure

- Any trained associate may complete the Pre-admission Assessment Review by gathering information from the following sources:
 - Resident
 - Family/Responsible Party
 - Physician
 - Therapists
 - Support Service Providers (Social Worker, Discharge Planner, Home Health Agency, Hospice, Alzheimer’s Day Care Center)
 - Caregivers (community, companions, home health, etc.)
 - Medical Documentation (current MAR, Chart, Progress Notes, etc.)
- After the assessment is completed the Director of Clinical Services/Designee and the Executive Director will review the gathered information to determine the appropriateness of the possible admission, assuring that the community is able to meet their needs.
- The following types of potential residents should be reviewed and approved by the Regional Director of Clinical Services/Regional Director of Operations “prior” to their admission.
- The following circumstances will not automatically exclude an admission. A review of the circumstances will assist in determining if the potential resident’s needs can be met systematically in the community while remaining within state regulatory guidelines.

Review Criteria

- Potential resident is less than 60 years old; we serve seniors in our communities.
- Potential residents with any of the following diagnosis of, history of;
 - Acute/history of alcoholism; challenges could exist regarding ongoing behaviors and treatment modalities.
 - Active/history of substance abuse; challenges could exist regarding ongoing behaviors and modalities.
 - Non-Alzheimer’s Dementias: (e.g., Huntington’s, Pick’s, Frontal Lobe, etc.); challenges could exist regarding ongoing behaviors and treatment modalities.
 - Wounds; unable to admit anyone with a Stage III/IV wound, presence of multiple wounds. Need to assure we are aware of all wounds/skin conditions and have a plan in place to meet the care needs of any wounds.
 - Ostomies; regulations are very specific regarding that these “must be well established”.

- Catheters; in SC must be independent with all care aspects.
- Tube Feedings; regulations are very specific regarding that the resident must be “totally independent” with all aspects in the care/follow-up.
- Anyone on Insulin wherever they are coming from; we need to review for overall stability of the disease, to include stable glucose readings.
- IV Therapy or IV/Other Injections; prior to admission we must be assured they will be completely managed by Home Health/Hospice.
- Any person needing suctioning of their nose and/or mouth.
- In SC; Any person receiving oxygen for the first time, which requires adjustment and evaluation of oxygen concentration.
- Any person who is unable to independently manage their tracheostomy.
- Anyone that is a 2+ person/Hoyer Life possibility. We want to make sure that we can meet their needs, having possible equipment and room space available as indicated.
- In SC Anyone who is dependent in all activities of daily living, to include feeding.
- Potential residents with the following history:
 - History of past sexual abuse (as perpetrator).
 - Inappropriate sexual behavior.
 - Elopement/exit seeking; may indicate the need for a secured setting.
- Other circumstances not listed above:
 - Admissions involving DSS/APS/Ombudsman, etc. – There are many items that we must be aware of as well as making sure that we have everything set in place to make this successful.
 - Anyone in any secured unit coming to a non-secured setting.
 - Anyone with a Wander Guard (other type device) on coming to a non-secured community; we must assure we are the right placement choice for them and that we can meet their needs.
 - Medicaid Admits – very specific criteria must be reviewed.
 - Any “denials” the community wants to make for someone 60 years of age and older.
 - Other possible issues/concerns; if there are difficult family situations (abuse from a spouse/caregiver), criminal issues, someone with restraints on, etc. We want to assure that all possible interventions are in place with a workable plan assuring we can meet their needs.

Assessment

Associated Documents

Assessment Tool

Lifestyle Preference Review

Purpose

Each community will identify the specific care and services that are necessary to assist the residents in reaching their highest level of function. The individual needs of each resident will be assessed to determine the amount of care and support that is required to ensure that each resident experience’s the best possible quality of life.



Assessments are conducted as per the schedule below: (or per State Regulations):

- Prior to Move In
- At Move In
- Every 6 months (or per State Regulations)
- Change of Condition

Procedure

- Any trained associate may complete the Assessment by gathering information from the following sources:
 - Resident
 - Family/Responsible Party
 - Physician
 - Therapists
 - Support Service Providers (Home Health Agency, Hospice, Alzheimer's Day Care Center)
 - Caregivers (community, companions, home health, etc.)
 - Medical Documentation (history and physical, discharge summary)
- The assessor determines the type of assessment that is required by referencing the schedule listed above.
- The assessor conducts an assessment utilizing information from the sources listed above and determines the Level of Care based on the resident's physical abilities, cognitive status and need/frequency of services in the following categories, but not limited to according to state regulations and guidelines:
 - Mobility/Ambulation
 - Fall Risk
 - Transfer Ability
 - Bathing
 - Grooming
 - Dressing
 - Continence Management
 - Dining
 - Cognitive Functioning/Behavior
 - Wandering
 - Diabetic Management
 - Clinical Support Services
- There are two separate sections in the assessment tool; one is exclusive to the specific care needs of each resident and the other determines the medication tier level.
- Once the assessment is completed, a Care Plan will be completed/updated as indicated. A Care Plan meeting to discuss the needs of the resident, review the assessment needs and the corresponding service level will be conducted.
- The completed assessment is placed in the resident's chart.

Fall Management

Associated Documents

Fall Intervention Check List/Plan

Fall Risk Assessment

Post Fall Investigative Report

Purpose

To promote safety and preserve mobility by reducing the risk of falls and fall related injuries. To utilize a comprehensive approach in the identification of a resident's physical and cognitive risk factors that may contribute to the incidence of falls.

Definition

Falling is defined as an event in which a person unintentionally comes to rest on the ground or another lower level with or without injury.

An assisted fall (when a resident is assisted by a caregiver and lowered to another surface such as the floor, chair or bed) is not considered a true fall in this context, but needs to be reviewed for safety concerns and next steps to prevent a "true" fall in the future.

Risk Factors of Falls

Falls are often caused by several factors. A person may have many risk factors and only have problems when another factor appears. Fall management is often tailored to treat the factor that caused the fall specific for that event, rather than all risk factors.

Risk factors may be grouped into Intrinsic and Extrinsic factors.

- Intrinsic Risk Factors
 - Age related changes
 - Visual deficits
 - Neurological function
 - Musculoskeletal system
 - Diseases (medical problems)
- Extrinsic Risk Factors
 - Medications
 - Environmental
 - Improper Assistive Devices

Fall Assessment Tool

To conduct an assessment that measures the degree of risk by evaluating each significant factor that may contribute to falls.

An initial comprehensive assessment is conducted at admission, which includes the identification of risk factors. Key components of a multi-factor assessment include:

- Fall History
- Mental Status



- Mobility
- Orthostatic Hypotension
- Medications
- Visual Impairments

The Fall Assessment is completed by gathering specific information regarding history and risk factors from residents, family members, caregivers, and other healthcare professionals. The Fall Assessment is completed as follows:

- Admission
- Semi-annually (every 6 months)
- Change in condition or for safety precautions.
- The Fall Assessment is also completed when a resident has two or more falls, unrelated to a transient health condition (i.e. Urinary Tract Infection, Flu, URI, etc.) in a 1 month period.

Post Fall Investigation/Evaluation

Each fall must be investigated and analyzed to determine possible causative factors and the effectiveness of safety measures implemented to minimize falls. A fall is evaluated in accordance to the following indicators:

- Situation
- Contributing factors
- Safety measures/devices
- Medications

All resident falls are reported to the resident's primary physician for review and any recommendations they may have. (Incident Report must be completed for any fall)

Fall Intervention Check List/Plan

Interventions are to be documented on the resident's Individualized Service Plan as well as communicated to appropriate caregivers. The "Fall Intervention Check List/Plan" is a "tool" that is available to identify contributing factors and monitor progress towards goals regarding resident safety and mobility. If the "Fall Intervention Check List/Plan" tool is used, it will become part of the "Incident Report Log – Individual Resident" binder assisting in the ongoing process of review and follow-up.

The "Fall Intervention Check List/Plan" is a tool to assist in the revision of the individualized plan for residents with falls when there are any changes to interventions and/or goals defined for each specific resident following a fall.

The "Fall Intervention Check List/Plan" will be used as a "tool" for review during the bi-monthly Comprehensive Resident Review meeting.

Gait/Transfer and Walking Belt

Overview

Gait/transfer/walking belts are safety devices used for assisting a resident with transfer and/or ambulation who has mobility needs. These devices are used with residents who may have an unsteady gait, are at risk for falls, or other health conditions that affect ambulation. For infection control purposes, gait belts are assigned to individual residents and should not be used for general use.

Detail

- Residents should receive assistance with mobility and transferring needs. Mobility needs can be identified on the initial evaluation, and on the care plan, or be determined to have a need as care is being provided.
- Updates to the assessment and/or service plan should be done on an ongoing basis to reflect resident needs and interventions.
- Gait belts will be available at the community at all times, ready for assignment to residents as service or care plans change.
- Associates providing resident care should have access to gait/transfer belts and receive training in proper body mechanics. Gait/transfer belts should be used while providing care, assisting with ambulation, or transferring a resident.
- Care associates should report any new or worsening ambulation difficulties or resident/family refusal to use the gait belt to the Director of Clinical Services (DCS)/Designee. The DCS/Designee will notify the physician/healthcare provider of the resident's mobility needs.
- Ongoing resident needs will be documented in the resident record on the service or care plan.

Methods of Implementation and Control

- For purposes of infection control, gait belts are to be assigned to individual residents and kept in the resident's room or stored on the resident's walker or wheelchair for easy access.
- Gait belts will not be shared among residents.
- Gait belts that become soiled after use will be cleaned appropriately following manufacturer's instructions and basic infection control principles.

Restraint Free

Purpose

To provide care and services in a restraint free environment to preserve dignity, promote physical and emotional well-being, encourage independence and respect the rights of our residents to be free from unnecessary restraints.

Definition

A restraint is defined as any:



- Physical or mechanical device, material or equipment attached or adjacent to the resident's body that the resident cannot remove easily, and which restricts freedom of movement or normal access to one's body. (This includes all types of side rails)
- A chemical or drug that is used for discipline or convenience and not required to treat medical symptoms.

Procedure

- The community will:
 - Assess the resident prior to move-in; every 6 months; annually or as changes in condition warrants.
 - Consult with the primary physician and family to identify and implement appropriate interventions as a means of providing reasonable care.
- Alternative methods are utilized to alleviate confusion, fear, frustration, fatigue, discomfort and pain such as, but are not limited to:
 - Comfort measures specific for the resident.
 - Individualized redirection.
 - Personalized interest-based programming.
 - One on one activity, redirection.
- The community will consult with the resident's primary physician/healthcare provider to determine the most effective and appropriate safety measures specific to meet that resident's needs.
- Examples of assistive devices that can promote greater functional independence may be utilized such as, but not limited to:
 - Contoured mattresses
 - High/low bed
 - Landing strips
 - Motion sensors
 - Bed/chair alarms
 - Body alignment devices
 - Positioning devices, such as Halo Rings, Trapeze Bars, etc.
 - Grab bars.
 - Positioning cushions
 - Hip protectors.
- Any resident risk factors and interventions that have been implemented will be documented in the resident's record.
- If the resident or responsible party does not comply with the restraint free policy, the community reserves the right to discharge the resident in accordance to all county/state guidelines.

Skin Integrity Review

Associated Documents

Skin Integrity Review Form

Purpose

All residents should have documentation of their Integumentary (skin) system upon move in/admission and periodically. Community associates will perform ongoing monitoring of resident's skin and obtain or provide care as indicated. Pressure wounds will be staged by an outside or third-party provider. Third party providers may include a wound care specialist, physician/licensed healthcare provider, registered nurse, or licensed personnel with a wound treatment center. When the presence of a pressure wound is discovered the Director of Clinical Services/Designee and Executive Director will be made aware to assure proper measures in meeting their ongoing needs are met per state regulations.

Procedure

Skin Integrity Reviews will be completed upon admission, quarterly, if a change in condition occurs or per state guidelines.

- A Skin Integrity Review Form will be completed upon move-in.
- Thereafter, a Skin Integrity Review Form should be completed on a regular basis, but at a minimum quarterly, upon a change of condition and upon return from a hospitalization/rehab.
- Skin observation may be completed more frequently, after a change of condition, based on the individual resident's need or on the Director of Clinical Services/designee's clinical judgment.
- If permission to complete a skin observation is denied, other attempts should be made. If permission is repeatedly denied documentation of the refusal should be recorded on the Skin Integrity Review Form as well as on the Resident Service Notes.
- Any actual or potential skin problems should be reported to the Director of Clinical Services/designee with appropriate follow-up documentation completed.
- If the Braden Scale score is 16 or less, appropriate interventions should be identified and placed on the Care Plan and reviewed with associates.
- The completed Skin Integrity Review Form should then be stored in the Resident Record.

Impaired Skin Integrity Review

Associated Documents

Impaired Skin Integrity Review Documentation Form

Policy

Residents with open areas should have regular documentation of the status of those areas by the community, regardless of third-party involvement. This observation will be completed in conjunction with a third-party vendor such as Home Health, Hospice, Wound Clinic, etc. This could include pressure sores, venous stasis ulcers, diabetic ulcers, open surgical wounds, etc. Pressure sores will be staged by an outside, or third-party provider, that may include a wound



care specialist, physician/licensed healthcare provider, registered nurse, or licensed personnel with a wound treatment center, etc.

Procedure

Impaired Skin Integrity Documentation will be completed as soon as possible upon admission or when a wound is first identified.

If a resident has more than 1 open area, a separate Impaired Skin Integrity Documentation Form will be completed for each area.

A healthcare referral to a third-party provider may be made after consultation with the physician/healthcare provider and/or based on state regulations.

The Impaired Skin Integrity Documentation Form will be completed on a weekly basis until the area is resolved/healed.

The resident's physician/healthcare provider and legally responsible party will be made aware of the area and updated on improvement/decline on a regular basis.

The resident's care plan will be updated to reflect needs.

The Impaired Skin Integrity Documentation Form will be maintained in the Resident Record.

Safe Smoking Review

Associated Documents

Smoking Review Form

Purpose

To promote resident independence and ensure resident safety while smoking.

To assure resident compliance with community smoking guidelines.

Information

All NS communities are smoke free. Residents who smoke, to include e-cigarettes, must use the designated smoking areas outside the community. The designated areas will provide shelter from inclement weather and have non-combustible containers available to hold cigarettes and debris. Residents must be physically, and mentally able to manage their smoking habit independently without posing a safety hazard to self and others.

NSS reserves the right to confiscate all smoking materials if a resident is non-compliant with smoking guidelines or poses a safety risk to others.



Procedure

A safe smoking assessment will be completed on admission for any resident that wishes to continue being able to smoke, then on an annual basis thereafter unless there is a noted significant change in cognition, or ability to safely handle smoking products. For anyone that wishes to continue to smoke, a copy of the community's smoking policy will be provided to the resident/responsible party at the time of the assessment.

The smoking assessment will include the following:

- Direct observation of the resident's ability to smoke independently.
- The resident's ability to safely handle and dispose of all smoking materials.
- The resident's ability to understand the smoking guidelines, up to and including designated smoking areas.
- The outcome of the assessment will determine if the resident can smoke independently or requires staff assistance.
- If a resident requires assistance with smoking, the staff will provide assistance at reasonable intervals during their shift.

If the resident is non-compliant with the smoking policy, the community reserves the right to discharge the resident following state and county guidelines.

Resident Alcohol Usage

Policy

To promote resident independence and safety while ensuring resident compliance with community alcohol consumption and storage guidelines.

Information

Substance abuse is a problem which is increasingly evidenced among older adults. In fact, recent studies show that alcohol abuse occurs in approximately 10 percent of the elderly. Older adults who engage in heavy drinking may be at increased risk for the following reasons:

- The consumption of alcohol increases the physiological stress on already declining organs and body systems.
- Alcohol-drug interactions may cause toxic reactions, and/or alcohol may diminish the therapeutic effect of certain medications.
- The anesthetic effect of alcohol can mask pain that would otherwise prompt medical attention.
- Drinking is likely to increase the social isolation and depression which is commonly experienced by older adults.
- Heavy drinking may place the resident at risk for engaging in potentially harmful behavior (e.g., by decreasing their awareness for possible falls, unsafe smoking habits, or other behavior problems).

Procedure

- The physician will indicate the following on admissions:

- Resident may or may not consume alcohol.
- Resident may store alcohol in his/her room.
- If a resident is permitted to store alcohol in his/her room, they must store it in a responsible and safe manner. The resident may store alcohol in a locked closet/cabinet.
- The physician and responsible party are notified of any unsafe behaviors or changes in status related to the resident's consumption of alcohol.
- The use of alcoholic beverages shall be permitted in residents apartments, or in designated areas of the community, as determined by the Executive Director.
- The resident's care plan will be updated as indicated.
- Residents are required to comply with state regulations and community policies. A resident's right to freely use and consume alcohol within the community or on community outings, may, at the discretion of community management, be revoked if the resident's alcohol consumption and resulting behavior poses a threat to the resident or others in the community.
- In the event that the physician restricts alcohol consumption, the resident and their POA will be made aware of the decision and appropriate follow-up measures will be carried out.

Individualized Care Plan

Associated Documents

Individualized Care Plan (ICP) Form

Policy

A care plan, designed to meet the individual needs of each resident, is completed to ensure consistent and individualized delivery of care and services. The plan is an organized, coordinated process involving the resident, family and community care staff.

Procedure

- An Individualized Care Plan is completed:
 - Upon admission (follow state guidelines for completion).
 - Reviewed/updated every 6 months.
 - With any significant change in condition.
 - Annually.
- The clinical team initiates the development, or updating, of the care plan by using information from:
 - Resident wellness record.
 - Information provided by the resident, family or responsible party.
 - Information from the care staff.
 - Support service providers.
- The Director of Clinical Services/Designee is responsible for ensuring that the care plan includes appropriate information from:
 - History and physical.
 - Hospital/rehab discharge summaries.
 - Physician visits.
 - Lifestyle preference.
 - Other contributors as indicated (i.e., Hospice, Home Health, etc.).



- A meeting is scheduled with the resident and/or responsible party to review the care plan. This meeting should also include a member of the care staff if possible and other team members/department heads as indicated.
- Once the care plan is completed, required signatures will be obtained.
- The Individualized Care Plan will be placed in the resident's Wellness Record.

Documentation

Associated Documents

Admission Note

Hot Box Protocol

Resident Service Note

Physician Progress Note

Home Health/Hospice Progress Note

Policy

To assure there is a method to document services provided to the resident.

Procedure

- Documentation will be completed upon admission, then on an exception basis.
- Documentation should include care-specific details with responses to provided care, when indicated.
- Examples of exceptions that may require additional documentation could include, but are not limited to:
 - Falls
 - Infections/Illness
 - Significant medication changes
 - Follow-up on Test results (Lab, X-Ray, etc.)
 - Behavioral changes
 - Changes in ability to complete ADL's.
 - Changes in level of consciousness
- Each entry on the Resident Service Note will include:
 - Date
 - Time
 - Information being documented.
 - Signature/Title of person making entry.
- There may be times when a condition warrants regular documentation over a limited amount of time, or for an extended period of time which will be determined by the clinical management team.
- Notes of observations on resident overall condition will be made minimally on a monthly basis.
- In addition to Resident Service Notes, there will be documentation of services provided by Physician/Healthcare providers, Home Health, Hospice, Therapies, etc.

Resident Vital Signs

Associated Documents

Resident Vital Signs and Weights Form

Policy

Vital signs provide basic information about a person's health condition. Vital signs include temperature (T), pulse (P), respirations (R), and blood pressure (B/P). At a minimum, vital signs should be taken at least monthly, or as applicable per state regulations, unless ordered more frequently by the resident's physician/healthcare provider. Vital signs may be taken by anyone that has been trained, or as per state regulations.

Procedure

- Vital signs (VS's) should be taken upon move in and routinely monitored thereafter on at least a monthly basis, or as directed per physician/healthcare provider.
- Monthly VS's should be recorded on the Monthly Record of VS and Weights Form.
- If VS's are ordered to be performed more frequently by the resident's physician/healthcare provider, those results will be found on the Medication Administration Record/Electronic Medication Administration Record (MAR/e-MAR) for review.
- VS readings for T, P, R, and BP outside designated parameters should be rechecked for verification of the reading. If it remains outside preset parameters the reading will be reported to the community clinical team, as well as assuring follow-up notification with the resident's physician/healthcare provider assuring follow-up and further direction.
- If there are no preset parameters by the resident's physician/health care provider, the following baselines will be followed for reporting purposes.
 - T; greater than 100.5, or less than 97 degrees orally.
 - P; greater than 90 (after resting for at least 5 minutes if elevated), or less than 60 beats per minute.
 - R; greater than 24 (after resting for at least 5 minutes if elevated), or less than 16 breaths per minute.
 - B/P; call MD if Systolic BP ≥ 180 or ≤ 90 , or Diastolic BP ≥ 100 or ≤ 50 .
- The Record of Vital Signs and Weights Form is a permanent part of the resident record.

Resident Weight

Policy

A resident's weight can provide basic information about a person's health condition. At a minimum, a resident's weight should be taken at least monthly, or as applicable per state regulations, unless ordered more frequently by the resident's physician/healthcare provider. Resident weights may be taken by anyone that has been trained, or as per state regulations.

Procedure

- Resident weights should be taken upon move-in and routinely monitored at least monthly thereafter, or as directed per physician/healthcare provider.



- Monthly weights should be recorded on the Monthly Record of V/S and Weights Form.
- If a resident's weight is ordered to be performed more frequently by the resident's physician/healthcare provider, those results will be found on the Medication Administration Record/Electronic Medication Administration Record (MAR/e-MAR) for review.
- When weighing the resident, the following guidelines should be followed:
 - The resident should be weighed in a manner that provides them with privacy and respect.
 - The same type of scale should be used each time a resident is weighed.
 - The scale should be on a firm, flat surface, preferably not on carpet.
 - The scale should be calibrated, per manufacturer's guidelines, prior to each weight that is obtained and not be moved from calibration.
 - Residents should be weighed at approximately the same time of day when possible.
 - Residents should be weighed at approximately the same time of day when possible.
 - Residents should be weighed in the same type of clothing, foot wear each when possible.
- If the resident has a 5% or greater loss of their weight in 1 month, or 10% or greater loss in 6 months, we need to repeat the weight for verification of loss.
- If the re-weigh amount continues to reflect a 5% or greater loss in 1 month or 10% or greater loss in 6 months, the results will be reported to the community clinical team.
- The resident's legally responsible party and physician/healthcare provider will be notified of a 5% or 10% weight loss, unless directed otherwise per orders, with documentation completed reflecting the notification.
- The physician/healthcare provider instructions/orders will be carried out accordingly.
- The clinical team may institute simple interventions to promote stabilization, or weight gain. Examples of simple interventions that may be instituted are:
 - Weekly weights until weight is stable with no overall loss, for 4 weeks, or there is a 5% gain in 4 weeks.
 - Observation of resident during meal time identifying any contributing factors, i.e., chewing/swallowing difficulties, poor fitting dentures, possible mouth pain, inability to sit for long periods of time, etc.
 - If not, counter indicated by resident condition, may offer larger portions, higher calorie foods/snacks, increased protein intake, frequent smaller meals, request an order for a nutritional supplement, etc.
- The Record of Vital Signs and Weights Form is a permanent part of the resident record.

Immunization Record

Associated Documents

Immunization Record

Elopement/Missing Resident

Associated Documents

Elopement Drill



Policy

To provide a logical, systematic process if a resident is unaccounted for at any given time.

Definition/Fundamental Information

- The definition of an elopement is as follows: when a resident leaves the residence without staff awareness or supervision who does not have a logical/explainable reason to do so.
- The moment a resident steps across the threshold, it is considered a successful elopement, not just an attempted elopement.
- If a resident is determined to be missing a search will be initiated.
- If the resident is found inside the community it will be considered a wandering episode and it is not considered to be an elopement.
- If a resident is determined to be missing and/or a resident is found outside the community, it is defined as an elopement.

Missing Resident

The staff member, who identifies a resident as missing, must notify the Executive Director and/or Director of Clinical Services/Designee. The Executive Director and/or Director of Clinical Services/Designee will initiate and coordinate a search. Utilize staff assignments and floor plans to coordinate a thorough and coordinated search within the community, as well as outside the community. The search is to include the verification that “all” community rooms, closets, storage areas, etc. as well as outside structures have been included in the search. If after an initial search has been conducted the resident is unable to be located the Executive Director and/or Director of Clinical Services/Designee will notify the following:

- Regional Director of Operations/Regional Director of Health Services
- Responsible Party/Family
- Physician
- Hospitals
- Police
- State/County regulatory agencies following all state/local reporting guidelines.

The Executive Director/designee may broaden the search area, utilizing area specific maps and assign search groups to search designated areas. The Executive Director/designee should remain at the community to communicate with the police and search teams. When a resident is located, the Executive Director/designee will initiate the following:

- A physical assessment of the resident is to be performed.
- Notify the resident’s physician that the resident has been located and report their condition.
- Notify the family/responsible party that the resident was located and report their condition.
- Recall staff to the community.
- Complete appropriate documentation in the resident’s chart.
- Notify county/state agencies following all state/local reporting guidelines.
- Notify Regional Director of Operations and Regional Director of Clinical Services.

The Executive Director/designee will complete a detailed review of the elopement to determine possible causative factors and the effectiveness of safety measures that were in place, as well as



the additional implementation of measures to minimize any further safety concerns going forward. An elopement event is evaluated in accordance to the following indicators:

- Situation.
- Contributing factors.
- Safety measures/devices in place.
- Medications.
- Additional interventions to be put in place.
- Resident risk factors and interventions will be communicated to the staff and documented on the resident care plan per state regulation/guidelines.

Elopement/Missing Resident Drills

Elopement/Missing Resident Drills will be conducted to include all shifts on a quarterly basis and will rotate shifts monthly, or as directed per state specific regulations. The drills will be conducted by the Executive Director/designee. Documentation of the drills will be maintained in the Executive Director/designee's office in a designated binder and uploaded in the TELs system.

Wandering and Elopement Resident Safety System

Associated Documents

Medication Administration Record

Resident Record

Policy

To provide a security system to ensure and enhance the safety of residents who have been assessed to be at risk for wandering outside the community.

Procedure

- The Director of Clinical Services/designee will complete a reassessment on residents at any time that a resident demonstrates unsafe behavior as it related to exit seeking or wandering outside the community.
- If the resident repeatedly wanders into an area of unsafe egress, or continues with exit seeking behaviors, a system will be implemented to ensure the resident's safety. This could include, but is not limited to, increased safety checks, 1:1 sitter/companion, or if a signaling device system is available it may be placed on the resident.
- The use of a signaling device (i.e. Wander Guard) is discussed with the resident's responsible party and physician/healthcare provider after it has been determined that there is a concern for the resident's overall safety in regards to exit seeking behaviors.
- The signaling device is placed directly on the resident, or on their mobility device if circumstances prevent placement directly on their person.
- The signaling device placement, as well as each time the placement site is changed, will have documentation of the following:
 - Placement Date.
 - Placement Site.



- The signaling device will be tested prior to placing on the resident, assuring its working ability and that the receivers sound an alarm when activated.
- The signaling device will then be tested daily, for the duration of placement on the resident, assuring it's working ability with documentation on the resident's medication administration record.
- Placement of the device will have documentation completed on a regular basis, but no less than every shift.
- If the signaling device is activated the system will be checked to determine the cause.
- If the resident with the device on exits the community an associate will stay with the resident until the resident returns inside.
- In the event of a power outage, or deactivation of the system, those residents utilizing the device will be accounted for and will be monitored closely until the system is functional.
- The resident will be reassessed regarding any possible contributing factors that would need follow-up, with communication with the resident's physician/healthcare provider.
- The residents assessment/care plan will be updated accordingly regarding any changes in the needs of the resident.
- The device may be removed once the resident's condition stabilizes, or once other placement has occurred.

Challenging Symptom Review

Associated Documents

Challenging Symptom Review Form

Policy

To provide a coordinated means to utilize available resources in minimizing any resident risks by prompt identification and implementation of appropriate interventions.

Procedure

- The individual who identifies any challenging symptoms will share those symptoms with the Director of Clinical Services/Designee.
- If the challenging symptom is such that it would impose a possible danger to the resident or others the employee would immediately notify the Director of Clinical Services/designee.
- If the challenging symptom results in physical harm or poses an immediate risk to residents or associates, the community will immediately:
 - Relocate the resident to another area within the community to protect other residents and associate members.
 - If an injury has occurred to either resident and/or associate member, if appropriate first aid will be given, if indicated 911 will be called.
 - If indicated the identified resident could be transported to the Emergency Room for further evaluation and possible alternative placement.
 - If an incident occurred the physician and responsible party are notified.
 - If the resident remains in the community, the Director of Clinical Services/designee will coordinate appropriate referrals as indicated.



- The Community/POA will coordinate the utilization of a private duty sitter, if indicated.
- A symptom review can be completed to evaluate any triggers and/or other factors that may have contributed to the challenging symptoms. The challenges may be symptoms such as urinating in inappropriate places, yelling at a specific resident, running towards someone in an aggressive manner, etc.
- A symptom review can be completed on any residents after any challenging symptom in an effort to find the probable cause and implement interventions.
- If indicated the Executive Director/designee will follow the reporting guidelines per policy.

Suicide and Suicidal Ideation

Policy

To provide associates with guidelines to be used for residents who have expressed possible suicidal ideation or has made a suicide attempt.

Information

Any resident with suicidal ideations will be taken seriously and will undergo a mental health evaluation (either in-house or at another facility/office). The resident cannot remain at the community, or be taken back from another setting, unless the resident is evaluated as not being a threat to themselves. The community will receive documentation, confirmed in writing, indicating that the resident is not a danger to themselves before a resident can return to the community.

Definition

- Suicidal Ideation is defined as self-reported thoughts, or behavior, which suggests thoughts of engaging in possible suicide related behavior. Examples of possible suicidal ideation could include, but is not limited to, statements or actions such as:
 - I wish I were dead.
 - My family and friends would be better off if I were dead.
 - Life is not worth living.
 - If I had the means I would kill myself.
 - Resident may be hoarding pills.
 - Resident may try, or ask how, to obtain a gun or other lethal weapon.
- Suicide Attempt is a potentially self-injurious behavior for which there is reasonable evidence that the person likely intended to harm themselves. Examples of a suicide attempt include, but is not limited to:
 - Running out in front of traffic.
 - Trying to injure themselves with a harmful object.
 - Self-mutilation.
 - Performing any act which suggests a reasonable intent to inflict harm on oneself.

Procedure

Suicidal Ideation



Verbalized suicidal ideations will immediately be reported to the Director of Clinical Services/Executive Director/designee. A resident who makes such a statement will not be left unattended. Provide one on one supervisor of the resident until they are either transported to an acute care hospital or are evaluated by a mental health professional and are deemed, in writing, to no longer be a danger to him/herself.

- Until an evaluation or hospitalization is completed, the resident is not to be left alone at any time. (Contact HHA for a private duty sitter if needed).
- The resident's room will be searched to remove any possible items that could pose an immediate danger, such as sharp objects.

Suicide Attempt

In the event that any resident is:

- Found in the act of a possible attempted suicide, or
- Informs a staff member that they have tried to kill themselves.

The staff will immediately call for assistance, and the resident will not be left alone. The attending physician and family/POA will be immediately notified and the resident will be sent to the emergency room of the nearest acute care hospital or psychiatric hospital for evaluation. The community cannot accept the resident back from an acute and/or psychiatric hospital without written documentation stating the resident is no longer a danger to themselves or others. Any resident with a history of suicidal ideations, and/or a suicide attempt, will be followed by a mental health professional on a regular basis.

Death of a Resident

Associated Documents

Release of Remains Form

State Required Documentation

Policy

To ensure that all team members follow all appropriate procedures in an effort to handle the death of a resident in a dignified and professional manner.

Procedure

- Follow all appropriate emergency procedures upon discovering a resident in distress. Upon the death of the resident, the appropriate individual/authority will be contacted to pronounce the resident. Appropriate individuals could be, but not limited to, the physician/healthcare provider, hospice nurse or a member of the EMS team in accordance to state regulations.
- The Executive Director/Administrative team member on call will be notified of the death.
- Notification of the resident's physician and the resident's family/POA will be completed.
Note: If the death is of a suspicious nature, do not move the resident until appropriate officials are notified.
- Contact the funeral home identified on the Emergency Information Sheet, or per family/POA request to claim the resident's remains. Upon arrival of the Funeral Director, the staff will:



- Allow entrance to the community in a manner respectful to other residents.
- Have a Release of Remains Form signed before releasing the body.
- Assist the funeral home as needed.
- The Director of Clinical Services/designee will:
 - Obtain a copy of the death certificate – if required by state regulations.
 - Notify outside Support Service Providers for the resident of their death.
- Remaining documentation will be obtained per state regulations.

Medication Agreement

Purpose

To ensure that residents receive medications and treatments in accordance with physician's orders.

Procedure

- Upon admission of a resident, the community will have written physician orders for any medication(s) to be administered, to include over the counter medications. Only the medications listed on the physician's orders will be administered to the resident.
- Medications will be ordered in a timely manner by the community. All necessary information regarding the medication order will be faxed to the pharmacy and medications with delivery in a timely manner. **Note: Any "STAT" orders will be ordered from the backup pharmacy for an expedited delivery.**
- If the resident's medications are delivered from the community's preferred pharmacy provider, the community representative will receive refills and labels as needed and the resident/responsible party will be billed directly.
- When a resident's medications are obtained from another pharmacy, it is the resident/responsible party's responsibility to ensure that all medications given are in compliance with the community policies, as well as federal and state guidelines.
- If a resident who uses an outside pharmacy is in need of medication the resident/responsible party will be notified in a timely manner for them to bring the medication to the community.
- If the resident/responsible party does not bring the needed medication in a timely manner for administration the community will notify its preferred provider pharmacy provider and order the medication. The cost of the medication will be billed to the resident/responsible party.
- To meet policy and state/federal regulations, any medications, including over the counter medications, must have a physician's order and a proper label applied. If medications are purchased from another pharmacy, it becomes the responsibility of the resident/responsible party to ensure that the medications are properly labeled.
- Sample medication will not be accepted without a proper label which is provided by the pharmacy or physician.
- Labels should include the following:
 - Name of medication.
 - Medication strength.
 - Quantity dispensed.
 - Dispensing date.



- Directions for use of the medication.
- Name of pharmacy.
- Prescription number.
- Expiration date and any other auxiliary statements.
- When a refill is needed, community representative will attempt to notify the resident/responsible party at a minimum, within (7) days.
- If the community is providing administration/assistance of medication and the resident chooses an outside pharmacy provider, the resident/responsible party must ensure the following:
 - The medication will be packaged in accordance with the community's delivery system.
 - There will be pharmacy reviews completed of the resident's medication regimen on a quarterly basis. If the preferred provider does not perform the review it will be the responsibility of the supplying pharmacy to complete the reviews.
 - The resident/responsible party will be billed directly for those services if there is an additional charge due to not being the preferred provider.
 - The resident/responsible party will sign a contract with the community's preferred provider for emergency needs that may arise.
 - If the resident runs low or is out of medication prior to the delivery of the medication by the responsible party, the community will order medications from the preferred provider. The cost of the medication will be billed to the resident/responsible party.
- Medications are not permitted to be stored in the resident's rooms, unless there is a physician's order to self-medicate.

Pharmaceutical Services

Policy

To ensure compliance with the packaging and labeling of prescribed medication in accordance with state and regulatory guidelines.

Information

The pharmacy provider will be able to comply with the preferred packaging of the company. In addition, the pharmacy will provide the following:

- Consultant Services per state regulations.
- Provision of Medication Administration Records.
- Direct billing to residents/responsible party.
- A storage system consistent with the delivery system and community environment.

Procedure

If the community is aiding/administration of medication and the resident chooses an outside pharmacy provider, the resident/responsible party will ensure the following:

- Medications will be packaged in accordance with the community's delivery system.



- Per state regulations/guidelines the preferred provider will perform reviews of the resident's medication regimen and provide the community with any physician recommendations if not performed by the community pharmacy.
- The resident/responsible party will be billed directly for any of those outside pharmacy consultant services.
- The resident/responsible party will sign a contract with the community's preferred provider to ensure the delivery of medication in the event of an emergency situation.
- When a resident requires a refill, and they are not using the preferred pharmacy, the responsible party will be notified at approximately one week in advance by the community.
- If the resident runs low or out of medication prior to delivery by the responsibility party, a short supply of the medication will be ordered through the preferred provider at the expense of the responsible party.

The Director of Clinical Services/designee is the authorized individual to manage the overall medication program. In their absence, the designated supervisor will assume the role of managing the medication program.

The community will obtain services by a Licensed Pharmacist to complete on-site medication reviews per state regulations/guidelines. The purpose of the review is to identify, prevent and resolve medication related problems which include the following:

- Review information in the resident's medical records such as diagnoses, history and physical, discharge summary, vital signs, physician's orders, progress notes, lab values, and MAR to determine that medications are administered as prescribed.
- Ensure that any undesired side effects, potential and actual medication reactions or interactions, and medication errors are identified and reported to the physician.
- Make recommendations for changes, if necessary, based on desired outcomes and ensuring that the physician is notified.
- Observation and review of policies and procedures for the administration of medication.
- Inspection of medication storage system.
- Review of medication system used to include packaging, labeling, and availability of medications.
- Review procedures and records of disposition of medication and help if necessary.
- Provide a written report of findings and recommendations to the community and physician when necessary.
- Conduct in-service programs for the community staff as indicated.
- Complete random medication pass observations to ensure compliance with medication administration.

When the pharmacy review is completed, and a consultant report is received, the community will complete the following:

- Stamp "date received" on the report.
- The community is responsible for sending the recommendations to the resident's physician and ensuring that the physician responses/orders are returned.



- All physician orders are processed in accordance to medication ordering protocol.
- A copy of the order/response is filed in the resident's chart.

Physician/Healthcare Provider Orders

Associated Documents

Physician Admission Orders-SC

Fax Physician Order

Verbal Physician Order

Physician Communication

Diet Order

Policy

To ensure the community complies with state and federal regulatory guidelines in regard to orders that have been received. To ensure that the process of ordering/receiving medications contains safety and quality measures.

Procedure

- New/changed orders, to include medication orders, can be written on, Admission Orders, Facility Discharge Orders, a prescription pad, Physician Admission Order, Fax Physician Order, Verbal Physician Order, Physician Visit Summary, Physician Communication sheet, Diet Order sheet.
- Items to include in the medication order:
 - Resident Name.
 - Physician Name.
 - Medication Name.
 - Strength of medication.
 - Directions for administration.
 - Dosage of medication to be administered.
 - Route of administration.
 - Duration of the medication, if indicated.
 - Date ordered.
 - Specific directions for use; including frequency of administration.
- Clarification of orders; the community will contact the resident's physician/healthcare provider for verification or clarification of orders.
 - When orders are not clear, complete or have conflicting information from sources available (i.e. multiple admission forms are received upon admission or readmission).
- Psychotropic medications taken on an as needed (PRN) basis must include the following:
 - Detailed behavior specific instructions.
 - Exact dosage.
 - If indicated exact time frames between dosages.
 - If indicated maximum dosage to be administered in a 24-hour period.
- Verbal orders.
 - Orders can be taken by trained personnel per regulations.
 - The order is signed and dated by the person receiving the order.



- The order is to be countersigned by the prescribing physician per state guidelines from the date the order was received.
- PRN orders.
 - Orders will include the reason for the order to be implemented, medication to be administered.
 - Documentation will be completed on the individual medication administration record to include the effectiveness of the order.
- Medication, including over the counter or sample medications, will have a physician's order with a proper label applied. Labels should include the following:
 - Name of pharmacy.
 - Address and telephone amount of pharmacy.
 - Name or initials of the dispensing pharmacist.
 - Name of physician.
 - Date and prescription number.
 - Directions for use of the medication.
 - Dosage unit of the medication.
 - Quantity of the medication.
 - Expiration date and other auxiliary statements.
 - If indicated, a sticker may be applied alerting employees of an order change until the medication has been delivered with an appropriate label.
- Non-prescription medications shall have the manufacturer's label with the expiration date clearly visible, unless the container has been labeled by a pharmacist, or a dispensing practitioner. Non-prescription medications in an original manufacturer's container shall be:
 - Labeled with the resident's name and room number with a copy of the directions applied.
- When an order is received a copy of the order will be faxed to the dispensing pharmacy. The community.
 - Will assure that the fax was received.
 - Will assure that the order is transcribed to the resident's medication administration record.
 - Will assure that the medication will be available for administration for the next scheduled dose, unless otherwise documented.
 - If a medication is discontinued the medication will be removed from the medication cart and returned/disposed of per policy following regulatory guidelines.

Physician/Healthcare Provider Visit Summary

Associated Documents

Physician Visit Summary Form

Policy

A Physician's Visit Summary Form is provided to the physician to document the visit and is reviewed by the community upon the return of the resident.



Procedure

Complete the first section of the Physician's Visit Summary Form to document any concerns.

- Attach a copy of the resident's current Physician's Order Sheet (MAR/e-MAR) and copies of any documents for the physician to review and sign.
- Request that the physician complete the second section of the Physician's Visit Summary Form.
- Review the form to ensure that the physician verifies the Physician's Visit Summary Sheet by:
 - Signing in the appropriate location.
 - Documenting any medication changes.
- Check to make sure that the resident returns with:
 - Physician's Visit Summary Form.
 - Hard script for any controlled substance orders.
 - Any other forms for physician to review and sign.

Medication Received from an External Pharmacy

Associated Documents

External Pharmacy Log

External Pharmacy Narcotic Log

Policy

To ensure the timely delivery of prescribed medication(s) in accordance with state and regulatory guidelines.

Procedure

- When the community is receiving medications from the pharmacy, the community will follow the appropriate steps.
 - Medications delivered to the community are to be checked in when they arrive.
 - The community representative checking in the medications will check the contents in the pharmacy tote against the medications documented on the delivery sheet.
 - The community representative receiving the medication(2) signs and dates the delivery receipt to verify delivery of listed medication.
 - Any shortage, or other identified problem with the delivery, will be documented on the medication delivery sheet and a copy will be faxed to the pharmacy.
 - If indicated, the community will notify the preferred provider and order the medication(s) (stat) from the backup pharmacy. The pharmacy will be notified if the delivery is not received within (4) four hours of the expedited order.
 - The community representative will verify the label on the medication with the order in the resident's record. The pharmacy will be notified immediately of any inaccuracies with the pharmacy label.
- Medication(s) delivered to the community by outside pharmacies and/or the responsible party will be documented on the External Medication Delivery Log.
 - The community representative will document the following on the External Medication Delivery Log:

- Date
- Medication/Dosage
- Received From/Staff Accepting
- Quantity
- The community representative will also document any request for refills if the responsible party is not using the community's preferred provider.
- Any shortage, or other identified problem with the delivery, will be brought to the sending pharmacy's attention.
- If indicated, the community will notify the preferred provider for further instructions and/or will order the medication(s) (stat) from the backup pharmacy. The pharmacy will be notified if the delivery is not received within (4) four hours of the expedited order.
 - If the resident is using an outside pharmacy provider and the POA/responsible party fails to deliver medication in a timely manner, the community may order a short supply from the preferred provider (at the expense of the responsible party) to ensure that the medication is available for administration.
 - The delivery of controlled substances will be documented per the Controlled Substance Management policy.

Medication Storage

Associated Documents

Medication Refrigerator Temperature Log

Policy

To maintain and ensure the quality, efficacy and safety of medications in accordance with state and federal guidelines.

Procedure

- The community will ensure that medications are stored in accordance with the following standards:
 - Germicides, disinfectants, and other household substances shall be stored separately from medications.
 - External medications must be stored separately from medications prescribed for internal usage.
 - Medication that requires refrigeration will be stored in a secured, refrigerator with a temperature range of 36 – 46 degrees. The refrigerator temperature must be recorded daily.
 - Medication is stored in an orderly manner in locked cabinets, drawers, medication carts or in a designated room.
 - Medications requiring special containers for stability will be stored in accordance to the manufacturer's recommendations.
 - Medication is never transferred from one container to another.
 - Topical medication (i.e. eye drops, ear drops and inhalers) are stored separately from one another in the medication cart.



- Medications that are self-administered by residents, and kept in the resident's room, must be stored in a locked cabinet, or lock box.
- The medication storage room will be kept clean, well lit, and well ventilated.
- Accessibility to locked storage areas will be limited to the Director of Clinical Services/designee, and the associates responsible for medication administration.
- Medications shall not be stored in a refrigerator containing resident/staff food items not applicable to medication administration.
- The community may keep a supply of vaccines for tuberculin skin tests and Hepatitis B vaccines stored in designated areas per manufacturer guidelines, (if allowed by state regulations). The vial will be dated when opened.
- First aid supplies are to be kept separately in the medication storage room.
- Any controlled substances are secured under double lock separate from other medications.

Resident Self-Administration of Medication

Associated Documents

Self-Administration of Medication Assessment

Policy

To promote independence and ensure that all residents who self-administer medications meet all state and federal regulatory requirements.

Procedure

- Self-Administration of Medication Assessment is required upon admission, quarterly or per state guidelines.
 - The Director of Clinical Services/Resident Care Coordinator/designee will assess the resident's ability to self-medicate by utilizing the Self-Administration of Medication Assessment upon admission and on a quarterly basis, or per state regulations to ensure ongoing competency.
 - The community must maintain a Medication Administration Record/Electronic Medication Administration (MAR/e-MAR) for all residents who self-administer. Any changes in medication must be documented on the resident's MAR/e-MAR. The MAR/e-MAR is updated as orders are received for additions, changes, discontinuations, etc.
 - All residents who self-administer must secure their medications in a lock box and keep their door locked when not in their room, unless shared by another resident who is unable to use a key.
 - The resident's care plan must be updated to include the resident's ability to self-administer his/her medications.
 - If an associate suspects that the resident is not properly taking their medications, they must notify the Director of Clinical Services/designee.
 - A repeat assessment of their ability to continue to "Self-Administer" medications will be completed at that time. The resident's current physician/healthcare provider will be notified of those results.



- If the resident is unable to safely self-medicate, the community will notify the physician and responsible party. An order will be obtained from the physician for the staff to administer medications to the resident going forward.
- An inventory of all medication will be completed to document the name/amount of all medications removed from the resident's room.
- If there are medications in the resident room not on our current MAR/e-MAR the physician will be contacted for clarification on the continued usage of that medication.

Medication Leave of Absence

Associated Documents

Medication Leave of Absence Documentation Form

Policy

To provide a means of documenting the release of medications when a resident leaves the community. To provide the resident/responsible party with pertinent information and instruction as to the administration of medications during the time they will be out of the community.

Procedure

- The resident and/or responsible party will provide notice of an anticipated leave of absence from the community.
- The community will prepare the medications for the resident/responsible party for the anticipated length of time of the leave of absence.
- Document will include the following on the Medication Leave of Absence Documentation Form:
 - Name/dosage of medication(s).
 - Number of medication sent/returned.
 - Medication administration instructions.
 - Initials to verify understanding.
 - Signature of resident/responsible party and community representative at time of departure and return.
 - **Controlled medications must include amount received by resident/POA with signature of associate and resident/responsible party.**
- The community will review the medication(s) and administration instructions with the resident/responsible party.
- The community and resident/responsible party will sign the Leave of Absence form indicating receipt of the medications. They are given a copy of the form, with the original placed in the medication book.
- The community will not be held responsible for any errors, dosage or improper administration while the medication is in the possession of the resident/responsible party.
- Documentation on the MAR/e-MAR will reflect that the resident is out of the community.
- Upon the return of the resident to the community the community will document, in conjunction with the resident/POA, on the Medication Leave of Absence Documentation Form indicating the medication has been returned to the community, to include the number



of each medication returned. **Controlled medications must be counted when returned to the community.**

- Any discrepancies found in the amount of medication administered during the leave of absence, will be brought to the Director of Clinical Services/Executive Director/designee's attention with possible follow-up with the resident's physician/healthcare provider.
- The completed Medication Leave of Absence Documentation Form will become a permanent part of the resident's chart.

Controlled Substances Management

Associated Documents

Universal Declining Inventory Record
Narcotic Count Verification

Policy

To ensure compliance with federal and state laws and regulations related to the procurement, storage, administration, and disposal of controlled substances.

Fundamental Information

- **Schedule I Controlled Substances:** substances in this schedule currently have no accepted medical use in the U.S. and have a high potential for abuse (ex: Heroin, LSD).
- **Schedule II Controlled Substances:** substances in this schedule have a high potential for abuse which may lead to severe psychological or physical dependence (ex: oxycodone (OxyContin), morphine, codeine and hydrocodone).
- **Schedule III Controlled Substances:** substances in this schedule have a potential for abuse, less than in Schedules I, II, but abuse may lead to moderate or low physical dependence or high psychological dependence (ex: Tylenol with codeine).
- **Schedule IV Controlled Substances:** substances in this schedule have a low potential for abuse relative to substances in Schedule III (ex: Xanax, Ativan, Klonopin and Restoril).
- **Schedule V Controlled Substances:** substances in this schedule have a low potential for abuse compared to substances in Schedule IV and consist of preparations containing a limited amount of certain narcotics (ex: cough medication containing a limited amount of codeine).

Procedure

- Controlled medications in Schedules II – V are subject to special handling, storage, disposal and recordkeeping. These medications will only be accessible to authorized community personnel.
 - The Director of Clinical Services/designee will be responsible for providing oversight of the controlled substances policy.
 - Schedule II – V medications will be stored in a secured/double locked area. Any “overflow” supply of medications will also be stored in a secured/double locked area and will be counted each shift. At no time, should the chain of custody be compromised by storing medications in an unsecured manner, or failing to reconcile



overstock each shift. The key to the separately locked narcotic storage bin should not be the same key that unlocks the medication cart.

- The medication administration personnel are always to maintain possession of keys to the medication cart(s). At no time should the keys be given to another individual to access the medication cart(s). A set of backup keys to the medication cart(s), and medication storage areas in the community, will be kept separately, and in a secured area accessible to only the Executive Director and/or Director of Clinical Services/designee.
- The pharmacy provider delivers Scheduled II – V medications to the community in a labeled bag which is separated from routine medication deliveries. The designated staff member must immediately check in the medication and complete the proper documentation as outlined below.

Declining Inventory Records

- Declining Inventory Records are utilized for controlled substances. The pharmacy provider should provide a sheet with the appropriate label affixed to the sheet. If the resident uses an outside provider, the Universal Declining Inventory sheet is to be used. The staff member will transcribe the information on the medication label to the form.
- The designated individual checking in medications from the pharmacy provider will verify that the following information is accurately included on the declining inventory record:
 - Name of resident.
 - Prescription number.
 - Medication name, quantity, dosage and/or strength.
 - Name of prescriber.
 - Quantity and date medication received.
 - Expiration date of medication.
- The designated team member receiving the medication will review/sign the pharmacy manifest sheet and sign the inventory record to demonstrate that the items on the inventory record are correct. A visual inspection of the seals/security of packaging should be conducted by the receiving personnel.
- A Narcotic Declining Inventory Record is required for each individual medication container or blister pack. If more than one inventory record is needed for the number of doses on hand, then a sufficient number of inventory records should be prepared, and each page is to be numbered (i.e., 1 of 3, 2 of 3 and 3 of 3).
- Each line on the Narcotic Declining Inventory Record is to represent one dose of each prescribed medication. Prior to the administration of any medication.
 - Count/measure the number of capsules/tablets/liquid available before preparing for administration.
 - Document date and time of administration.
 - Document the number/amount of tablets/capsules/liquid to be given at the designated time in the “amount given” column.
 - Subtract the number/amount of tablets/capsules/liquid taken from the “amount on hand” number and document that number in the “amount remaining” column. This should represent the number/amount of capsules/tablets/liquid left after that dose is administered.



- In the event of a documentation error, the designated individual will draw a single line through the entry and document the word “error” on the entry and include his/her name next to the entry.
- If a dose is removed from the container for administration, but refused by the resident, or not given for any reason, it will be immediately destroyed in the presence of another authorized individual (as defined by state regulations/policy). The wasting will be documented on the declining inventory record on the line representing the dose. The documentation will include the signature of the individual witnessing the destruction and the date/time method of the disposal.

Narcotic Count Verification Form

- The Narcotic Count Verification Form is used to verify the accuracy of the narcotic count on each shift and will include the following:
 - Narcotics received on shift.
 - Narcotics returned to the pharmacy on each shift (in accordance with state regulation/policy).
 - Narcotics destroyed on each shift per policy.
- At each shift change, the narcotic count should be verified by the oncoming and previous shift. Each narcotic sheet should be verified with an actual count of the medications; the narcotic sheet should be signed by both the oncoming shift and the individual from the previous shift.
 - If there has been any instance where there is an exchange in the possession of narcotic keys, a narcotic count will be completed at that time.
- The change of shift audit will include a physical inventory and reconciliation of the medications against the declining inventory records.
- When conducting a narcotic shift count the staff will:
 - Inspect the packaging for any signs of tampering.
 - Both individuals will “visually” verify the amount in the blister pack/bottle against the amount documented as remaining on declining inventory sheet.
 - Any discrepancy in the count of a controlled substance will be immediately reported to the Director of Clinical Services/Executive Director/designee.

Narcotic Discrepancy

- If a narcotic sheet discrepancy (the number on the narcotics sheet and the actual count are not the same) is discovered at shift change, or at any time during a med pass, the following steps should be followed:
 - Re-check the count. Look for any math errors in the count.
 - Review the Medication Administration Record to see when the last dose of the medication was initialed. Check to see if this entry matches the last one on the declining narcotic inventory sheet.
 - Search the area/med cart for the possible missing medication.
 - If these measures do not resolve the discrepancy, the Director of Clinical Services/Executive Director/designee will be notified.



- Staff should not leave the building until the narcotic count discrepancy is resolved, or until they are instructed otherwise by the Director of Clinical Services/Executive Director/designee.
- If the narcotic count is **NOT** resolved, the Director of Clinical Services/Executive Director/designee is responsible for investigating and making a reasonable effort to reconcile reported discrepancies. If a discrepancy cannot be reconciled, the follow-up investigation will be shared with:
 - The Executive Director.
 - Consultant Pharmacist/Provider Pharmacy.
 - Local police and/or drug enforcement agency, if indicated.
 - The state licensing agency will also be notified of any suspected and/or confirmed narcotic diversion if indicated. The theft of a resident's medication constitutes abuse (exploitation) and could also pose harm if the diversion resulted in a delay in the administration of prescribed medication.
 - SC State Specific: The initial allegation/investigation reports will be completed and submitted per guidelines.
 - Regional/corporate team.

Narcotic Discrepancy Investigation

- The Executive Director/Director of Clinical Services/designee will initiate an investigation by interviewing team members who may have had access to the narcotics after the last correct count.
- The Director of Clinical Services/Executive Director/designee will verify, with another staff member as a witness, the count of all narcotics; they will verify the remaining amount of the missing medication and document on the narcotics sheet the remaining number of doses.
- If it is determined how the discrepancy occurred, the appropriate disciplinary action/re-education will be rendered by the Executive Director/Director of Clinical Services/Designee.

Controlled Substance Disposition

- Controlled substances will be sent with the resident upon Leave of Absence (use LOA form) or discharge from the community. The name of the actual medications and amount being given to the resident/responsible party will be documented and signed by the resident/responsible party. The record is maintained in the Medication Administration Record until the resident returns or filed in the resident's chart if discharged from the community.
- Any discontinued controlled substances will be disposed of per policy.

Medication Destruction

Associated Documents

Controlled Medication Destruction Record

Non-Controlled Medication Destruction Record

Policy

To ensure the proper disposal of medication(s) in accordance with local, state, and federal regulatory guidelines.

Procedure

- **Destruction of Non-Controlled Medications:** Medication destruction will be conducted per state guidelines. If allowed, medications (controlled and non-controlled) may be sent to the pharmacy provider for destruction. A record of medications sent back to the pharmacy will be maintained at the community. **Note: Retail or small pharmacy providers may not participate in the destruction process.**
 - Upon receipt of a physician's order to discontinue a medication, the community will:
 - Transcribe the discontinued order onto the resident's (MAR).
 - Document the information in the resident record/file.
 - Notify the issuing pharmacy.
 - Remove the discontinued medication from the medication storage area and store in the designated secure area for medication awaiting return/destruction following the return to pharmacy documentation guidelines.
 - Medication destruction, or wasting, at the community will be conducted according to applicable state regulations.
 - Medications destroyed at the community will be recorded on the Non-Controlled Medication Destruction Record per state regulation.
 - The documentation will include the following information:
 - Resident's name.
 - Medication and strength.
 - Amount destroyed.
 - Method of disposal.
 - Reason for disposal.
 - Name/initial of person destroying medication.
 - Name/initial of person witnessing destruction of the medication.
 - Date.
 - Medication can be disposed of at the community by using one of the following two methods:
 - To destroy medication, place the medication in a bag or container that can be sealed. Add a small amount of water/vinegar to the medication to create a "slurry". Add cat litter to absorb the mixture. Finally, seal the container or bag and place in the garbage.
 - A product such as "Drug Buster" that has emulsifying agents that dissolve medication may be used to destroy medications. Follow the manufacturer's instructions. **Note: No medications are to be disposed of in the sharps container or flushed in any manner, with the exception of fentanyl patches which are permitted to be flushed in most jurisdictions.**
- **Destruction of Controlled Substances**
 - Controlled medications that are expired, discontinued or no longer required will be stored in a designated, locked area until they can be sent back to the pharmacy for destruction, or destroyed, in accordance with state regulatory guidelines.
 - Controlled substances will be destroyed within ninety (90) days by returning to the pharmacy or destroying at the community in accordance with state regulatory guidelines.



- If the controlled medication is to be destroyed at the community the Director of Clinical Services/designee, along with a second person as a witness, will destroy the controlled medication with appropriate documentation.
- If a controlled substance is refused, or contaminated, during administration attempts, the medication may be destroyed by two (2) medication techs with appropriate documentation in one of the two methods described above.
- The destruction is to be documented on the Medication Administration Record, Narcotic Count Sheet, as well as the resident's individual controlled medication count sheet (follow destruction guidelines).
- Medications destroyed at the community will be recorded on the Controlled Medication Destruction Record per state regulation.
- The documentation will include the following information:
 - Resident's name.
 - Medication and strength.
 - Amount destroyed.
 - Method of disposal.
 - Reason for disposal.
 - Name/initial of person destroying medication.
 - Name/initial of person witnessing destruction of the medication.
 - Date.
- Medications returned to the pharmacy for destruction will be documented on the medication return form provided by the pharmacy provider.
- Copies of the return form will be kept in accordance with state guidelines.

External Medication Delivery

Associated Documents

External Medication Delivery Log

Policy

To ensure documentation of prescribed medications from an external Pharmacy in accordance with state and regulatory guidelines.

Procedure

- When the community is receiving medications from a pharmacy, documentation of receiving medications will follow appropriate steps.
 - Medications delivered to the community are to be checked in by a community representative.
 - The individual checking in the medications must check the contents in the pharmacy tote against the medications documented on the delivery sheet.
 - At the time of delivery, the community representative will verify the label on the medication with the order in the resident's record.
 - If there is a discrepancy in the delivery and the order the pharmacy/physician will be contacted for clarification.



- If a delivery sheet is present and there is a shortage or other problem with the delivery, it is to be documented on the medication delivery sheet and a copy is faxed back to the pharmacy.
- Medications delivered to the community by outside pharmacies and/or the responsible party will follow the above steps with additional documentation on the External Medication Delivery Log.
 - The following information will be documented on the External Medication Delivery Log:
 - Date.
 - Medication/dosage.
 - Quantity.
 - Received from.
 - Receiving associate signature.
 - If Narcotic; second signature is required verifying quantity.
 - The External Medication Delivery Log will be maintained in the Medication Storage area.

Medication/Treatment Administration

Policy

To ensure that residents receive medications and treatments in accordance with physician's orders.

Procedure

- Appropriately trained/licensed associates will administer medications/treatments following the specific state regulations and guidelines of; right resident, right medication/treatment, right dose, right time, right route, right documentation, right to refuse.
- Appropriate infection control practices will be followed during the administration process.
 - Washing hands or using hand sanitizer in-between residents.
 - Individual receptacles will be used; such as drinking cups, pill cup, souffle cups, etc.
 - If medications are crushed/cut those devices will be cleaned in-between each resident they are utilized for.
 - There will be a physician order for any medications that are crushed, or if a liquid equivalent is used in substitution.
 - The community will have available a list of medications that cannot be crushed.
 - Best practice is to use devices that have packets that medications are placed into prior to crushing or having the pharmacy cut medications as ordered. (Only scored medications may be cut at the community level).
 - Wearing gloves with the administration of injectables, eye/ear drops, sprays, patches, inhalers, suppositories, etc., or whenever the possibility of having contact with bodily fluids is present.
- Infection control practices for washing hands in-between each resident during administration will be followed.



- Washing hands with every third resident medication administration, using hand sanitizer (if hands are not visibly dirty) in-between.
- Washing hands when gloves are removed.
- Confidentiality of MAR/e-MAR will be protected in public areas, to include closing/signing off when not attended.
- The designated storage area(s) (Medication Room) will be secured, clean and organized following any specific state regulations.
- The medication cart will remain locked at all times, if not directly attended by the associate administering medication/treatment, and discreetly located when not in use.
- Each medication/treatment will be compared with the MAR/e-MAR verifying the medication/treatment is being administered to the right resident, right medication/treatment, right dose, right time, right route.
- Documentation will be completed at the time of administration.
- Medications/treatments will be administered one resident at a time.
- Pre-pouring/pre-preparation of medications/treatments is not acceptable.
- When administering controlled substances, the documentation of those medications will follow the controlled substance documentation policies, in addition to these general guidelines.
- Medications/treatments will be administered within the appropriate time window for administration; one hour before and one hour after the scheduled allotted time will be considered as being administered within the scheduled time.
- Administration of medications/treatment.
 - Obtain medications/treatments to be administered following above guidelines.
 - Seek out resident, positively identifying the resident.
 - If they are in a public area take them to a more private area if needed for privacy needs.
 - Treatments will not be administered/applied in public areas.
 - If resident is in their room; before entering their room, knock identifying who you are.
 - Explain what you are doing, answering any questions they may have.
 - If there are guidelines for administration; such as taking a Blood Pressure/Blood Sugar reading prior to administration, obtain those prior to administration following those specific parameters with documentation.
 - Each resident will be observed taking the medication/treatment.
 - Offer adequate liquids with the administration of oral medications/treatments following any guidelines as indicated (i.e. rinsing mouth out after specific inhalers).
 - Medications/treatments will not be left at bedside to consume/apply later.
 - The resident has the right to refuse any medications/treatment.
 - Try to understand why they are refusing the order.
 - You may try again later within allotted timeframe (can take several attempts).
 - Report any refusals to clinical management and follow state regulations required for follow-up.
 - Guidelines for self-administration of medications will be followed per policy and state guidelines.



- Documentation of the administration/refusal will be completed immediately following.
- Removal of previous item will be completed when applicable; i.e. previous Lidocaine patch will be removed prior to applying new patch, any residual cream will be removed prior to application of new cream, etc.
- Removed items will be placed in appropriate receptacles; med cart trash, med room trash, etc., as not to be accessible to resident population.
- Medicated patches will be removed and disposed of appropriately.
 - Non-controlled patches will be folded (sticky side together) and disposed of in the medication room trash.
 - Controlled substance patches will be folded (sticky side together) and disposed of in a “dedicated” drug buster type receptable.
- Documentation of PRN/as needed medication/treatment will be completed per orders to include follow-up documentation of the effectiveness of that medication/treatment.
- If food sources are used with administration, such as applesauce or pudding, they will be covered and dated when opened following safe handling guidelines.
- If the medication/treatment was dropped they will be discarded using the community destruction system (Drug Buster or like system) with appropriate documentation and follow-up.
- Discontinued medications will be returned to the pharmacy per state regulations or destroyed using the community destruction system with appropriate documentation.
- When a medication error has occurred appropriate documentation/follow-up will be completed, to include:
 - An incident report will be completed following guidelines including the notification of the resident, healthcare provider, responsible party, community management.
 - Appropriate follow-up as indicated to include emergency treatment if required.

Medication Administration MAR/e-MAR Review Verification

Associated Documents

Medication Administration MAR/e-MAR Review Verification Form

Policy

To ensure documentation of the required review verification of the Medication Administration Record (MAR) by the on-coming and off-going associates to include appropriate documentation of errors/omission have been addressed.

Procedure

- At shift change the on-coming associate will review each MAR/e-MAR with the off-going associate.
- The purpose of this review is to verify that proper administration of medications has occurred according to orders per the physician/healthcare provider.
- During the review there will be documentation of administration of medications as ordered.



- For any errors or omissions of administration indicated on the MAR/e-MAR there will be documentation of follow-up actions taken.
- For paper MAR review; each page will be reviewed, page by page for completion of documentation.
- For e-MAR review; the review is dependent on the specific e-MAR system program. Regardless of the system utilized a shift review of medications assuring meds have been given will be completed by reviewing each resident's shift administration record or by running specific reports as available per the specific e-MAR system availability.
- Documentation of completion of the review will be placed on the "Medication Administration MAR/e-MAR Review Verification" Form to include comments regarding the follow-up actions taken.

Incident/Accident Reporting

Associated Documents

Incident/Accident Report Form

Policy

To provide a means by which to accurately document the occurrence of non-routine events that may have an impact on a resident, or visitor safety. Promotes early identification of issues that may require prompt interventions to maintain and improve quality of care initiatives.

Information

- Incident/accident reports are highly confidential and are not a part of the resident records.
- The reports are maintained in a secure area to preserve confidentiality, using a separate file system, or an electronic version of the incident report system.
- The incident/accident report is not be released to any outside party but will be made available to a state or county agency as required by state regulations.
- Incident/accidents must be documented on as soon as possible after the situation has been stabilized, but no later than the end of that shift.
- If indicated, an internal investigation of a serious occurrence will be conducted as soon as practicable following state reporting regulations.

Reporting Requirements

- The following are considered serious in nature and an Incident/Accident Report will be completed:
 - Any occurrence that is "reportable" by state agencies.
 - Falls with/without significant injury (fractures, staples/sutures, sprain, dislocation).
 - Alleged abuse
 - (Verbal, physical, psychological, sexual, involuntary seclusion, misappropriation of resident property, neglect, resident to resident abuse, etc.).
 - Choking which requires emergency actions.
 - Ingestion of a toxic substance.
 - Missing resident/elopement.
 - Medication error.



- Suicide or attempted suicide.
- Any questionable or unexpected/sudden death.
- Fire or disaster in building.
- Alleged theft or significant value.

In the event of a serious incident, the Executive Director/designee must notify the following:

- State/County reporting agencies following state reporting regulations.
- Regional Support Team member(s).

Procedure

- When an incident/accident occurs, the associate will evaluate the situation and immediately intervene to promote the safety of the resident(s) involved in the situation. Assess situation and call for assistance if needed, the resident should be reassured and not left alone.
- Initiate first aid and/or emergency transfer to a hospital if necessary.
- Notify physician of resident's condition.
- Notify responsible party of resident's condition. If unable to reach on 1st attempt, continue to call and document attempts in the resident's chart.

If the incident requires transfer to a hospital for evaluation:

- Notify Director of Clinical Services/designee, if not in community.
- Director of Clinical Services will notify Executive Director, if necessary.

Documentation

- All incidents must be documented on the Incident/Accident Report.
- The information included on the Incident/Accident Report is as follows:
 - Date, time and location of the incident/accident.
 - Situation/circumstances of the incident/accident.
 - Date and time physician and responsible party were notified.
 - Condition of the resident (include vital signs and any first aid rendered).
 - Disposition of the resident (transport to hospital, etc.).
 - Any interventions implemented to address situation.
 - Signature, date, title of person completing report.

Post Incident Follow-up

- The completed report will be forwarded to the Director of Clinical Services/designee.
- The Executive Director/Director of Clinical Services/designee will review incident reports and determine if the event must be reported to a state agency and/or other regulatory agencies.
- The Executive Director/Director of Clinical Services/designee will be responsible for the initiation and completion of any required follow-up or further investigations.
- The Executive Director/Director of Clinical Services will be responsible for following policies related to adverse incidents.
- The Executive Director is responsible for insuring that all reports and investigative material is sent to the appropriate state agencies within the mandated timeframe.

Abuse

Policy

To maintain and protect the rights of all residents to be free from abuse, neglect, and mistreatment. To provide a mechanism for the prompt identification, reporting and investigation of any allegation and/or reasonable suspicion of abuse.

Definitions of Abuse

- “Abuse” is defined as the willful infliction of injury, unreasonable confinement, intimidation or punishment with resulting physical harm, pain or mental anguish. This includes deprivation by an individual, including a caretaker, of goods or services that are necessary to attain or maintain physical, mental and psychological well-being.
- “Verbal Abuse” is defined as the use of oral, written or gestured language that willfully includes derogatory terms to residents or their families, or within hearing distance, regardless of their age, ability to comprehend or disability. Examples include: threats of harm or saying things intentionally to frighten or intimidate a resident.
- “Sexual Abuse” includes, but is not limited to exploitation, sexual harassment, sexual coercion or sexual assault.
- “Physical Abuse” includes things such as hitting, slapping, pinching, kicking, etc. It also includes controlling behavior through punishment.
- “Mental Abuse” includes, but is not limited to, humiliation, harassment and threats of punishment or deprivation.
- Neglect results in failure to provide goods and services necessary to avoid physical harm, mental anguish or mental illness.
- Misappropriation of Resident Property means a patterned or deliberate misplacement, exploitation or wrongful temporary or permanent use of a resident’s belongings or money without the resident’s consent.
- Involuntary Seclusion means the separation of a resident from other residents or from his/her room or confinement to his/her room against the resident’s will.

Note: If a resident is removed from the immediate area from other residents due to agitation, physical outbursts, etc., that will not be considered involuntary seclusion, and may be used for a short period of time as a therapeutic intervention to reduce agitation, outbursts, etc., while protecting others.

Fundamental Information

- The community will take appropriate steps to prevent mental, physical and sexual abuse, neglect, involuntary seclusion and misappropriation of a resident’s property by any individual including employees, other residents, volunteers, visitors and family members.
- The community will conduct a prompt investigation of complaints or reasonable suspicion of abuse, neglect or misappropriation of property.
- The community will also provide notification and the release of information to the proper authorities in accordance to state regulations.



Procedure

- Potential employees will be screened for a history of abuse, neglect and mistreatment of residents.
- The Department Manager/designee will complete reference checks per NSS guidelines. The reference checks will be maintained in the employee file.
- The community will complete a pre-employment criminal background check per policy. The Department Manager and Executive Director will review the results.
- Written results of background checks will be maintained in a separate confidential file.
 - **Note:** No employee will be hired with background check results that exceed parameters set by NSS Human Resources.
- Employees will be checked through the state registry, nurse aid registry or if licensed personnel, the State Board of Nursing as indicated by licensure/certification per state regulations. Documentation will be maintained in the employee personnel file.
- The Department Manager and Executive Director will be immediately notified of all reports indicating a previous history of abuse.

Orientation and In-Services

- The community policy related to abuse is presented to each newly hired employee prior to resident contact and an acknowledgement is signed by the employee.
- Annual training on abuse prevention and reporting is mandatory for all staff per state regulations.
- Consistent monitoring, and the implementation of interventions to protect residents, is required by all managers.

Prevention Strategies

- Abuse prevention information is provided to residents/family members upon admission and is posted in the community.
- The state designated abuse hotline number is posted in a conspicuous area in the community per state regulations.
- The community will provide employees in sufficient numbers to address care needs of residents and ensure that assigned employees are knowledgeable of the individual resident's care needs.
- The community will provide appropriate supervision of employees on all shifts to identify inappropriate behaviors and take immediate corrective action if indicated.
- The assessment, care planning and interventions will be provided for residents with needs and behaviors that may lead to conflict. The plan will include interventions that prevent resident injury to self or others.
- Residents, family members and employees will be encouraged to report concerns, incidents and grievances.
- The Executive Director/designee will review incident/accident reports to identify trends that could constitute abuse and determine if an investigation is warranted per state regulations.



Identification

- Employee members are to identify and assess any circumstances that suggest suspected abuse or reports of alleged abuse, neglect or exploitation.
- Any report from community employees, residents or others relating to actual or suspected abuse will be investigated by the Executive Director/designee. If the report implicates a specific employee, the Executive Director will determine the appropriate action necessary to prevent any further potential of abuse or allegations while the investigation is in progress. This could include suspension of the employee pending outcome of the investigation.
- If an abuse allegation is substantiated, the employee will be terminated immediately. The registry and appropriate licensing board will be notified per state regulations.
- Any suspicions and allegations of abuse, neglect and misappropriation of property will be reported immediately to the Executive Director/designee. The community will report all allegations of abuse to the appropriate agencies in accordance to federal and state regulatory guidelines.

Protection

- When conducting an investigation, the community will maintain the confidentiality of all information in accordance to policy. The process of interviewing other employees, residents and family members will be conducted in a professional manner without any bias or preconceived outcomes.
- Employees involved in the investigation are instructed to refrain from speculation, rumor or unsubstantiated accusations relating to the investigation.

Investigation and Reporting

- The community will conduct and complete an internal investigation within 48 – 72 hours and report the outcomes of the investigation to the appropriate state regulatory agencies as required per state specific guidelines.
- A written report will be submitted in accordance to state guidelines.
- Investigations will include information to reasonable assess the nature of any alleged abuse or neglect. Investigations include:
 - Identification of possible parties involved in the incident.
 - Information regarding the condition of the resident(s) involved.
 - Assessment of the resident's physical condition (i.e. community assessment, hospital notes, physical examination, etc.).
 - Information regarding the nature of the abuse allegation.
 - Interviews and statements from individuals with firsthand knowledge of the incident.
 - Follow-up will include any disciplinary action/interventions implemented to resolve the situation.
- The community will ensure that immediate interventions are implemented to protect any resident.
- Corrective action plans will be developed and implemented to prevent a repeat occurrence.
- All measures will be taken to ensure the integrity and confidentiality of any investigation.
- If there is evidence of a suspected, or reported abuse by another resident, the community will intervene and use the following guidelines:



- The community will separate the residents. A private sitter may be required in certain circumstances to ensure the safety of other residents.
- Staff will provide frequent visual checks and increase the monitoring of the resident.
- The physician of the aggressor, if a resident, will be notified of behavior to discuss appropriate interventions.
- The community will retain and collect information and items pertinent to the investigation.
- In the case of a resident whose behavior is out of control, the community will take the necessary steps needed to assure the safety of others.
- State reporting guidelines will be followed.
- Upon completion of the investigation, the Executive Director/designee will forward a copy of the written report to the appropriate Regional team members as indicated and to state agencies per state guidelines.

Abuse Reporting Guidelines (Per state guidelines and regulations)

Policy

To provide guidelines for any team member who suspects that a resident has been verbally, sexually, or physical abused, neglected or exploited financially to report abuse.

Procedure

- Ensure the resident's safety by implementing the following steps as indicated.
 - Remove the resident from the immediately area of danger.
 - Ask another team member to stay with the resident.
 - Report the suspected abuse to the administrative team member on duty immediately once resident safety is established.
- The Executive Director, Director of Clinical Services or other administrative team member will assess the resident for any physical or emotional support needs.
 - Activate the emergency system if the resident needs medical attention.
 - In the event of a physical assault of a resident by another resident or team member, the police will also be notified per state regulations.
- Once the safety and well-being of the resident is established, the Executive Director/designee:
 - Contacts the responsible party(s) and the physician of the resident(s).
 - Initiates an investigation following the abuse investigation guidelines.
 - Information regarding the alleged abuse, neglect or exploitation will be reported to the country and state reporting agencies per regulations.
- If a resident is suspected of the alleged abuse.
 - The resident will be removed from the immediate area.
 - The Executive Director/designee will contact the responsible party and the physician of the resident.
 - If indicated, the resident will be monitored utilizing a private duty sitter.



- If indicated, the resident's subsequent behavior will be assessed by the Director of Clinical Services/designee for the need of any additional safety monitoring.
- If indicated, the physician will be consulted for any additional services.
- If a team member is suspected of the alleged abuse.
 - The team member is immediately suspended pending the outcome of the investigation.
 - The incident is reported to the reporting agency along with the name of the suspected team member per state regulations.
- The Executive Director/designee is responsible for conducting the investigation with any additional assistance as needed.
- Upon completion of the investigation, the Executive Director/designee.
 - Completes the investigation, submitting to the state agency per regulations.
 - The report will include the outcome of the investigation in terms of the status of the allegation and any disciplinary action taken.
 - Any other agencies will be notified of the results of investigation as indicated (i.e. DSS, Ombudsman).
- A copy of the internal investigation will be kept in a confidential file.

Managed Negotiated Risk Agreement

Associated Documents

Managed Negotiated Risk Agreement Form

Policy

To provide a process to allow residents to make informed decisions and choices. To provide a pro-active and collaborative method of problem solving with a resident and their responsible party.

Information

- Residents have the right to make daily life decisions and choices.
- When a resident makes a decision that may be detrimental to their best interest (or others) a managed negotiated risk agreement may be developed between the resident and the community.
- The agreement should provide the resident with information regarding potential consequences of their actions.
- The overall goal of a managed negotiated risk agreement is to both minimize risk, if possible, and respect a resident's choice/decision.

Procedure

- When there is a probability that a decision/choice could result in harm to the resident and/or others, the community has an obligation to:
 - Provide the resident and/or responsible party with information about the possible consequences of their choice.



- Negotiate an agreement with the resident and/or responsible party that minimizes the possible risk while still respecting the resident’s preference.
- Document the process of negotiation and, if no agreement can be reached, the lack of agreement and decisions of the parties involved.
- Managed Negotiated Risk Agreement Forms should be negotiated with the resident and/or responsible party and should address the following items in writing:
 - Statement of concern.
 - Statement of resident preference(s).
 - Alternatives offered to minimize risk.
 - Consequences of resident’s preference.
 - Final agreement/plan.
- All parties involved will sign the agreement (community representative, resident and responsible party (if applicable)). Should the resident and/or responsible party refuse to sign the agreement, the community representative will note this on the agreement form.
- The resident/responsible party will receive a copy of the final agreement. A copy will also be placed in the resident’s record.
- Updates to the agreement will be made as indicated with progress, or lack of progress, in regards to the specific issues/concern.
- The agreement will be updated at least on an annual basis as long as the issue/concern continues.

Comprehensive Resident Review

Associated Documents

Comprehensive Resident Review Meeting Minutes

Comprehensive Resident Review “Top 5” List

Policy

The Comprehensive Resident Review (CRR) meeting is Navion’s interdisciplinary team collaboration and communication process for review of possible resident needs, challenges, preferences, and services being met. The overall purpose of the CRR meeting is to review resident information, identify resident needs, collaborate with attendees in determining solutions and setting in place an action plan to meet their needs.

Meeting Attendees

The Comprehensive Resident Review meeting should include a representative from each department. Required attendees are:

- Executive Director
- Director of Clinical Services
- Resident Care Coordinator
- Resident Care Associate (SIC/RA)
- Life Enrichment Director and/or Memory Care Coordinator
- Food Service Director
- Maintenance Director
 - Optional attendees are:



- Regional Team Members, when able.

Who Should Not Attend

Resident family members, community guests, third-party vendors such as Home Health, Hospice, durable medical equipment personnel, etc., should not attend the CRR meetings due to confidentiality and access to sensitive resident information.

Information To Bring to The Meeting

- Comprehensive Resident Review Binder
- Previous Meeting Minutes
- Incident Report Binder
- Meeting Member's "Top 5 Resident Concern List" to review.
- Other supporting documentation as needed.

Procedure

The meetings are facilitated by the Executive Director (ED), or a suitable designee in their absence. The members should include representatives from all levels of employees, to include managers, supervisors and hourly employees. CRR meetings are held two times a month, with each resident reviewed at least monthly. A CRR meeting binder should be created and stored in a secured designated area. Resident review will be completed on.

- New move-ins since last review.
- Expected/anticipated move-outs since last review.
- Residents with falls since last review.
- Residents with other incidents since last review.
- Residents with wounds.
- Residents with weight loss (until weight is stable).
- Existing resident reviews.

There will be documentation of the meeting results completed and placed in the CRR meeting binder. Follow-up documentation/correspondence with physician healthcare providers/responsible parties/residents will be completed and placed in appropriate areas of the resident record. Necessary referrals to outside agencies; Home Health, Therapy, Hospice, etc., will be made with documentation placed in the resident record. The resident's care plan will be updated as indicated to capture needs and changes in care.

Alzheimer and Related Dementias Program

Associated Documents

Special Care Unit Full Disclosure Statement

Program Philosophy and Mission

The program philosophy is based on the belief that every individual's physical, social, emotional, mental, and spiritual needs are important. If and when an individual requires assistance in



meeting these needs, assistance should be available in a manner that maintains dignity and respect.

We believe that maintaining independence for as long as possible is important to the maintenance of an individual's self-esteem. Our goal is to create an environment that is as comfortable and homelike as possible.

We believe that an individual's quality of life is enhanced when their time is spent in an atmosphere that provides meaningful and enjoyable activities. Our goal is to help our residents maintain both meaningful and leisure abilities for the maximum length of time.

We encourage family member involvement in their loved one's care needs. We believe our staff has the responsibility of assisting residents in maintaining their skills of daily living for as long as possible. We will provide assistance to family members who are in need of support services or programs.

We understand the behaviors displayed by our residents with Alzheimer's Dementia and Related Dementias are a result of a disease process causing damage to the brain. We understand the individual has little control over these behaviors. Based on this knowledge, our goal is to create a safe, nurturing environment, we look for the causes of the behavior, and we change our expectations to help the resident succeed.

We believe that family members, friends, staff and individuals from the community can contribute to the quality of life for the resident. We encourage them to partner with us to create resident care centered on quality of life.

Guiding Principles

Creation of a Resident Centered Program

All programs work from a strong interdisciplinary framework guided by the needs and desires of the residents. All staff, residents and families are considered partners in both the environmental and programmatic tone of the program.

Activity Programs

The Program focus is on the preservation of Activities of Daily Living (ADL's) and Instrumental Activities of Daily Living (IADLs), which include productive activities. Activities that aide in maintaining and/or improving cognitive function, creative programs, physically stimulating activities, sensory stimulation and activities designed to meet the resident's spiritual need.

Focus on the Environment

The Program is designed to be a comfortable place for the resident, with consideration for the perceptual challenges which occur as a part of the disease process. The atmosphere is designed to be home-like and familiar. The interior features provide autonomy, support, and privacy and can accommodate group activities.



Safe Environment

Our goal is to provide a safe environment that is free of items that may cause harm, to include ingestion of harmful substances.

In an effort to assure the environment is safe for residents with cognitive impairment personal care items such as shampoo, mouth wash, deodorant, bar soap etc. will be kept in an area that is not easily accessible to the resident. This may be in their closet on a top shelf in a specific container, or in a common bath area in a secured closet.

Cleaning supplies will not be kept in resident rooms, or in areas of the unit that are accessible to residents.

If a substance is inadvertently ingested, or if the suspicion of accidental ingestion has occurred, the community will;

- a. Secure the possible ingested substance.
- b. Alert management of incident.
- c. Call Poison Control for direction.
- d. Follow their guidelines on next steps.
- e. Contact the resident's physician.
- f. Contact the resident's POA/RP.

Understanding Behaviors

The Program's goal is to understand behaviors. This may require training staff used to maintain the resident's dignity and minimize the behavior.

Move-in and Move-out Criteria.

The Program is designed to meet the needs of a population with various care needs. There are specific criteria and expectations for move-in and move-out's from the program.

Comprehensive Review

A comprehensive review is completed for each resident in part prior to move-in to the program and ongoing thereafter.

Training for Everyone

Our staff will complete a training program on the nature and needs of an Alzheimer's resident according to RSS training program and any state required training. All direct care staff assigned will complete Alzheimer's focused continuing education annually.

Staffing

Staff shall be present in sufficient numbers according to the state regulations and to meet the needs of the residents.

Admission, Transfer/Discharge Criteria

Move-in (Admission) Criteria

- Medical/Healthcare: the resident's physical and mental condition, care and procedures can be managed by the community (in conjunction with state specific requirements). Such conditions include, but are not limited to the following:
 - The resident does not require **continuous** skilled nursing care and supervision.



- The resident has a **stable** medical condition that can be managed by the community.
- The resident is free from apparent signs of **communicable disease** (such as Tuberculosis) which is likely to be transmitted to other residents or staff, **and/or** a condition that does not require **more than** contact isolation.
- The presence of pressure ulcers not beyond **Stage ____** (per state requirements).
- The resident can have special dietary needs met by the community.
- Resident has legal representation to make decisions on his/her behalf.
- Resident does not demonstrate behaviors which may be harmful to self or others.

Move-out (Discharge/Transfer) Criteria

- Medical/Healthcare: changes in the resident's physical or mental condition that require care procedures that the community cannot provide due to certification/licensure, design or staffing requirements (and the resident's legal representative refuses to obtain outside services to meet these needs). Such changes include, but are not limited to the following:
 - Resident requires 24 hour, 7 day a week skilled nursing care and supervision.
 - The resident has an unstable medical condition and/or health problem that cannot be managed in the Alzheimer Program and/or assisted living.
 - Resident is bedridden for more than 14 consecutive days and a licensed review determines the resident's needs cannot be met by the community.
 - The presence of a Stage III-IV pressure sores with no sign of improvement and a licensed staff review determines that the resident's care needs cannot be met by the community.
 - The resident requires the assistance of 2 or more staff for transfers and a licensed health professional determines that the resident's needs cannot be met by the community.
 - A communicable disease or condition that is likely to be transmitted to others and a licensed review determines that the resident's needs cannot be met by the community.
 - The resident exhibits severe behavior problems, such as combative, aggressive or disruptive behavior(s).
- An immediate transfer/discharge may occur as a result of a resident's urgent medical needs.
- To protect the safety, health or welfare of the resident and others in the community.
- Failure of the resident to abide by the community rules and regulations.
- Violations of the resident agreement.
- The resident elects to relocate and gives proper notice to the community as defined in the Admission Agreement.

Resident Review and Care Planning Process

Residents, family members and/or responsible party will be involved in all aspects of the review/re-review process.

The Executive Director/designee will have final approval regarding the move-in (admission) and/or continued stay (retention) of a resident in accordance with regulatory requirements.

Prior To Move-in (Pre-admission)

Physician/Practitioner Review: A medical review shall be completed and distributed to the Executive Director/designee no more than 30 days prior to the residents move into the



community (utilizing the state designated form, if applicable). The content of this review shall include, but is not limited to the following:

- Pertinent diagnoses, medical conditions and diagnosis of need for special care services.
- List of medication(s).
- Past medical history.
- Physical, cognitive, and mental health status.
- Presence/absence of communicable disease(s).
- Functional ability/capacity for self-care.
- Ability to self-administer medications.
- Diet, medications, food/drug allergies.
- Statement indicating that the resident's care needs can be met in an Alzheimer setting.
- Additional medical consultations (i.e., psychiatric services) will be obtained (as ordered by the physician).

Health Review: A health review shall be completed and distributed to the Executive Director/designee no more than 30 days prior to move-in. The review shall include, but is not limited to the following:

- Functional ability to perform ADL's and IADL's.
- Physical condition (vision, hearing, speech, assistive devices).
- Mental status (cognitive, decision making, safety awareness).
- Health/medical status (diet, medical history, medications, allergies).
- Psychosocial status (activity preferences, social activities).
- Advanced directives.

Follow-up Reviews

A review (follow-up) will be performed for each resident, at a minimum every 6 months, or as indicated by a resident change in condition (utilize state designated forms, if applicable).

The resident individual care plan shall be reviewed and updated based on the reappraisal/review and resident and/or responsible party input.

A designated staff member shall meet with the resident and/or responsible party to review and sign the care plan.

Care Planning Process

Resident care plans will be implemented/updated.

- Upon move-in/re-admission (initial care plan) and every 3 months/or per state regulations, or as indicated by changes in the resident level of care need.

Content of the resident care plan shall include, but is not limited to the following:

- Each area of resident need/concern (ADL's, IADL's, medication management, health concerns, ancillary care).
- What care will be provided and by whom.
- When and how often the care will be provided and duration (if time limited).



- Transportation services (if needed).
- Assistance needed with recreation and other activities.
- Advanced directives.

Private Duty Aide/Sitter Hiring Guidelines

Associated Documents

Guidelines for Hiring PDA/Sitters

Private Duty Aide/Sitter Guidelines and Expectations

Private Duty Aide/Sitter Acknowledgement

Policy

To provide established guidelines to maximize the safety and security of all residents living within the community while providing residents with the freedom to hire private assistance to meet their needs in accordance with the Resident's Bill of Rights per state regulations.

Procedure

- Residents are provided with guidelines at move-in regarding the hiring of private assistance, which advises that they must inform the Executive Director if they intend to hire a Private Duty Aide.
- The need for private assistance is either identified by a resident, family member or a resident assessment, and it should be discussed between the resident's family and the Director of Clinical Services/designee.
- Private Duty Aide/Sitters are typically recruited via the following methods:
 - Home Health Agency – which usually provides background screening, TB testing, workers' compensation insurance and medical benefits.
 - Direct Hire (not through an agency) – the resident would be responsible for the employment, health assessment, criminal background screening, TB testing, payroll and insurance coverage.
- Company employees may not work as a Private Duty Aide/Sitter in their community or any other company community.
- Residents may not employ former employees whose employment was terminated by Navion.
- Private Duty Aide/Sitters are required to have documentation of orientation to the community prior to having contact with the resident per state regulations.
- At a minimum, orientation will include the following:
 - Resident Rights
 - Confidentiality
 - Disaster Preparedness
 - Emergency Response Procedures
 - Safety Procedures and Precautions
 - Infection Control
- The community will maintain specific information listed below on each Private Duty Aide/Sitter.
 - Health Assessment within the last 12 months prior to initial contact with the resident.
 - Criminal Record Check.



- Determination of TB status.
- Private Duty Aide/Sitters are required to provide proper identification to the Executive Director/Director of Clinical Services/designee prior to their first visit with a resident.
- The Executive Director/designee shall provide each Private Duty Aide/Sitter with the Private Duty Aide/Sitter Guidelines and Expectations and collect from the resident and Private Duty Aide/Sitter all documentation outlined above prior to their first time on duty to provide services. The Private Duty Aide/Sitter must sign the document to acknowledge that they will comply with the guidelines.
- Private Duty Aide/Sitters are required to wear a name badge that is easily visible.
- Private Duty Aide/Sitters should sign the visitor log each time they report to and leave the community.
- Private Duty Aide/Sitters are only allowed in areas of the community necessary for them to conduct services.
- At the end of each shift, the Private Duty Aide/Sitter gives a verbal report to the Supervisor on duty, to include any notable changes in the resident's behavior or health status.
- The Private Duty Aide/Sitter will give a verbal report of any incident, accident or change in resident's condition to the Director of Clinical Services/designee at the time of the occurrence.

Miscellaneous

Associated Documents

Challenging Responses/Actions Management Guide

Mini Mental State Examination

Move-in Checklist- State Specific

Administrative Policy and Procedure NC

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ALL FORMS ARE LOCATED ON THE T DRIVE UNDER POLICES/PROCEDURES

ASSOCIATE COMPLIANCE TRACKER
AUTHORIZATION FOR RELEASE OF HEALTH CARE RECORDS
COMMUNITY ACTION PLAN FOR SUCCESS FORM
COMPLIANT GRIEVANCE REPORT FORM
DAILY STAND UP MEETING AGENDA
INTERNAL QUALITY IMPROVEMENT PROGRAM ATTESTATION FORM
MANAGER ON DUTY REPORT
QI PROGRAM DETAILED INSTRUCTIONS
QUALITY IMPROVEMENT ACTION PLAN
QUALITY IMPROVEMENT MEETING SIGN IN FORM
QUALITY IMPROVEMENT PDSA
RECORD RETENTION
READY FOR COMPANY CHECKLIST
ROOM READY CHECKLIST
TITLE VI OF THE CIVIL RIGHTS ACT OF 1964
TRAVEL AND EXPENSE FORM
VISITOR/VENDOR LOG

Confidentiality of Resident Information

Purpose

The community will support and maintain the resident's right to confidentiality of information in accordance with all state and federal guidelines.

Procedure

- All resident records/files will remain confidential.
- The community will release copies of resident information only with written authorization from the resident, family, or legal representative, except where required by law.
 - Copies of incident, accident reports and investigations will not be released as they are not part of the resident's record but are used for quality assurance purposes.
 - Copies of documents not regularly kept in the resident's file will not be released.
- A copy of the written authorization will be placed in the resident record/file.
- Resident records will be released in a reasonable timeframe after written request and consent is obtained.
- Residents will be responsible for the cost of copying records requested by the resident.
- All residents have the right to review their records with the Director of Clinical Services or Designee.

Other Related Company Guidelines

HIPPA Guidelines

Grievance Reporting Policy

Purpose

The grievance process allows residents, family members, representatives, and visitors a means by which to communicate concerns/grievances to the management team. All concerns/grievances will be addressed in a confidential and professional manner.

Procedure

- A grievance can be submitted by any resident, family member, representative or advocate for any concern regarding the quality of care, service, treatment, other residents, and staff.
- The resident and responsible party will be provided a copy of the Grievance process upon move-in.
- The grievance process will be posted in a conspicuous area in the lobby of the community. Forms will be made readily available to any concerned party.

The Executive Director will accept and mediate the grievances and/or concern and advise the department heads on the appropriate resolution.

The Executive Director will communicate all actions taken to resolve the complaint to ensure that a satisfactory resolution may be reached.

If the individual is not satisfied with the outcome or the complaint is still unresolved, the individual may seek further resolution by contacting the following individuals:

Navion Senior Solutions, 5430 Wade Park Blvd, Ste 402, Raleigh, NC 27607, 919-371-4233.

Local DSS-Nancy Smith (919) 250-4694

DHSR Complaint Hotline (919) 855-4500 or (800) 624-3004

Aimee Kepler, Ombudsman (919) 558-2719

Resident/Family Complaint Form Procedure

- A form is to be provided to the individual filing the grievance.
- The resident/family member is to complete the top section of the form including as much pertinent information as possible.
- A staff member may assist the resident with the completion of the form and is responsible for ensuring that it is forwarded to the Executive Director.
- If a completed form is given to a staff member, the individual must submit the form directly to the Executive Director no later than the end of their shift.

The Executive Director will review the grievance and work with the specific department manager to identify and resolve the concern.

- All department managers will be responsible for the resolution of the complaint/grievance within his/her specific department.
- All actions/interventions/investigations and resolutions must be documented on the bottom portion of the form.
- The Executive Director is responsible for communicating the results of the investigation to the concerned party.
- The Executive Director is to maintain a copy of the completed Grievance form in a separate file.

Refund Policy

Purpose

To provide a time sensitive method of returning funds to a resident and/or responsible party in accordance with state requirements.

Procedure

- When a resident and/or responsible party has terminated the resident agreement, the resident and/or responsible party must vacate the apartment.
- Vacating the apartment includes the removal of all resident belongings and returning any keys that were issued to the resident and responsible party upon admission. Until the resident apartment is fully vacated, and all resident property is removed from the apartment, the resident, responsible party, or residents' estate shall remain liable for the monthly service rate, per the resident agreement signed on admission.
- If the resident's apartment has been vacated and there are still belongings left in the apartment, the community may remove any leftover items and store them at the expense of the resident or resident's estate.
- When the resident's apartment has been totally vacated and all property has been removed from the community, the resident's monthly service rate obligations will terminate.
- If a refund is due, funds will be processed within (14) fourteen days after the resident leaves the community.
- All refund checks will be issued to the "Estate of Resident Name" on all deceased Residents per state guideline.
- If a resident receives State/County Special Assistance, the community will refund the resident the remainder of any advance payment following settlement of the cost of care within 14 days from the date of the notice. If no notice is given, the refund will be given within 14 days of leaving the community.
- If a resident's health or safety is at risk, the resident is only required to pay for the days he/she resided in the community and a refund will be made within 14 days.

Resident Rights

Purpose

The community will support and uphold all resident's rights in accordance with state and federal guidelines.

Procedure

The process of insuring that all residents are informed and able to exercise their rights is the responsibility of everyone in the community. The Executive Director and Department Managers have the responsibility of insuring that all resident rights are respected and followed.

- All residents will receive a copy of the state and federal resident rights in a language that they understand, in a print format that is clearly visible to them.
- The community will post a copy of the state/federal resident rights in an area that is easily accessible to all resident, family members and visitors.

Exercise of Rights

Each resident has the right to exercise his/her rights as a resident of the community and as a citizen of the United States without interference, coercion, discrimination, and reprisal from the community. This right includes the right to participate in the political/electoral process outside the community.

Upon move-in, each resident will be informed of their right to vote in all elections.

Documentation

PLACE A COPY OF YOUR STATE SPECIFIC RESIDENT RIGHTS AND RESPONSIBILITIES IN THE MANUAL.

Visitation Policy

Purpose

To provide a record of all visitors/vendors to increase the protection of the residents, visitors, and staff from unauthorized entry into the building.

In the event of an emergency, which requires an evacuation, the visitor's log provides the community management with a current list of all persons in the community.

Procedure

- All visitors/vendors are required to sign in and out of the community in the Visitor's Log and designate the resident/manager that they are visiting.
- The book will always be available at the main entrance and is readily accessible to everyone who enters the community.
- Each community will designate visitor/vendor entrances within a building. All visitors and vendors will be expected to enter the building through these entrances.
- If authorized by a member of the management team, a visitor/vendor may enter through another door and will be escorted to their destination.
- All secondary (authorized personnel only) entrances will be kept locked during the day and evening.
- Each entrance will have a designated time for opening and closing of each entry door. This information will be posted at the doors with clear instructions on entering after doors are locked.
- Staff members may request identification of individuals attempting entrance after entrance doors are secured.
- Staff will unlock entrance doors and meet emergency personnel at the entrance to allow immediate access during an emergency.

Manager on Duty (MOD) Process

As the **Executive Director**, it is your responsibility to ensure there is a manager on duty and physically present within the community each weekend day. Your community should always maintain a "Manager on Duty (MOD) Schedule" for weekend support and ensure it is always up to date.

- A manager should be scheduled each day for a minimum of four hours each day. When necessary longer hours each day may be necessary or scheduled.

As the **Executive Director**, please ensure your scheduled MODs are aware of the following MOD responsibilities:

- Meal Checks: MOD should be in the dining room for lunch or dinner at least one of the weekend days. The other day breakfast can be the meal covered. If a resident cannot be located during mealtimes, the employee should notify the MOD for further direction and follow-up.
- MOD should do a walk through the community and address any areas needing attention.
- In the event there is an exit alarm system failure in memory care, the MOD should immediately procure adequate employees to physically monitor all exits to prevent elopement and provide resident re-direction from exits. Until such time that exits can be fully monitored, residents should be gathered into one area such as the dining room or an activity room for better observation.
- If a resident is found to be unaccounted for, the MOD will follow policies on missing resident protocol.
- ADL care that is not performed during a shift should be reported to the manager on duty of that shift and to the incoming employees of the next shift. It should also be entered into the Shift Log and/or Resident Log.
- Ensure your MOD is trained and able to handle walk-in tours or phone calls appropriately. Taking a message for the Marketing Director is not adequate.
- When possible, the MOD should conduct at least one activity over their weekend. The activity should be on the calendar and pre-planned to ensure its success.
- If an employee has called out or if the staff on the floor are simply running behind, it's expected that the MOD would pitch in and do whatever possible to assist (help with laundry, dining duties, helping residents lay down, go to the bathroom, etc.).

Anti-Harassment Policy

Purpose

Navion Senior Solutions strives to create and maintain a work environment in which people are treated with dignity, decency, and respect. The environment of the company should be characterized by mutual trust and the absence of intimidation, oppression, and exploitation.

Employees should be able to work and learn in a safe yet stimulating atmosphere. The accomplishment of this goal is essential to the mission of the company. For that reason, NSS will not tolerate unlawful discrimination or harassment of any kind. Through enforcement of this policy and by education of employees, the company will seek to prevent, correct, and discipline behavior that violates this policy.

All employees, regardless of their positions, are covered by and are expected to comply with this policy and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action will be taken against any employee who violates this policy.

Prohibited Conduct Under This Policy

NSS, in compliance with all applicable federal, state, and local anti-discrimination and harassment laws and regulations, enforces this policy in accordance with the following definitions and guidelines.

Procedure

Discrimination

It is a violation of NSS's policy to discriminate in the provision of employment opportunities, benefits or privileges; to create discriminatory work conditions; or to use discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's race, color, national origin, age, religion, disability status, gender, sexual orientation, gender identity, genetic information or marital status.

Discrimination of this kind may also be strictly prohibited by a variety of federal, state, and local laws, including Title VII of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and the Americans with Disabilities Act of 1990. This policy is intended to comply with the prohibitions stated in these anti-discrimination laws.

Discrimination in violation of this policy will be subject to disciplinary measures up to and including termination.

Harassment

NSS prohibits harassment of any kind, including sexual harassment and will take appropriate and immediate action in response to complaints or knowledge of violations of this policy. For purposes of this policy, harassment is any verbal physical or visual conduct designed to threaten, intimidate, or coerce an employee, co-worker or any person working for or on behalf of NSS. Verbal taunting (including racial and ethnic slurs) that, in the employee's opinion, impairs his or her ability to perform his or her job is included in the definition of harassment.

The following examples of harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- Verbal harassment includes comments that are offensive or unwelcome regarding a person's nationality, origin, race, color, religion, gender, sexual orientation, age, body, disability, or appearance, including epithets, slurs, and negative stereotyping.
- Non-verbal harassment includes distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital or other protected status.

Sexual Harassment

Sexual harassment is a form of unlawful employment discrimination under Title VII of the Civil Rights Act of 1964 and is prohibited under Navion Senior Solutions anti-harassment policy. According to the Equal Employment Opportunity Commission (EEOC), sexual harassment is defined as “unwelcome sexual advances, request for sexual favors and other verbal or physical conduct of a sexual nature. When submission to or rejection of such conduct is used as the basis for employment decisions or such conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment”.

There are two types of sexual harassment:

- “Quid pro quo” harassment, where submission to harassment is used as the basis for employment decisions. Employee benefits such as raises, promotions and better working hours are directly linked to compliance with sexual advances. Therefore, only someone in a supervisory capacity (with the authority to grant such benefits) can engage in quid pro quo harassment. Examples: A supervisor promising an employee a raise if she goes on a date with him; a manager telling an employee she will fire him if he does not have sex with her.
- “Hostile work environment”, where the harassment creates an offensive and unpleasant working environment. A hostile work environment can be created by anyone in the work environment, whether it be supervisors, other employees, or customer. Hostile environment harassment consists of verbiage of a sexual nature, unwelcome sexual materials, or even unwelcome physical contact as a regular part of the work environment. Texts, e-mails, cartoons, or posters of a sexual nature; vulgar or lewd comments or jokes; or unwanted touching or fondling all fall into this category.

Sexual harassment occurs when unsolicited and unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature.

- Is made explicitly or implicitly a term or condition of employment.
- Is used as a basis for an employment decision.
- Unreasonably interferes with an employee’s work performance or creates an intimidating, hostile or otherwise offensive environment.

Sexual harassment may take different forms. The following examples of sexual harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy.

- Verbal sexual harassment includes innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, lewd remarks and threats; requests for any type of sexual favor (this includes repeated, unwelcome requests for dates); and verbal abuse or “kidding” that is oriented toward a prohibitive form of harassment, including that which is sexual in nature and unwelcome.

- Non-verbal sexual harassment includes the distribution, display or discussion of any written or graphic material, including calendars, posters and cartoons that are sexually suggestive or show hostility toward an individual or group because of sex; suggestive or insulting sounds; leering; staring; whistling; obscene gestures; content in letters and notes, facsimiles, e-mail, photos, text messages, tweets and internet postings; or other form of communication that is sexual in nature and offensive.
- Physical sexual harassment includes unwelcome, unwanted physical contact, including touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing, and fondling and forced sexual intercourse or assault.

Courteous, mutually respectful, pleasant, non-coercive interactions between employees, including men and women that are appropriate in the workplace and acceptable to and welcomed by both parties are not considered to be harassment, including sexual harassment.

Retaliation

No hardship, loss, benefit, or penalty may be imposed on an employee in response to:

- Filing or responding to a bona fide complaint of discrimination or harassment.
- Appearing as a witness in the investigation of a complaint.
- Serving as an investigator of a complaint.

Retaliation or attempted retaliation in response to lodging a complaint or invoking the complaint process is a violation of this policy. Any person who is found to have violated this aspect of the policy will be subject to sanctions up to and including termination of employment.

Complaint Process

NSS will courteously treat any person who invokes this complaint procedure and the company will handle all complaints swiftly and confidentially to the extent possible considering the need to take appropriate corrective action. Lodging a complaint will in no way be used against the employee or have an adverse impact on the individual's employment status.

Confidentiality

The employee assistance program (EAP) provides confidential counseling services to company employees. Individuals wishing to discuss an incident confidentially or seeking information and advice of a personal nature are encouraged to contact the EAP. The role of the EAP in such cases will be limited to personal counseling and treatment for the person who is then an EAP client. Contacting the EAP will not qualify as notification to the specific community of a potential harassment or discrimination issues (see below complaint procedure for more on how to notify the company of an issue or complaint).

During the complaint process, the confidentiality of the information received, the privacy of the individuals involved, and the wishes of the complaining person will be protected to as great a degree as is possible. The express wishes of the complaining person for confidentiality will be considered in the context of the company's legal obligation to act on the charge and the right of the charged party to obtain information. In most cases, however, confidentiality will be strictly maintained by the company and those involved in the investigation. In addition, any notes or documents written by or received by the person(s) conducting the investigation will be kept confidential to the extent possible and according to any existing state or federal law.

Reporting an Incident of Harassment, Discrimination or Retaliation

NSS encourages reporting of all perceived incidents of discrimination, harassment, or retaliation, regardless of the offender's identity or position. Individuals who believe that they have been the victim of such conduct should discuss their concerns with their immediate supervisor, another member of management, the Executive Director, NSS's HR Representative at Aureon or the Aureon Concerns Hotline (877-782-9179).

In addition, NSS encourages individuals who believe they are being subjected to such conduct to promptly advise the offender that his or her behavior is unwelcome and to request that it be discontinued. Often this action alone will resolve the problem. NSS recognizes, however, that an individual may prefer to pursue the matter through complaint procedures.

Complaint Procedure

Individuals who believe they have been the victims of conduct prohibited by this policy or believe they have witnessed such conduct should discuss their concerns with their immediate supervisor or member of the leadership team.

NSS encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken before relationships become irreparably strained. Therefore, while no fixed reporting period has been established, early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and where necessary with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

Misconduct constituting harassment, discrimination or retaliation will be dealt with appropriately. Responsive action may include, for example, training, suspension, or corrective action up to and including termination, as NSS believes appropriate under the circumstances.

If a party to a complaint does not agree with its resolution, that party may appeal to the community Executive Director or the Senior Regional Director of Operations within 2 days.

Internal Investigations

Purpose

To provide operational standards when gathering information that may be used later to better serve residents. To assist the community in meeting state and regulatory guidelines.

Overview

Investigations of occurrences may be conducted in a variety of ways and to varying degrees. Each investigation may differ depending on the overall circumstances. This is only to serve as a guide to the internal investigation process. For example, an allegation of abuse would probably require a more thorough investigation than an occurrence of a missing blanket.

Fundamental Information

- Occurrence Reports – The internal investigation outlined in this policy is separate from the process of completing an Incident Report. For all occurrences requiring an investigation, one Incident Report may be completed per resident/visitor per occurrence. For example, if an occurrence involves a resident-on-resident assault with an injury, an Incident Report should be completed for both residents. Further, if a resident elopes and is found on the ground outside the community, only one Incident Report should be completed indicating an elopement and an alleged fall.
- Confidentiality – All investigations should be considered confidential. Therefore, the information gathered during the investigation should not be shared with third parties or others involved in the occurrence, unless required by your state laws and regulations.

Contact the Regional/Corporate teams with any questions concerning the confidentiality of an investigation.

Procedure

Internal Investigation

The following are guidelines to aid employees with an internal investigation.

- Assignment of Investigation
 - It is preferable that one person be assigned to carry out the investigation to better coordinate the investigation and promote confidentiality.
 - They may choose to involve others to assist with specific information gathering, i.e. to have the clinical department do a chart review.

- However, no investigation should be conducted by a person who may have been involved directly in the occurrence.
- Manner of Recording Information
 - When requested to provide a written account of the occurrence, provide an impartial summary. For example, do not provide personal feelings, biases, opinions, conclusions and/or speculation.
 - Incorrect Example: “Resident might have tripped over shoes left on the floor beside the bed. Resident keeps their room messy and often leaves their personal items and clothes lying around the room”.
 - Correct Example: “Observed resident sitting on floor, resting against bed. A pair of the resident’s shoes were found next to their left side”.
- Who are Potential Witnesses
 - Any individual who is believed to have knowledge of the occurrence should be considered a witness.
 - Witnesses may be both employees and non-employees. Examples of non-employees could include another resident, a visitor, a contractor performing work at the community, a family member, a third-party provider, or past employee.
 - Efforts may be made to determine whether any non-employee witnesses were present during the occurrence. For example, the Visitor’s Log may be reviewed for this purpose.
 - Sometimes potential witnesses are persons who may have background information concerning an occurrence. For example, an issue arises regarding a potential medication error. It may be beneficial to contact the pharmacy and/or the treating physician to obtain further information, even though they were not present during the occurrence.
- Interviewing Witnesses
 - The following are suggested guidelines for interviewing witnesses.
 - Generally, the Executive Director’s office is NOT an appropriate place to conduct an interview. Conducting the investigation interviews in the Executive Director’s office may provide too many distractions such as telephone calls and other associates asking for assistance.
 - Generally, it is best to speak to each person separately to get a personal recollection, rather than a group recollection. This method of interviewing may also make it less confusing as to who said what during the information gathering process. Explain why you are meeting with the witness in private.
 - Consider the emotional state of the person to be interviewed before gathering information. For example, if the occurrence involves a resident’s death, the witness may need a few moments. Generally, though, it is best to interview the person when the event is fresh in their memory.
 - Explain why an interview is necessary and that interviews are being taken of anyone having knowledge of the occurrence.

- Ask questions that will prompt candid responses, without suggesting what the answer should be.
 - An example of an inappropriate question would be: “Did you see Ronald Resident trip over his own feet yesterday and hit his head on the floor”.
 - Rather, the question should be asked: “Are you aware of any occurrences involving Ronald Resident yesterday?” If answered with a yes, then ask: “Can you tell me what you know about the occurrence?”
- It is preferable to interview non-employees in person; however, if that is not possible, a telephone interview may be arranged. The method of interviewing a non-employee should be no different than a current employee.
- If a person is unwilling to be interviewed, make a note of the name of the person refusing, the date of the attempted interview and the reason for their refusal, if known.
- Do not tape record or videotape an interview.
- After an interview is completed, instruct the person questioned to not discuss the events surrounding the occurrence with others. Explain that the chances that their personal recollection will become distorted increases if they have heard the thoughts and recollections of others. It is helpful to explain to the individuals interviewed the reason why they are being instructed not to discuss the matter with others.
- Keeping Evidence
 - Sometimes evidence surrounding an occurrence is still available at the time of the investigation. For example, a resident’s walker comes apart resulting in the resident falling or the resident’s electric wheelchair malfunctions causing injury. It may be beneficial to keep the equipment in the condition it was found to preserve the evidence.
 - Contact the corporate office to determine whether it is appropriate to save such evidence.
 - If law enforcement authorities are responding to the community, it is generally best to leave the area of the occurrence as found. Consider, however, whether such a condition could affect the health and safety of the residents, community employees or third parties.
- Photographs
 - No photographs are permitted without prior authorization by the corporate office unless being taken by law enforcement agencies.
- Written or Recorded Statements
 - Signed witness statements, voice or video recorded statements should not be taken without consulting the corporate office, due to varying state laws regarding such statements. Contact the corporate office prior to taking such statements.

- Documentation of Investigation
 - The investigator should draft an investigation summary in memo form. The memo should contain the following language: “*Confidential and Privileged Information Interviews conducted by (Name, Title) at the request of Legal Department.*”
 - The memo should contain the date, time, name of each person questioned, their title and an impartial report of the facts.
 - The memo should attempt to create a timeline of the events. For example, in an elopement situation it is important to determine when the resident was last seen prior to documenting how/when they were discovered outside.
 - When the investigation is completed, a written report should incorporate the content of any relevant notes, memos, etc., compiled during the investigation. Once the written report is completed and relevant information is incorporated, such notes, memos, etc., may be discarded.
 - The written report should be forwarded to the corporate office for review and follow-up.
- Amendments
 - It is preferable to complete interviews with all potential witnesses prior to preparing a report. However, sometimes additional information is learned after a report is completed.
 - If this occurs, an additional report should be completed and attached to the original. Any amendments should be dated.
- Filing of Investigations
 - Any document relating to an investigation should be kept in a binder located in a secure private area, which can be locked, such as the Executive Director’s office.
 - The binder should be clearly marked with the words “Confidential and Privileged Information.”

Internal Investigation Form

Confidential and Privileged Information

Interviews conducted by (Name, Title) at the request of Legal Department

Travel and Expense Reimbursement

Purpose

To provide operation guidelines and expectations regarding company travel and allowable expense reimbursement.

- Mileage – mileage incurred while conducting approved Navion related business will be reimbursed based on the federal standard rate when a personal vehicle is used.
 - Miles driven to and from your community are not reimbursable due to the community being considered your home base of operation.
 - Whenever possible, use of a company vehicle to conduct approved business should be considered.
 - Miles driven from communities to conduct approved Navion related business will be reimbursed based on the federal standard rate.
 - If your average mileage exceeds an amount a car rental and fuel costs would incur a reasonable savings permission for obtaining a car rental could be considered.
- Hotel – hotel costs incurred while conducting approved Navion related business will be reimbursed if the following restrictions are met.
 - Approval for overnight accommodations have been received.
 - Rate consideration has been reviewed, prefer a rate of \$150.00 per night or less.
 - When possible will use hotels with negotiated Navion Senior Solutions rates.
 - Pre-approval from your supervisor and/or SRDO/EVP for other accommodations is required.
 - Any additional charges for restaurant, vending, etc....must have a detailed receipt attached with totals broken out by budget line for review.
- Meals – meal charges while conducting Navion approved business or while traveling on approved Navion business will be reimbursable if the following restrictions are met.
 - The daily maximum for personal meals is \$50.00.
 - Breakfast expense is not reimbursable.
 - If possible, breakfast should be eaten at home or if provided at the hotel.
 - Breakfast meetings with key referral sources, business partners or other pre-approved attendees may be reimbursed.
 - Seek prior approval from your supervisor for clear understanding of possible budget requirements.
 - A detailed receipt must be provided.
 - Lunch expense is not reimbursable.
 - If possible, lunch should be eaten in a community.
 - Lunch meetings with key referral sources, business partners or other pre-approved attendees may be reimbursed.
 - Seek prior approval from your supervisor for clear understanding of possible budget requirements.
 - A detailed receipt must be provided.
 - When traveling overnight for approved Navion business you may reimburse your dinner meal with the following restrictions.
 - Total bill must not exceed daily maximum.
 - No alcohol will be reimbursed.
 - A detailed receipt must be provided.

- Air Travel – air travel may occasionally be required and if pre-approved the full cost of your flight, checked bags and remote parking will be reimbursed if the following restrictions are met.
- Parking fees incurred while conducting Navion approved business or while traveling on approved Navion business, will be reimbursed.
 - Parking tickets issued to you will not be reimbursed.
- Cell Phones – for approved positions only – employees can choose to use their personal cell phone for approved Navion business and will be reimbursed a maximum of \$50 per month or we can supply a company cell phone.
- Other Expenses – other possible expenses must be approved by your supervisor prior to procuring those expenditures.
- Submittal and Reimbursement.
 - Employees are to submit expenses using the Travel and Reimbursement form no later than the 10th of the month for the previous month.
 - Subsequent approvals will be obtained no later than 7 business days after the 10th and approved requests will be sent to InfoSync for processing.

Guest Greeter Program

The Guest Greeter Program is designed to facilitate a smooth transition for new residents during their first 30 days. The Guest Greeter is a Department Manager or Care Manager designated by the Executive Director. The Guest Greeter will provide updates during the Daily Stand Up meetings. The Executive Director is the process owner.

- The Executive Director will assign a Department Manager or Care Manager as the Guest Greeter for each new resident move-in and resident transfer. This applies to assisted living and memory care neighborhoods.
- The Executive Director will meet each new resident/transfer within twenty-four hours of the resident's move-in/transfer.
- The Executive Director maintains a roster of the Guest Greeter assignments.
 - The resident move-out review log will reflect the name of the Guest Greeter and the interventions in place for the 30-day transition.
 - At the end of the 30-day transition, the Guest Greeter will provide a review of the transition to the Executive Director, Director of Clinical Services, and the Memory Care Director.
- The Guest Greeter is assigned to the resident for the first 30 days of move-in.
 - The Guest Greeter is introduced to the Resident on the day of move-in/transfer. The transition responsibility is communicated to the resident, including but not limited to orientation of the resident to the community and department head contact information.
 - The Guest Greeter will meet with the resident at the beginning of their shift and discuss any concerns or questions regarding their transition.

- The Guest Greeter will report the assigned resident's progress at the daily stand up meeting.
- The Guest Greeter will notify the resident's responsible party of the resident's acclimation as appropriate.
- All concerns must be reported to the Executive Director for resolution.
- Each Department Manager will notify his/her department associates of the assigned Guest Greeter and their follow-up communication expectations.

Community Quality Improvement Program

Purpose

Navion Senior Solutions supports a continuous internal Quality Improvement (QI) program that measures and improves the quality of care, service delivery and resident/beneficiary satisfaction. The QI program shall meet the requirements of the North Carolina Department of Health and Human Services – Division of Medical Assistance (DMA) and Personal Care Services (PCS) program.

Procedure

- The Executive Director is responsible for:
 - Coordinating the development and implementation of a community-based QI program. The QI program should include program objectives, methods to evaluate and methods to improve care and services.
 - Coordinating or providing for associate training on the community QI program and providing feedback on the effectiveness of the program.
 - Updating the QI plan on a quarterly basis.
 - Maintaining complete records of continuous quality improvement activities, results, and committee meeting minutes.
 - Submitting, or coordinating the delivery, of a signed DMA 3136 Internal Quality Improvement Program Attestation Form by December 31st of each year to DMA.PCSQualityImprovement@lists.ncmail.net or mail to NC DMA Home and Community Care, 2501 Mail Service Center, Raleigh, NC 27699-2501.
 - Providing any documents to the DMA upon request in conjunction with any on-site or desktop quality improvement review.
- The Quality Improvement committee shall:
 - Consist of the following members:
 - Executive Director or Administrator
 - Director of Clinical Services
 - Food Services Director
 - Direct Care Associate
 - Life Enrichment Director
 - Memory Care Director
 - Maintenance Director

- Implement a QI program utilizing the Plan, Do, Study, Act (PDSA) methodology designed to identify and improve quality care, clinical indicators, and service satisfaction.
- Develop and update a quarterly Quality Improvement Plan.
- Meet monthly (i.e. after the Comprehensive Resident Review (CRR) meeting, to review and analyze QI data and improve resident care and services.
- Documentation of the QI activities should be recorded monthly and maintained in a community QI binder.
- Each community department should provide input into the QI process and program.
- Sources for objective and subjective data review may consist of monitoring/review of:
 - Designated clinical indicators of care (i.e. falls, wounds, antipsychotic/benzo medications, weight loss, etc).
 - CRR meeting minutes.
 - Future resident/beneficiary satisfaction survey(s).
 - State survey results.
 - Verbal reports gathered from residents, legally responsible parties, associates.
 - Other measures as determined by the residents.
- Quality improvement records should be retained in an administrative file.

Special Care Unit Disclosure Statement



APPENDIX M
ALZHEIMER'S/SPECIAL CARE UNIT MISSION/DISCLOSURE STATEMENT
NORTH CAROLINA-SPECIFIC

Mission

It is the mission of Navion Senior Living to provide a safe, secure, familiar and consistent environment that allows residents to move about freely without physical restraints and minimal use of psychotropic medications. A structured but flexible lifestyle will be provided for all residents by developing an individual plan of care, including activities suitable for each resident's needs. Each resident's care plan will stress maintaining the resident's present abilities and promote the highest possible level of physical and mental functioning possible.

We believe in maintaining each resident's dignity through the design of our physical environment. The special care unit in its design allows ample space for physical exercise, and ample space for planned and spontaneous social activities. Special assistance with activities of daily living as well as medication management for each resident is provided on a constant basis. We also provide each resident with proper nutrition management.

Disclosure Statement

1. Process and criteria for admission to the special care unit is as follows:
 - A. A physician shall specify a diagnosis on the resident's FL-2 of Alzheimer's or Dementia.
 - B. The Executive Director or Director of Clinical Services will specify the appropriateness of the individual's placement on the resident's preadmission screening form.
 - C. Family members/legal representatives seeking admission of a resident to the Alzheimer's/special care unit shall be provided with a copy of the disclosure statement and a copy of the Residence and Care Agreement.

2. Process and criteria for discharge from the special care unit is as follows:
 - A. Documentation by the resident's physician, or health care provider that discharge is necessary for the resident's welfare and the resident's needs cannot be met in the Community.
 - B. The behavior of the resident becomes a constant threat to themselves or others.
 - C. Medication administration and/or personal care, which require 24-hour care by a licensed nurse.
 - D. The failure to pay the cost of services and accommodations by the payment due date according to the resident contract after receiving written notice of warning of discharge for failure to pay.

3. Special care services offered in the Alzheimer's/special care unit include but are not limited to the following:
 - A. Staff ratio of one (1) to eight (8) residents on first (1st) and second (2nd) shifts and one (1) to ten (10) on third (3rd) shift.
 - B. Staff training specific to the needs of Alzheimer's and dementia as required by the state.
 - C. Detailed attention and assistance with personal care and grooming.
 - D. Three meals a day and snacks adapted to encourage nourishment for residents with changing eating habits and diminishing eating skills.

4. The Assessment and Care Plan:
 - A. The assessment will be completed prior to admission and quarterly thereafter in accordance with applicable law.
 - B. The assessment may be completed on the approved assessment form or the Memory Care Unit Resident Profile.
 - C. The Care Plan will be completed within 30 days of admission and updated yearly unless the resident experiences a significant change of condition.
 - D. Family members/legal representatives will be encouraged to participate in the Care Plan process through scheduled meetings.

5. The Special Care Unit is separated from the rest of the building by lockable doors. All exit doors are equipped with alarms and a staff member responds as quickly as possible when activated. Each caregiver is assigned a limited number of residents and has the responsibility of frequent accountability for the location of these residents.

6. Each caregiver is responsible for assuring all hallways and rooms are free of obstacles that may be unsafe and present a risk of fall or injury. When frequent falls occur, or a resident seems unbalanced, the physician will be notified and a therapy evaluation will be requested.

7. When a resident becomes aggressive and is a threat to himself/herself or others, an attempt will be made to isolate the resident until calm. The physician and family/responsible party will be notified; if the behavior continues, as needed (PRN) medication will be requested from the resident's physician. If the behavior becomes too severe and unmanageable, then an emergency response team will be notified and the resident will be discharged to an emergency mental health facility or hospital.

8. Staffing for the Alzheimer's/ special care unit will include the following:
 - A. On first (1st) and second (2nd) shift there will be one (1) caregiver per eight (8) residents and at least one (1) Supervisor-in-Charge in the community.
 - B. On third (3rd) shift there will be one (1) caregiver per 10 residents and one (1) Supervisor-in-Charge.
 - C. For special care units that have more than sixteen residents, one (1) additional hour of staff time will be added for first and second shift and .8 hours will be added for third (3rd) shift for each additional resident.
 - D. If the special care unit holds sixteen (16) or more residents, a Memory Care Coordinator will be hired to be on duty at a minimum eight (8) hours a day, five (5) days a week and will not be included in staffing.
9. Each staff member on the special care unit will receive at least the following orientation and training as required by the state:
 - A. Within the first week of employment, each employee shall complete six (6) hours of orientation on the nature and needs of the residents.
 - B. Within six months of employment, direct care staff shall complete twenty (20) hours of training specific to the population being served.
 - C. In addition, direct care staff shall complete at least eight (8) hours of continuing education annually that is specific to the needs of the residents.
10. The physical environment and design features of the unit address the needs of the residents. The unit is designed with an indoor walking area and interactive artwork on the walls. Sitting areas including the activity room and television parlor promote socialization and opportunities to engage in activities. The courtyard permits safe access to an outside area for residents to utilize.
11. The Memory Care Coordinator and Activity Director evaluate each resident and activities are planned based on personal preferences, ability and needs of the residents.
12. Once a month, family members/legal representatives are invited and encouraged to attend an Alzheimer's Support Group which the Alzheimer's Association sponsors. Contact the Marketing Director/Executive Director for additional information.
13. If the Resident chooses Medicaid as the payer source, they will not be able to elect Hospice benefits; Medicaid will not pay for SCU-A and Hospice at the same time.
14. There are additional fees for the special care provided in the Alzheimer's / dementia unit, which are determined during the initial assessment and reviewed semi-annually and/or upon a significant change in condition.

Resident/Legal Representative Signature

Date

Executive Director or Designee

Date

Certificate of Authority From North Carolina Secretary of State



NORTH CAROLINA

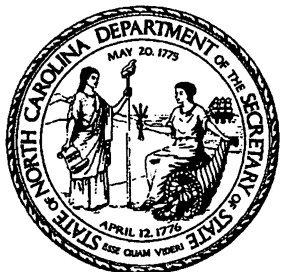
Department of the Secretary of State

CERTIFICATE OF AUTHORITY

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify that

GREENSBORO MC, LLC

having filed on this date an application conforming to the requirements of the General Statutes of North Carolina, a copy of which is hereto attached, is hereby granted authority to transact business in the State of North Carolina.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 4th day of April, 2023.

Elaine F. Marshall

Secretary of State

List of Other Family Care/ Adult Care Homes
Owned or Operated By Applicant

Disclosure of Licenses Currently or Previously Held by Applicant's Owners

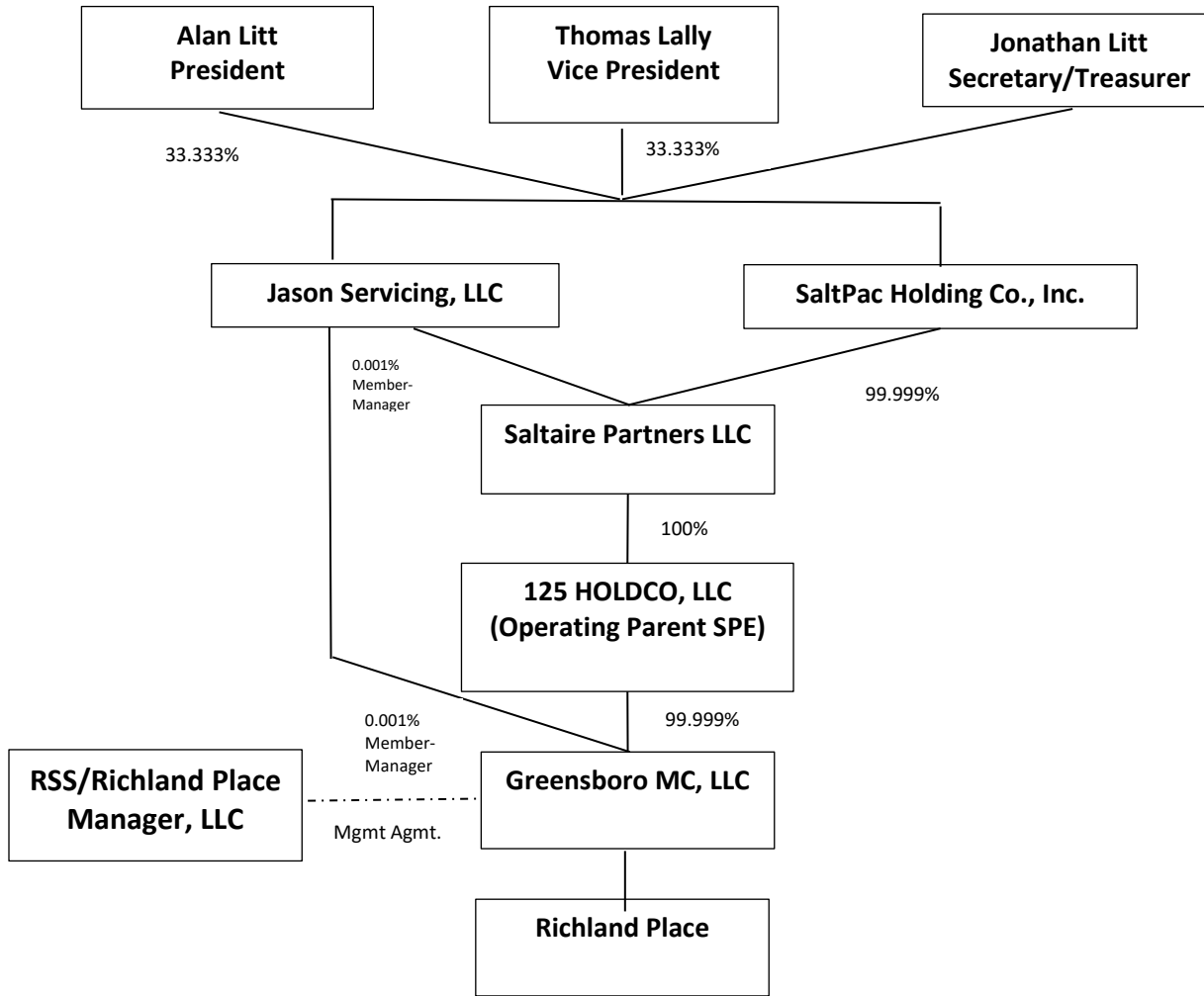
Name of Individual or Entity with Ownership Interest (note that these are indirect owners of the licensed entities)	Name of Facility	Ownership/Operation	License Type	Address of Facility/Agency	Phone number of Facility/Agency	State	Enforcement Action
1. Alan Litt Thomas Lally Jonathan Litt	Healthcare Center at Buck Creek	Own/Operate	SNF	850 9th St NW, Alabaster, AL 35007	205-663-3859	AL	N/A
2. Alan Litt Thomas Lally Jonathan Litt	Copper Canyon Alzheimer's Special Care Center	Operate	Memory Care	5901 N La Cholla Blvd, Tucson, AZ 85741	520-293-3114	AZ	N/A
3. Alan Litt Thomas Lally Jonathan Litt	Cedarhurst of Canton	Own/Operate	Assisted Living/ Memory Care	3100 Hidden Valley Dr., Canton, GA 30114	770-450-6623	GA	N/A
4. Alan Litt Thomas Lally Jonathan Litt	Cedarhurst of Oakwood	Own/Operate	Assisted Living/ Memory Care	4251 Hudson Dr., Oakwood, GA 30566	770-297-6900	GA	N/A
5. Alan Litt Thomas Lally Jonathan Litt	Bridle Brook Assisted Living & Memory Care Community	Own/Operate	Assisted Living/ Memory Care	1505 Patton Drive Mahomet, IL 61853	217-393-8794	IL	N/A
6. Alan Litt Thomas Lally Jonathan Litt	Trustwell Living of Springfield	Own/Operate	Assisted Living	2451 W White Oaks Dr, Springfield, IL 62704	217-717-9293	IL	N/A
7. Alan Litt Thomas Lally Jonathan Litt	Cedar Ridge of Fort Wayne	Own/Operate	Assisted Living/ Memory Care	3320 E State Blvd, Fort Wayne, IN 46805	260-483-4343	IN	N/A
8. Alan Litt Thomas Lally Jonathan Litt	Cedarhurst of Edison Lakes	Own/Operate	Assisted Living/IL	1025 Park Place, Mishawaka, IN 46545	574-247-1552	IN	N/A
9. Alan Litt Thomas Lally Jonathan Litt	River Crossing Assisted Living Community	Own/Operate	Assisted Living	2400 Market St, Charlestown, IN 47111	812-406-1099	IN	N/A

Name of Individual or Entity with Ownership Interest (note that these are indirect owners of the licensed entities)	Name of Facility	Ownership/Operation	License Type	Address of Facility/Agency	Phone number of Facility/Agency	State	Enforcement Action
10. Alan Litt Thomas Lally Jonathan Litt	Sugar Grove Senior Living	Own/Operate	Assisted Living/ Memory Care/IL	5865 Sugar Ln. Plainfield, IN 46168	317-839-7900	IN	Complaint Investigation resulting from a CPR event; this was self-reported and corrective actions were implemented through plan of correction (accepted on 4/17/23)
11. Alan Litt Thomas Lally Jonathan Litt	Trustwell Living at Missions Springs	Own/Operate	Assisted Living	5350 W 61st Pl Mission, KS 66205	913-831-7700	KS	N/A
12. Alan Litt Thomas Lally Jonathan Litt	Trustwell Living of Overland Park	Own/Operate	Assisted Living	10665 Barkley, Overland Park, KS 66212	913-642-5400	KS	N/A
13. Alan Litt Thomas Lally Jonathan Litt	Whitcomb House	Own/Operate	Assisted Living/ Memory Care	245 West Street, Milford, MA 01757	508-634-2440	MA	N/A
14. Alan Litt Thomas Lally Jonathan Litt	The Maples of Towson	Operate	Assisted Living	7925 York Road Towson, MD 21204	410-269-8900	MD	N/A
15. Alan Litt Thomas Lally Jonathan Litt	Trustwell Living of Raytown	Own/Operate	Assisted Living	9110 E 63rd St, Raytown, MO 64133	816-353-3400	MO	N/A
16. Alan Litt, Thomas Lally Jonathan Litt	The Residence at Gramercy	Own/Operate	Assisted Living/IL	6800 A St, Lincoln, NE 68510	402-483-1010	NE	N/A
17. Alan Litt Thomas Lally Jonathan Litt	Richmond Heights	Own/Operate	Assisted Living/IL	261 Richmond Rd, Cleveland, OH 44143	216-289-9800	OH	N/A

Name of Individual or Entity with Ownership Interest (note that these are indirect owners of the licensed entities)	Name of Facility	Ownership/Operation	License Type	Address of Facility/Agency	Phone number of Facility/Agency	State	Enforcement Action
18. Alan Litt Thomas Lally Jonathan Litt	Rocky River	Own/Operate	Assisted Living/ Memory Care	22900 Center Ridge Rd, Rocky River OH 44116	440-356-2282	OH	N/A
19. Alan Litt Thomas Lally Jonathan Litt	The Winfield at Middletown	Own/Operate	Assisted Living/ Memory Care	3000 McGee Ave., Middletown, OH 45044	513-423-2322	OH	N/A
20. Alan Litt Thomas Lally Jonathan Litt	Terrabella Spartanburg	Own/Operate	Assisted Living/ Memory Care	104 Dillon Dr. Spartanburg, SC 29307	864-256-3361	SC	Complaint Investigation 12/29/22 resulting from a resident elopement; this was self-reported and corrective actions were implemented and completed on 1/31/2023.
21. Alan Litt Thomas Lally Jonathan Litt	Woodcreek Bend Memory Care I	Own/Operate	Memory Care	1820 Woodcreek Bend LN, Katy TX 77494	281-377-7004	TX	N/A
22. Alan Litt, Thomas Lally Jonathan Litt	The Park at Oak Grove	Own/Operate	Assisted Living	4920 Woodmar DR SW, Roanoke, VA 24018	540-989-9501	VA	N/A
23. Alan Litt Thomas Lally Jonathan Litt	The Residence at Oshkosh	Own/Operate	Assisted Living	1010 & 1110 West Murdock, Oshkosh WI 54901	920-385-0570	WI	N/A

Post-Closing Organization Chart

Post-Closing Organization Chart



*Unless otherwise stated,
all upstream entities hold
100% ownership.

Privileged and Confidential
Not for Public Disclosure



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reedsmith.com

September 12, 2023

Via USPS Express Mail

ATTN: License Materials Enclosed
North Carolina Department of Health Service Regulation
Division of Health Service Regulation
Adult Care Licensure Section
801 Biggs Drive
Raleigh, North Carolina 27603

**Re: Change of Ownership Application – Assisted Care Living Facility
Greensboro MC, LLC d/b/a Richland Square (License No. 970071)**

To Whom It May Concern:

I am writing on behalf of Greensboro BG OpCo, LLC (“Current OpCo”), which operates an assisted living facility known as Richland Square located at 3823 Lawndale Drive, Greensboro, NC 72455 (the “Community”) and is licensed by the North Carolina Department of Health (the “Department”) under License Number 970071. Please note that we filed a change of ownership application (“CHOW”) on September 6, 2023, in advance of the transfer date that is anticipated to occur on or around November 3, 2023, wherein Greensboro MC, LLC (“New OpCo”) is the proposed new operator and licensee. In support of the CHOW submission, enclosed please find a copy of the executed lease agreement. We have also enclosed a revised Part of the CHOW application to reflect the current and correct building owner, Greensboro BG Propco, LLC. Should you have any questions or need additional information, please contact me at bcafero@reedsmith.com or 215-241-1019.

Very truly yours,

/s/ Brittney Cafero

Brittney A. Cafero

Enclosures

cc: Michael Flanagan, Receiver (via email w/encls.)

PLEASE COMPLETE THE APPLICATION FOR NEW APPLICANT

Part A. Facility/Administrator Information

Facility Name: RICHLAND SQUARE (FORMERLY RICHLAND PLACE)			
Physical Address: 3823 LAWNSDALE DR	City: GREENSBORO	State: NC	Zip: 27455
Telephone Number: (336) 288-8688	Fax number: (336) 545-2088		
If applicable - Please provide your National Provider Identifier Number (NPI) if applicant is an owner of a currently licensed Adult Care Home. For questions regarding NPI, contact 1-800-465-3203 (NPI Toll-Free)		NPI: 1598210148	

Correspondence Mailing Address: (where you want to receive all correspondence including the license from Division of Health Service Regulation):

Name: MELISSA RORIE	Title: EXECUTIVE DIRECTOR
Address: 3823 LAWNSDALE DR	Telephone Number: (336) 916-7226
City, State Zip Code: GREENSBORO, NC 27455	
Primary Email: melissa.rorie@navionsl.com	

Building Owner

Is the building where services are offered leased/ rented? <u> X </u> Yes ___ No. If yes, please complete the following on the building/property owner and provide a copy of the lease agreement.		
Name: Greensboro BG Propco LLC		
Street/Box: 3823 Lawndale Drive		
City: Greensboro	State: NC	Zip: 27455
Telephone Number: (646) 844-3600	Fax Number: (646) 844-3610	
Email Address:		

CERTIFIED ADMINISTRATOR

Name: MELISSA RORIE	
Telephone Number: (336) 288-8688	Fax: (336) 545-2088
Administrator Certificate No. A00004467	Expiration Date: 12/31/2024
Email: melissa.rorie@navionsl.com	

LEASE AND SECURITY AGREEMENT

THIS LEASE AND SECURITY AGREEMENT (“Lease”) is made and entered into as of April 3, 2023 by and between Greensboro BG PROPCO LLC (“**Landlord**”), through its court appointed receiver Michael F. Flanagan, and Greensboro MC, LLC (“**Tenant**”), with reference to the following Recitals:

RECITALS

A. On March 30, 2023, the United States District Court for the District of Columbia in an action styled *Fannie Mae v. Amelia Aid Propco LLC, et al.*, Case No. 23-00862, entered an *Agreed Order Appointing Receiver* pursuant to which Michael F. Flanagan was appointed Receiver (the “**Receivership**”) for the property of the Landlord.

B. Landlord is the owner of that certain real property and all improvements thereon and all appurtenances thereto, which is more specifically described in Exhibit “A”, attached hereto. Landlord is also the owner of the Landlord Personal Property (hereinafter defined). The foregoing real property and the Landlord Personal Property shall be collectively referred to in this Lease as the “**Premises**”.

C. Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein, Landlord hereby leases and lets unto Tenant the Premises for the term and upon the conditions and provisions hereinafter set forth.

1. **Definitions.** As used herein (including any Exhibits attached hereto), the following terms shall have the following meanings:

“**Acuity**” means the type of housing and services categorized as Independent Living, Assisted Living or Alzheimer’s/Dementia Care provided to residents at the Premises.

“**Affiliate**” means, with respect to any Person, any other Person which Controls, is Controlled by or is under common Control with the first Person.

“**Alzheimer’s/Dementia Care**” means a Seniors Housing Facility with units and beds for residents with significant cognitive impairment resulting from Alzheimer’s disease or other dementia, which are typically licensed and regulated by a state or local government authority.

“**Assisted Living**” means a Seniors Housing Facility offering services limited to non-medical personal care, including support for medication management and assistance with bathing, dressing, toileting, ambulating, eating and other similar activities, which are typically licensed and regulated by a state or local governmental authority.

“Base Rent” shall have the meaning set forth in Section 3.

“Business Plan” means the Business Plan in effect with respect to the Premises.

“Contract” means any contract or other agreement for the provision of goods or services at or otherwise in connection with the operation, use or maintenance of the Premises, excluding any Management Services Agreement and including cash deposited to secure performance by parties of their obligations.

“Control” means, as applied to any Person, the possession, directly or indirectly, of the power to direct the management and policies of that Person, whether through ownership, voting control, by contract or otherwise.

“DACA” means a deposit account control agreement among Landlord, Tenant and a depository institution that holds deposit accounts maintained by Tenant, including without limitation, the Disbursement Account (as herein defined), pursuant to which the Landlord is granted “control” over such account(s), within the meaning of the Uniform Commercial Code.

“Economic Sanctions” means any economic or financial sanction administered or enforced by the United States Government (including, without limitation, those administered by OFAC at <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>), the U.S. Department of Commerce, or the U.S. Department of State.

“Encumbrance” shall have the meaning set forth in Section 17.

“Environmental Activities” means the use, generation, transportation, handling, discharge, production, treatment, storage, release or disposal of any Hazardous Materials at any time to or from the Premises or located on or present on or under the Premises.

“Environmental Inspections” means environmental inspections, reports, tests, investigations, studies, audits, reviews or other analyses (including those related to Significant Mold) with respect to the Premises.

“Environmental Laws” means all present and future federal, state, and local laws, ordinances, regulations, standards, rules, policies, and other governmental requirements, administrative rulings, court judgments, and decrees, and all amendments thereto, relating to pollution or protection of human health, wildlife, wetlands, natural resources or the environment (including ambient air, surface water, ground water, land surface, or subsurface strata) including such laws governing or regulating the use, generation, storage, removal, remediation, recovery, treatment, handling, transport, disposal, control, release, discharge of, or exposure to, Hazardous Materials. Environmental Laws include (a) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f, et seq., the Occupational Safety and Health Act, 29 U.S.C. Chapter 15, et seq., the Oil Pollution Act of 1990, 33 U.S.C. Section 2701, et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C.

Section 136, et seq., and the River and Harbors Appropriation Act, 33 U.S.C. Section 403, et seq., and their state and local analogs, as any such statutes may be amended, restated, modified, or supplemented from time to time, and (b) all voluntary cleanup programs and/or brownfields programs under federal, state or local law, as may be amended, restated, modified, or supplemented from time to time.

“Environmental Permit” means any permit, license, agreement (including any agreement or undertaking pursuant to a voluntary cleanup program and/or a brownfields program) or other authorization issued under any Environmental Law with respect to any activities or businesses conducted on or in relation to the Premises.

“Event of Default” shall have the meaning set forth in Section 11.1.

“Fixtures” means all Goods that are so attached or affixed to the Premises as to constitute a fixture under the laws of the jurisdiction in which the Premises is located.

“GAAP” means generally accepted accounting principles consistently applied.

“Goods” means all of Tenant’s present and hereafter acquired right, title and interest in all goods which are used now or in the future in connection with the ownership, management, or operation of the Premises or are located on the Premises, including inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs, and social network pages; computer equipment (hardware and software); and other tangible personal property which is used now or in the future in connection with the ownership, management, or operation of the Premises or are located on the Premises.

“Governmental Authority” means any court, board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over Tenant or the Premises or the use, operation or improvement of the Premises.

“Governmental Health Care Program” means any plan or program that provides health benefits, whether directly, through insurance, or otherwise, and that is funded directly, in whole or in part, by the U.S. Government or a state health care program.

“Hazardous Materials” means any substance, chemical, material or waste now or in the future defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” within the meaning of or regulated or

addressed under any Environmental Law. Without limiting the generality of the foregoing, Hazardous Materials includes: Significant Mold; petroleum and petroleum products and compounds containing them or derived from them, including natural gas, gasoline, diesel fuel, oil and other fuels and petroleum products or fractions thereof; radon; carcinogenic materials; explosives; flammable materials; infectious materials; corrosive materials; mutagenic materials; radioactive materials; polychlorinated biphenyls (PCBs) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; pipelines constructed for the purpose of transporting Hazardous Materials, whether empty or containing any substance; any substance the presence of which on, under or about the Premises is regulated or prohibited by any Governmental Authority; any substance that is designated, classified or regulated pursuant to any Environmental Law; and any medical products or devices, including those materials defined as “medical waste” or “biological waste” under relevant statutes or regulations pertaining to any Environmental Law.

“**Hazardous Materials Claims**” means any and all enforcement, clean-up, removal or other governmental or regulatory actions or orders threatened, instituted or completed pursuant to any Hazardous Material Laws, together with all claims made or threatened by any third party against the Premises, Landlord or Tenant relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

“**Hazardous Materials Laws**” means any laws, ordinances, regulations, rules, orders, guidelines or policies relating to the environment, health and safety, Environmental Activities, Hazardous Materials, air and water quality, waste disposal and other environmental matters.

“**HIPAA**” means the Health Insurance Portability and Accountability Act of 1996, Subtitle D of the Health Information Technology for Economic and Clinical Health Act of 2009, and all regulations and other guidance promulgated under both laws by the U.S. Department of Health and Human Services, as may be amended from time to time.

“**HIPAA Business Associate**” means any entity that is a “business associate” as that term is defined in HIPAA.

“**HIPAA Covered Entity**” means any entity that is a “covered entity” as that term is defined in HIPAA.

“**Independent Living**” means a Seniors Housing Facility providing limited programs of assistance for domestic activities (*e.g.*, meals, housekeeping, activities, transportation, etc.), and typically resembles market rate units.

“**Intangible Property**” means all accounts (including the Disbursement Account (as herein defined)), proceeds of accounts, Rents, profits, fees, charges, income or revenue derived from the use of rooms or other space within the Premises or the providing of services in or from the Premises; all operating agreements and management agreements; documents, chattel paper, instruments, contract rights, deposit accounts, general intangibles (including software), choses in action (including any right to any refund of any Taxes or other charges heretofore or hereafter paid to any Governmental Authority); investment property; letter of credit rights; supporting

obligations; computer information; source codes; object codes; records and data; all telephone numbers or listings; claims (including claims for indemnity or breach of warranty); surveys; plans and specifications; contracts for architectural, engineering and construction services; all licenses and permits necessary or desirable for the use of the Premises, including, without limitation, if applicable, all governmental permits certificates of need and other similar certificates; and the right to use any trade or other name now or hereafter associated with the operation of the Premises. As used in this definition, the word “accounts” shall include, without limitation and to the extent assignable, all Third Party Payments arising from the operation of the Premises as a Seniors Housing Facility.

“**Landlord**” means Greensboro BG PROPCO LLC, and its successors and assigns.

“**Landlord’s Investment**” means Landlord’s total cost of acquisition and capital improvements to the Premises.

“**Landlord Personal Property**” means all Personal Property owned by Landlord and relating to the operation of, or used in connection with, the Premises.

“**Lease**” means this Lease and Security Agreement.

“**Lease Year**” means each twelve (12) month period during the Term, commencing on the date of this Lease, and each successive anniversary thereof.

“**License**” means, individually and collectively, any operating licenses, certificates of occupancy, health department licenses, food service licenses, certificates of need, business licenses, permits, registrations, certificates, authorizations, approvals, legal authority, and similar documents required by applicable laws and regulations for the lawful operation of the Premises in the jurisdiction where the Premises is located during the Term, including renewals, replacements and additions to any of the foregoing.

“**Managed Care Organization**” means a Person that has been certified by, and has entered into a contractual relationship with, a Governmental Authority in the jurisdiction where the Premises is located to make available to its members (including residents of the Premises) certain long-term care and health care services through Medicaid Participant(s).

“**Management Services Agreement**” means any agreement for management services between Tenant and Manager as amended, restated, replaced, supplemented, or otherwise modified from time to time, preapproved in writing by Landlord, under which daily management or operation with respect to the Premises as a Seniors Housing Facility has been granted to any individual or entity other than Tenant.

“**Manager**” means the Person responsible for the operation or management of the Premises pursuant to a Management Services Agreement.

“**Medicaid**” means the medical assistance program established by Title XIX of the Social Security Act (42 U.S.C. Sections 1396, et seq.) and any statutes succeeding thereto.

“Medicaid Participant” means a Person that has entered into a Medicaid Provider Agreement.

“Medicaid Program” means the Medicaid assisted living waiver program administered by a Governmental Authority under which certain benefits are available through a Governmental Authority or a Managed Care Organization.

“Medicaid Provider Agreement” means, individually and collectively, an agreement between Tenant or the Manager and a Governmental Authority (or administered by a Governmental Authority, as applicable) or a Managed Care Organization to be a participating provider under the Medicaid Program, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

“Net Cash Flow” means, for any specified period, the amount remaining from all revenues, receipts and income of any kind derived directly or indirectly from or in connection with the Premises (including Rents or other payments from tenants, residents, lessees, licensees or concessionaires but not including their gross receipts) paid to or collected by or on behalf of Tenant, including by Manager, for the preceding month following the payment or the provision for payment of approved operating expenses, in each case pursuant to the Approved Operating Budget (as defined in the Management Services Agreement) in effect with respect to the Premises.

“O&M Plan” means a written plan, document, or agreement containing ongoing operating, maintenance, or monitoring actions for the Premises.

“Occupancy Agreement” means each lease, sublease, subsublease, occupancy agreement, license, concession or other agreement (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of any space in the Premises, and every modification, amendment or other agreement relating to such lease, sublease, subsublease, occupancy agreement or other agreement entered into in connection with such lease, sublease, subsublease, occupancy agreement or other agreement, and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto.

“OFAC” means the United States Treasury Department, Office of Foreign Assets Control, and any successor thereto.

“Permitted Encumbrances” means:

(a) liens imposed by law for taxes, assessments or other governmental charges that are not yet due or are being properly contested by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP, provided that enforcement of such liens is stayed pending such contest;

(b) landlords’, vendors’, carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days, provided that enforcement of such liens is stayed pending such contest;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts (other than contracts for the payment of money), leases (other than capitalized lease obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case incurred in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default hereunder;

(f) easements, zoning restrictions, rights of way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligation and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of Tenant;

(g) any interest or title of a licensor, sublicensor, lessor or sublessor with respect to any assets under any license or lease agreement entered into in the ordinary course of business, provided that the same do not in any material respect interfere with the business of Tenant or materially detract from the value of the relevant assets of Tenant;

(h) licenses, sublicenses, leases or subleases with respect to any assets granted to third Persons in the ordinary course of business, provided that the same do not in any material respect interfere with the business of Tenant or materially detract from the value of the relevant assets of Tenant;

(i) customary rights of set off, bankers' liens, refunds or charge backs, under deposit agreements, the Uniform Commercial Code or common law, of banks or other financial institutions where Tenant maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business;

(j) liens on amounts deposited as "security deposits" (or their equivalent) in the ordinary course of business;

(k) liens resulting from the filing of precautionary UCC-1 financing statements (or equivalent) with respect to operating leases; and

(l) liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by Tenant in the ordinary course of business.

"Permitted Uses" means use as a Seniors Housing Facility for memory care and any ancillary uses related thereto, and any other use approved in writing by the Landlord.

"Person" means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

"Personal Property" means Intangible Property, Occupancy Agreements, and Goods.

“**Premises**” shall have the meaning set forth in Recital A.

“**Prohibited Activities or Conditions**” means any of the following:

- (a) the presence, use, generation, release, treatment, processing, storage, handling or disposal of any Hazardous Materials on, about or under the Premises or any other property owned, leased or otherwise controlled by Tenant or any Tenant Affiliate that is adjacent to the Premises and which impacts the Premises;
- (b) the transportation of any Hazardous Materials to, from or across the Premises;
- (c) any Remedial Work at, about or under the Premises that has not been fully conducted in accordance with an O&M Plan approved in writing by Landlord;
- (d) any activity on the Premises that requires an Environmental Permit or other written authorization under Environmental Laws without Landlord’s prior written consent;
- (e) any occurrence or condition on the Premises, which occurrence or condition is or is expected to be in violation of or noncompliance with Environmental Laws, or in violation of or noncompliance with the terms of any Environmental Permit;
- (f) any occurrence or condition on any other property owned, leased or otherwise controlled by Tenant or any Tenant Affiliate that is adjacent to the Premises, which occurrence or condition impacts the Premises and is or is expected to be (1) in violation of or noncompliance with Environmental Laws, or (2) in violation of or noncompliance with the terms of any Environmental Permit; or
- (g) any activities on the Premises that directly or indirectly result in other property (whether adjacent to the Premises or otherwise) being contaminated with Hazardous Materials or which causes such other property to be in violation of or noncompliance with Environmental Laws.

Provided, however, excluded from this definition shall be the safe and lawful use and storage of the following (so long as such items are used, stored, handled, transported, and disposed of in compliance with Environmental Laws):

- (1) pre-packaged supplies, cleaning materials and petroleum products in such quantities and types as are customarily used for residential purposes or in the operation and maintenance of comparable multifamily seniors properties;
- (2) cleaning materials, personal grooming items and other items sold in pre-packaged containers for consumer use in such quantities and types as are customarily found in comparable multifamily properties and which are used by tenants and occupants of Units in the Premises;
- (3) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Premises’ parking areas, in such quantities and types as are customarily used in the operation and maintenance of comparable multifamily properties;

(4) petroleum products (including natural gas) stored in above-ground and underground storage tanks, so long as the existence of such above-ground and underground storage tanks has been previously disclosed by Tenant to Landlord in writing and any such tank complies with and at all times continues to comply with all requirements of Environmental Laws; and

(5) natural gas when transported and used for residential purposes in combustion appliances.

“Remedial Work” means any investigation, site monitoring, containment, abatement, clean-up, removal, restoration or other remedial work in connection with any Significant Mold, any Hazardous Materials, any Environmental Laws, or any order of or agreement with any Governmental Authority that has or acquires jurisdiction over the Premises, or the use, operation or improvement of the Premises under any Environmental Law or as recommended in writing by an environmental professional, certified industrial hygienist or person with similar qualifications with respect to Significant Mold.

“Rents” means all rents (whether from residential or non-residential space), resident fees, community fees, revenues and other income from the Premises, including subsidy payments received from any sources, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Premises, whether now due, past due, or to become due, and tenant security deposits.

“Sanctioned Country” means a country subject to either a targeted or comprehensive country-wide sanctions program administered and enforced by OFAC, which list is updated from time to time.

“Sanctioned Person” means (a) a Person named on the list of “Specially Designated Nationals and Blocked Persons” maintained by OFAC, available at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>, or as otherwise published from time to time; (b) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a Person resident in a Sanctioned Country, to the extent any Person described in clauses (1), (2) or (3) is the subject of a sanctions program administered by OFAC; and, (c) a Person whose property and interests in property are blocked pursuant to an Executive Order or regulations administered by OFAC consistent with the guidance issued by OFAC.

“Seniors Housing Facility” means a residential housing facility which qualifies as “housing for older persons” under the Fair Housing Amendments Act of 1988 and the Housing for Older Persons Act of 1995.

“Seniors Housing Facility Licensing Designation” means the licensing designation under the laws of the jurisdiction where the Premises is located, if applicable, for Premises as a Seniors Housing Facility.

“Shortfalls” means, with respect to any relevant period, the negative Net Cash Flow for such period.

“Significant Mold” means any mold, fungus, bacterial, viral, or microbial matter or pathogenic organisms at, in or about the Premises of a type or quantity that:

(a) results in, or should reasonably result in, Remedial Work or a significant risk to human health or the environment as determined by a written analysis prepared by an environmental professional, certified industrial hygienist or person with similar qualifications reasonably acceptable to Landlord;

(b) is required or recommended to be addressed pursuant to Environmental Law, or written recommendation of an environmental professional, certified industrial hygienist or person with similar qualifications; or

(c) would materially and negatively impact the value of the Premises.

“Single-Purpose Entity” means, with respect to a Person which is any form of partnership or corporation or limited liability company, that such Person at all times since its formation:

(i) has been a duly formed and existing partnership, corporation or limited liability company, as the case may be;

(ii) has been duly qualified in each jurisdiction in which such qualification was at such time necessary for the conduct of its business;

(iii) has complied with the provisions of its organizational documents and the laws of its jurisdiction of formation in all material respects;

(iv) has observed all customary formalities regarding its partnership, limited liability, or corporate existence, as the case may be;

(v) has accurately maintained its financial statements, accounting records and other partnership, limited liability company, or corporate documents, as the case may be, separate from those of any other Person;

(vi) has not commingled its assets or funds with those of any other Person except as consented to by Landlord or as contemplated by this Lease;

(vii) is not obligated for the payment of tax obligations of any other Person;

(viii) has identified itself in all dealings with creditors and the public under its own name and as a separate and distinct entity and has corrected any known misunderstanding regarding its separate identity and has not identified itself as a division or department of any other Person;

(ix) has been adequately capitalized in light of its contemplated business operations;

(x) has not assumed, guaranteed, pledged its assets, or become obligated for the liabilities or obligations of any other Person (except in connection with this Lease or the

endorsement of negotiable instruments in the ordinary course of business) or held out its credit as being available to satisfy the obligations of any other Person;

(xi) has not acquired obligations or securities of any other Person;

(xii) has not made loans or advances to any other Person;

(xiii) has not entered into and was not a party to any transaction with any Affiliate of such Person, except transactions approved by Landlord and other transactions entered into the ordinary course of business and on terms which are no more favorable to such Person than would be obtained in a comparable arm's-length transaction with an unrelated third Party;

(xiv) has paid the salaries of its own employees, if any, and maintained a sufficient number of employees or third party contractors in light of its contemplated business operations; and

(xv) has allocated fairly and reasonably any shared expenses or overhead for shared office space and has used separate stationary, invoices and checks bearing its own name.

“**Taxes**” shall have the meaning set forth in Section 4.1.

“**Tenant**” means Greensboro MC, LLC, a Delaware limited liability company, and its successors and permitted assigns.

“**Tenant Personal Property**” means all Personal Property owned by Tenant, which shall in all events exclude Fixtures and Landlord Personal Property.

“**Term**” shall have the meaning set forth in Section 2.1.

“**Third Party Payments**” means all payments and the rights to receive such payments from Medicaid or other federal, state or local programs, boards, bureaus or agencies, and from residents, private insurers or others relating to the Premises.

“**Uniform Commercial Code**” means the Uniform Commercial Code as in effect on the date hereof in the State of North Carolina; *provided, however*, that if by reason of mandatory provisions of applicable law, the perfection or the effect of perfection or non-perfection or priority of the security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State in which the Property is located (“**Other UCC State**”), “**Uniform Commercial Code**” means the Uniform Commercial Code as in effect in such Other UCC State for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or priority.

“**Unit**” means any portion of the Premises intended to be used exclusively as a separate residential dwelling.

2. **Term.**

2.1 **Term.** The term of this Lease shall commence on the date on which Tenant becomes the licensed operator of the Facility (the "***Effective Date***"). Upon and from the Effective Date, Tenant and Landlord shall be bound to the terms and conditions of this Lease for a period of one (1) year (the "***Initial Term***"). Upon the expiration of the Initial Term, this Lease will automatically renew for four (4) additional consecutive terms of one (1) year each (each a "***Renewal Term***" and, collectively with the Initial Term, the "***Term***") unless either party hereto gives written notice to the other party at least thirty (30) days prior to the end of the Initial Term or the then current Renewal Term, in which case this Lease shall terminate at the end of the Initial Term or such then current Renewal Term. Notwithstanding the foregoing, provided that Landlord has given Tenant at least thirty (30) days prior written notice prior to the closing date of any sale, assignment or transfer of the Premises, whether by foreclosure sale or otherwise (the "***Sale Transaction***"), at the option of the Landlord and any Person acquiring the Premises through a Sale Transaction, (a) this Lease shall terminate and the Term shall end on the closing date of the Sale Transaction or (b) the Lease shall be assigned to such Person acquiring the Premises through a Sale Transaction on the closing date of such Sale Transaction

3. **Rent.** During the Initial Term and all Renewal Terms, Tenant shall pay to Landlord rent as follows:

3.1 **Base Rent Initial Term Minimum Rent.** During the Term, Tenant shall pay to Landlord monthly rent, if any such rent is due hereunder ("***Base Rent***"). Such Base Rent shall be paid in arrears, on the twenty-fifth (25th) business day of each calendar month during the Term hereof, in an amount equal to ninety-five percent (95%) of Net Cash Flow for the preceding month. If the Term does not commence on the first day of a month, the Base Rent for the initial month of the Term shall be paid on a pro rata basis.

3.2 **Absolute Net Lease.** All Base Rent payments shall be absolutely net to the Landlord, free of Taxes, assessments, utility charges, operating expenses, maintenance costs, refurbishings, insurance premiums or any other charge or expense in connection with the Premises. All expenses and charges, whether for Taxes, upkeep, maintenance, repair, refurbishing, refurbishing, restoration, replacement, insurance premiums, utilities, and other operating or other charges of a like nature or otherwise incurred in connection with the ownership and operation of the Premises, shall be paid by Tenant. This provision is not in derogation of the specific provisions of this Lease, but in expansion thereof and as an indication of the general intentions of the parties hereto.

4. **Taxes, Assessments and Other Charges.**

4.1 **Tenant's Obligations.** Tenant agrees to pay and discharge (including the filing of all required returns) any and all taxes (including, but not limited to, recordation taxes, real estate and personal property taxes, payroll taxes, bed taxes, business and occupational license taxes, ad valorem sales, use, Intangible Property, single business, gross receipts, transaction privilege, franchise taxes, business privilege, Rent or other excise taxes) and other assessments levied or assessed against Tenant, the Premises or any interest therein or Landlord (with respect to this Lease and/or the Premises, but excluding (i) any state, local or federal income tax based upon

the net income of Landlord, and (ii) any transfer tax or stamps assessed in connection with the transfer by Landlord of its interest in any portion of the Premises to any person or entity other than Tenant or an Affiliate of Tenant) (all such taxes and assessments payable by Tenant being collectively referred to herein as “*Taxes*”) prior to delinquency or imposition of any fine, penalty, interest or other cost. If any of the foregoing may, at the option of the taxpayer, be paid in installments, Tenant may exercise such option to pay the same in installments (whether or not interest shall accrue on the unpaid balance) as the same respectively become due and before any delinquency, fine, penalty, or further interest or costs may be added thereto.

4.2 **Proration.** At the commencement and end of the Term, all Taxes and assessments shall be prorated.

4.3 **Right to Protest.** Landlord and/or Tenant shall have the right, but not the obligation, to protest the amount or payment of any real or personal property taxes or assessments levied against the Premises; provided, that in the event of any protest by Tenant, Landlord shall not incur any expense because of any such protest, Tenant shall diligently and continuously prosecute any such protest and, notwithstanding such protest, Tenant shall pay any tax, assessment or other charge before the imposition of any penalty or interest.

4.4 **Tax Bills.** Landlord shall promptly forward to Tenant copies of all tax bills and payment receipts relating to the Premises received by Landlord.

4.5 **Tax Indemnity.** In the event any Taxes, or fine, penalty, and/or interest thereon are at any time assessed against the Landlord by any state in which a portion of the Premises is located or any local governmental entity or authority as a result of or arising out of the lease of the Premises by the Tenant from the Landlord, or Landlord becomes liable for any reason for any liability of Tenant for Taxes or for any fine, penalty, or interest thereon, whether such assessment arises from the sole liability of Landlord or from the joint liability of Landlord and Tenant, and Landlord pays such assessment or liability, Tenant hereby agrees to pay to the Landlord an amount equal to the amount of such assessment of Tax, fine, penalty and interest. Such payment shall be due and payable to Landlord prior to the date on which such Tax, fine, penalty or interest is due and payable to the taxing authority. Tenant shall have the right, but not the obligation, to protest the amount or payment of such assessment (in whole or in part) against the Landlord, and Landlord will cooperate fully with Tenant in regard to such protest; provided that in the event of any protest by Tenant, Landlord shall not incur any expense because of such protest. Tenant shall diligently and continuously prosecute any such protest. To the fullest extent permitted by law, Tenant agrees to protect, indemnify, defend and save harmless Landlord, its directors, members, officers, shareholders, agents, and employees from and against any and all foreseeable or unforeseeable liability, expense, loss, costs, deficiency, fine, penalty, interest, or other damages (including, without limitation, punitive or consequential damages, reasonable attorneys’ fees, and expenses) arising out of or due to any tax protest by Tenant pursuant to Section 4.3 hereof, whether such items arise from the sole liability of Landlord or from the joint liability of Landlord and Tenant. Upon receiving notice of or information concerning any suit, claim or demand, including any proposed tax audit of Landlord or any proposed tax assessment, asserted by a third party that Landlord believes is covered by the indemnity set forth in this Lease, Landlord shall give Tenant notice of same. Tenant shall defend Landlord against such matter at Tenant’s sole cost and expense with legal counsel reasonably satisfactory to Landlord.

4.6 **Other Charges.** Tenant agrees to pay and discharge, punctually as and when the same shall become due and payable without penalty, all electricity, gas, garbage collection, cable television, telephone, water, sewer, and other utilities costs and all other charges, obligations or deposits assessed against the Premises during the Term.

5. **Insurance.** At Tenant's sole expense:

5.1 **General Insurance Requirements.** Notwithstanding any other provisions of this Lease to the contrary, Tenant agrees to provide and maintain a full complement of insurance coverage in accordance with the standards, limits, terms and conditions required by Landlord, as they may be modified or amended, including but not limited to the coverage described in this **Section 5.** Tenant furthermore agrees to maintain fire and extended coverage insurance policies for replacement cost, full coverage for vehicles satisfactory to Landlord, public liability insurance policies, and professional liability insurance covering errors and omissions for medical malpractice, all types of abuse, and any service where healthcare is provided in at least such amounts and on such terms as may be required by Landlord. Such policies shall name Landlord as co-insured thereunder and Tenant shall provide a Certificate of Insurance to Landlord whenever a change is made to any policy, and not less often than annually.

5.2 **Workers Compensation.** Tenant shall comply with all legal requirements regarding worker's compensation, including any requirement to maintain worker's compensation insurance against claims for injuries sustained by Tenant's employees in the course of their employment.

5.3 **Boiler Insurance.** If required by Landlord, Tenant shall maintain boiler and pressure vessel insurance, including an endorsement for boiler business interruption insurance, on any fixtures or equipment which are capable of bursting or exploding, in an amount not less than the amount required thereunder for damage to property, bodily injury or death resulting from such perils.

5.4 **Business Interruption Insurance.** Tenant shall maintain, at its expense, business interruption and extra expense insurance insuring against loss of rental value for a period not less than one (1) year.

5.5 **Deductible Amounts.** The policies of insurance which Tenant is required to provide under this Lease will not have deductibles or self-insured retentions in excess of One Hundred Thousand Dollars (\$100,000).

6. **Use, Maintenance and Alteration of the Premises.**

6.1 **Tenant's Maintenance Obligations.** Tenant will keep and maintain the Premises in good appearance, repair and condition and maintain proper housekeeping. Tenant shall promptly make or cause to be made all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the Premises in good and lawful order and condition and in substantial compliance with all requirements for the operation of the Permitted Uses in the state where the Premises are located.

6.2 **Permitted Use.** Tenant shall continuously use and occupy the Premises during the Term solely for the Permitted Uses. In no event shall Tenant initiate or permit (A) any change in the use of all or any part of the Premises, including any change in the Unit or bed Acuity composition in excess of fifteen percent (15%) of the total number of Units or beds in place as of the date of this Lease, unless otherwise approved in writing by the Landlord, (B) any use or occupancy of the Premises by any residential tenant that would disqualify the Premises as a Seniors Housing Facility, or (C) the acceptance of tenants that require skilled nursing care or permit tenants requiring skilled nursing care to remain at the Premises as a routine matter.

6.3 **No Liens; Permitted Contests.** Tenant shall not cause, create, incur, assume, permit, or suffer to exist any liens, judgments, levies or attachments to be placed or assessed against the Tenant Personal Property, the Premises or the operation thereof for any reason, except for Permitted Encumbrances. However, Tenant shall be permitted in good faith and at its expense to contest the existence, amount or validity of any lien upon the Premises if:

6.3.1 Tenant notifies Landlord of the commencement or expected commencement of such proceedings;

6.3.2 Landlord determines that the Premises is not in danger of being sold or forfeited;

6.3.3 Tenant deposits with Landlord (or the applicable Governmental Authority if required by applicable law) reserves sufficient to pay the contested item, if required by Landlord (or the applicable Governmental Authority);

6.3.4 Tenant furnishes whatever additional security is required in the proceedings or is reasonably requested in writing by Landlord; and

6.3.5 Tenant commences, and at all times thereafter diligently prosecutes, such contest in good faith until a final determination is made by the applicable Governmental Authority.

6.4 **Alterations by Tenant.** Tenant shall have the right of altering, improving, replacing, modifying or expanding the facilities, equipment, furnishings or appliances in the Premises from time to time as it may determine is desirable for the continuing and proper use and maintenance of the Premises under this Lease; provided, however, that any alterations, improvements, replacements, expansions or modifications shall require the prior written consent of the Landlord, which consent Landlord may withhold in its sole and absolute discretion. The cost of all such alterations, improvements, replacements, modifications, expansions or other purchases, whether undertaken as an on-going licensing, Medicare or Medicaid (or any successor program) or other lender or regulatory requirement or otherwise shall be borne solely and exclusively by Landlord and shall immediately become a part of the Premises and the property of the Landlord subject to the terms and conditions of this Lease. All work done in connection therewith shall be done in a good and workmanlike manner and in compliance with all existing codes and regulations pertaining to the Premises and shall comply with the requirements of insurance policies required under this Lease.

6.5 **Capital Improvements by Landlord.** Landlord shall have the right to alter, improve, replace, modify or expand the facilities, equipment, furnishings or appliances in the Premises from time to time as it may determine is desirable for the continuing and proper use and maintenance of the Premises under this Lease, provided that Landlord shall exercise commercially reasonable efforts to minimize any adverse impact on Tenant's use and occupancy of the Premises. All work done in connection therewith shall be done in a good and workmanlike manner and in compliance with all existing codes and regulations pertaining to the Premises and shall comply with the requirements of insurance policies required under this Lease.

6.6 **Management Agreements.** Tenant shall timely provide Landlord with copies of all reports, notices and correspondence received from and addressed to any of Tenant's Manager(s) involved with the Premises, the purpose being to keep Landlord fully informed about the business and conditions at the Premises. Tenant shall obtain Landlord's prior written consent, which may be withheld in Landlord's sole and absolute discretion, before executing any Management Services Agreement, terminating any Management Services Agreement or changing management companies for the Premises. Each Management Services Agreement shall be subordinate to this Lease and shall include a provision requiring the management company to provide upon demand an agreement with Landlord in form and substance acceptable to Landlord confirming such subordination. Tenant shall enforce the requirement in each Management Services Agreement obligating the Manager to provide financial statements set forth in the Management Services Agreement, including a statement of monthly and year-to-date income and expenses of the Premises and shall provide copies thereof to Landlord. If so provided in the Management Services Agreement, an authorized financial officer of the Manager shall certify as to the accuracy of the financial statements.

6.7 **Business Plans.** Tenant shall cooperate with Manager to prepare Business Plans for the operation of the Premises. Tenant shall operate the Premises in compliance with the then-applicable Business Plan.

6.8 **Reporting to Landlord.** Tenant shall provide required reports regarding the Premises to Landlord.

6.8.1 Upon Landlord's request, Tenant shall deliver to Landlord an executed copy of each residential lease or occupancy agreement then in effect for the Premises, along with a current rent roll showing the name of each tenant residing in the Premise, and for each tenant, the space occupied, the lease expiration date, the Rent payable, the Rent paid and any other information requested by Landlord. If so provided in the Management Services Agreement, an authorized financial officer of the Manager shall certify as to the accuracy of such rent roll.

6.8.2 As soon as practicable following Landlord's request, Tenant shall provide an accounting of all security deposits held in connection with any lease or occupancy agreement for any part of the Premises, including the name and identification number of the accounts in which such security deposits are held, the name and address of the financial institutions in which such security deposits are held and the name and telephone number of the person to contact at such financial institution, along with any authority or release necessary for Landlord to access information regarding such accounts.

6.8.3 Tenant will provide other reports and information regarding the Premises as Landlord may request from time to time.

6.9 **Funding by Landlord.** Landlord may from time to time fund certain Shortfalls and other amounts and items acceptable to Landlord, in each case, if Landlord determines that based on an Approved Operating Budget or otherwise, such funding is necessary or appropriate to preserve or protect the Premises. The proceeds of each such funding shall be used by Tenant only in accordance with an Approved Operating Budget. Landlord shall disburse the proceeds of any such funding directly to Tenant's bank account identified on Exhibit "B" attached hereto (the "**Disbursement Account**"). The Disbursement Account must be maintained with a financial institution acceptable to Landlord, in its reasonable discretion, and Tenant shall be responsible for paying all applicable set-up and maintenance fees associated with the Disbursement Account. Tenant acknowledges and agrees that, while this Lease remains in effect, neither Tenant nor any other Person acting on behalf of, or claiming through, Tenant, shall have any right or authority to change the identity, name, location, account number, bank location or other feature or attribute of the Disbursement Account without the prior written consent of Landlord, which consent may be withheld by Landlord in its sole and absolute discretion. At the election of Landlord, exercised from time to time, Tenant will establish a new Disbursement Account at a successor depository institution of Landlord's choice (and such depository institution shall enter into a new DACA in form and substance satisfactory to Landlord). Tenant represents and warrants that as of the effective date hereof Tenant maintains no deposit, securities or similar accounts other than the Disbursement Account, except for any such accounts as have been approved by Landlord. Tenant agrees that while this Lease remains in effect, Tenant shall not open any accounts other than the Disbursement Account, except as otherwise approved by Landlord. Tenant agrees that all amounts received by Tenant shall be deposited into the Disbursement Account immediately upon receipt thereof by Tenant. Until so deposited, any such funds that are held by Tenant shall be held in trust for the benefit of Landlord, as secured party, and shall not be commingled with any other funds or property of Tenant. Landlord shall be entitled to reimbursement of any amounts funded as contemplated in this Section 6.9 solely from payments of Base Rent and the proceeds of a sale, transfer or other disposition of the Tenant Personal Property.

7. **Condition of Premises.**

7.1 **Condition and Title of Premises.** Tenant accepts the Premises for use under this Lease on an "AS IS" basis and will assume all responsibility and cost for the correction of any observed or unobserved deficiencies or violations. In making its decision to enter into this Lease, Tenant has not relied on any representations or warranties, express or implied, of any kind from Landlord or its representatives. Tenant has examined the condition of title to the Premises prior to the execution and delivery of this Lease and has found the same to be satisfactory.

8. **Landlord and Tenant Personal Property.**

8.1 **Tenant Personal Property.** In addition to the Landlord Personal Property on the Premises at the beginning of the Term, Tenant shall install, affix or assemble or place on the Premises any and all additional items of Personal Property as Tenant reasonably considers to be appropriate for Tenant's use of the Premises as contemplated by this Lease. All replacements

of Landlord Personal Property and Fixtures shall be and remain Landlord Personal Property or Fixtures, as applicable, and shall not be removed by Tenant. Tenant shall provide and maintain during the entire Term all Tenant Personal Property as shall be necessary in order to operate the Premises in compliance with all requirements set forth in this Lease. All Tenant Personal Property shall be and shall remain the property of Tenant and may be removed by Tenant upon the expiration of the Term. However, if there is any Event of Default (after applicable notice and opportunity to cure), Tenant will not remove the Tenant Personal Property from the Premises and will on demand from Landlord, convey the Tenant Personal Property to Landlord for One Dollar (\$1.00) by executing a bill of sale in a form reasonably required by Landlord. In any event, Tenant will repair all damage to the Premises caused by any removal of the Tenant Personal Property.

8.2 **Landlord's Security Interest.**

8.2.1 The parties intend that if an Event of Default occurs and Landlord dispossesses Tenant, Landlord will control the Tenant Personal Property so that Landlord or its designee can operate or re-let the Premises intact.

8.2.2 Therefore, to implement the intention of the parties and permit the exercise of remedies hereunder to dispossess Tenant, and for the purpose of securing the payment and performance of Tenant's obligations under this Lease, Tenant, as debtor, hereby grants to Landlord, as secured party, a security interest in and an express contractual lien upon, all of Tenant's right, title and interest, whether now existing or hereafter arising, in and to the Tenant Personal Property and any and all products and proceeds thereof, in which Tenant now owns or hereafter acquires an interest or right, including any leased Tenant Personal Property. This Lease constitutes a security agreement under the Uniform Commercial Code that from time to time is in effect in the relevant jurisdiction covering all such Tenant Personal Property. In Landlord's sole and absolute discretion, the security interest granted to Landlord in this Section 8.2.2 may be subordinated to any security interest granted in connection with the financing or leasing of all or any portion of the Tenant Personal Property. The lessor or financier of such Tenant Personal Property shall agree to give Landlord written notice of any default by Tenant under the terms of such lease or financing arrangement, to give Landlord a reasonable time following such notice to cure any such default and to consent to Landlord's written assumption of such lease or financing arrangement upon Landlord's curing of any defaults thereunder. This security agreement and the security interest created herein shall survive the termination of this Lease if such termination results from the occurrence of an Event of Default.

8.2.3 The Disbursement Account shall at all times be subject to a DACA. The Disbursement Account shall be the sole bank, securities, deposit or savings account maintained by Tenant and all receipt of funds by such entity, and payment of funds by such entity, shall be made through the Disbursement Account, in each case, except as otherwise approved by Landlord.

8.3 **Financing Statements.** Upon the execution of this Lease and if required by Landlord at any time during the Term, Tenant shall execute and deliver to Landlord, in form reasonably satisfactory to Landlord, additional security agreements, financing statements, fixture filings, continuation statements and such other documents as Landlord may reasonably require to

perfect or continue the perfection of Landlord's security interest in the Tenant Personal Property and any and all products and proceeds thereof now owned or hereafter acquired by Tenant. Tenant shall pay all fees and costs that Landlord may incur in filing such documents in public offices and in obtaining such record searches as Landlord may reasonably require. In the event Tenant fails to execute any financing statements or other documents for the perfection or continuation of Landlord's security interest, Tenant hereby appoints Landlord as its true and lawful attorney-in-fact to execute any such documents on its behalf, which power of attorney shall be irrevocable and is deemed to be coupled with an interest. Tenant hereby irrevocably authorizes Landlord at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (1) indicate the collateral (i) as all assets of Tenant or words of similar effect, regardless of whether any particular asset comprised in the collateral falls within the scope of Article 9 of the applicable Uniform Commercial Code, or (ii) as being of an equal or lesser scope or with greater detail, and (2) contain any other information required by Part 5 of Article 9 of the applicable Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether Tenant is an organization, the type of organization and any organization identification number issued to Tenant or a statement that it has none, and (B) in the case of a financing statement filed as a fixture filing or indicating collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the collateral relates. Tenant agrees to furnish any such information to Landlord promptly upon request. Tenant also ratifies its authorization for Landlord to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

9. **Representations, Warranties and Covenants.** Landlord and Tenant do hereby each for itself represent and warrant to each other as follows as of the Effective Date (with each of Landlord and Tenant, respectively, also being referred to as the "Representing Party"):

9.1 **Due Authorization And Execution.** This Lease and all agreements, instruments and documents executed or to be executed in connection herewith by the Representing Party were duly authorized and shall be binding upon such Representing Party.

9.2 **Due Organization.** The Representing Party is duly organized, validly existing and in good standing under the laws of the State of its formation, organization or incorporation and is duly authorized and qualified to do all things required of such Representing Party under this Lease within the State of its formation, organization or incorporation.

9.3 **No Breach of Other Agreements.** Neither this Lease nor any agreement, document or instrument executed or to be executed in connection herewith, violates the terms of any other agreement to which the Representing Party is a party.

9.4 **Tenant to Landlord.** Tenant hereby represents and warrants to Landlord and covenants (or as applicable, shall cause the Manager to comply) as follows:

9.4.1 All facilities, services, senior care and other businesses conducted on the Premises shall be operated in compliance with all applicable local, state and federal laws.

9.4.2 Tenant shall uphold reasonable standards of qualification, certification and experience for all personnel and contractors engaged in the business of operating and maintaining the Premises.

9.4.3 No Management Services Agreement, equipment lease or any other contract affecting the Premises shall extend beyond or obligate Landlord after the Term of this Lease.

9.4.4 Neither Tenant, nor to Tenant's knowledge, any Person Controlling Tenant, is in violation of any applicable civil or criminal laws or regulations, including those requiring internal controls, intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Premises is located or where the Person resides, is domiciled, or has its principal place of business.

9.4.5 Neither Tenant, nor to Tenant's knowledge, any Person Controlling Tenant, is a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 9.4.4;

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 9.4.4;

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Lease under any other applicable law;

(D) that is deemed a Sanctioned Person; or

(E) is a Person identified on the United States Department of Housing and Urban Development's "Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions List," or on the General Services Administration's "System for Award Management (SAM)" exclusion list, each of which may be amended from time to time, and any successor or replacement thereof.

9.4.6 Tenant shall at all times remain in compliance with any applicable Economic Sanctions laws and regulations.

9.4.7 If neither Tenant nor any Manager is a Medicaid Participant as of the date of this Lease, Tenant hereby represents and warrants that neither Tenant nor Manager has entered into a Medicaid Provider Agreement with respect to the Premises.

9.4.8 If a Medicaid Provider Agreement is in place with respect to the Premises, Tenant hereby represents and warrants to Landlord as follows:

(A) Tenant has delivered to Landlord a true and complete copy of the Medicaid Provider Agreement in place as of the date of this Lease, together with any amendments and modifications thereto;

(B) the Medicaid Provider Agreement is a valid and binding agreement enforceable against the parties in accordance with its terms and is in full force and effect;

(C) to Tenant's knowledge, neither Tenant, the Manager nor a Governmental Authority or Managed Care Organization is in default under the Medicaid Provider Agreement, nor does any state of facts exist that with the passage of time or the giving of notice, or both, could constitute a default under the Medicaid Provider Agreement;

(D) neither the Manager nor Tenant has received any notice from a Governmental Authority or Managed Care Organization, as applicable, to the effect that such Governmental Authority or Managed Care Organization, as applicable, intends to terminate its relationship or unilaterally modify any terms of the Medicaid Provider Agreement in effect as of the date of this Lease, including the reduction of rates paid to Tenant or Manager for services provided under the Medicaid Provider Agreement;

(E) as of the date of this Lease, Tenant or the Manager, as applicable, meets the provider standards, including all conditions for participation, as required by such Managed Care Organization or Governmental Authority;

(F) neither Tenant nor any Manager has been excluded from participation in any Governmental Health Care Program with respect to the Premises or any other property;

(G) Tenant and Manager shall comply with the terms and conditions of the Medicaid Provider Agreement and shall enforce the obligations of each Managed Care Organization or Governmental Authority under the applicable Medicaid Provider Agreement;

(H) Tenant and Manager shall maintain their respective compliance with the provider standards, including all conditions for participation, as required by the Managed Care Organization or the Governmental Authority, as applicable;

(I) without the prior written consent of Landlord, Tenant shall not take, and shall not permit Manager to take, any of the following actions:

(i) amend or otherwise modify the then-current Medicaid Provider Agreement;

(ii) terminate the then-current Medicaid Provider Agreement;

(iii) waive a default under the then-current Medicaid Provider Agreement; or

(iv) enter into a new Medicaid Provider Agreement or renew or replace an existing Medicaid Provider Agreement; and

(L) within five (5) days after Tenant's or any Manager's receipt thereof, Tenant shall give Landlord written notice of any notice or information received by Tenant or any Manager that indicates that:

(i) either Tenant or any Manager is in default under the terms of the Medicaid Provider Agreement;

(ii) the applicable Governmental Authority or Managed Care Organization intends to amend, modify, or terminate the Medicaid Provider Agreement;

(iii) Tenant or Manager has ceased to meet the provider standards required by the applicable Governmental Authority or Managed Care Organization;

(iv) Tenant or Manager has received notice from any Governmental Authority or Managed Care Organization that the rates for services provided under the then-current Medicaid Provider Agreement will be adjusted; or

(v) either Tenant or any Manager has been excluded from participation in any Governmental Health Care Program with respect to the Premises or any other property.

9.4.9 Tenant (or the Manager, if applicable) is in all respects legally authorized to operate the Premises as a Seniors Housing Facility under the applicable laws of the jurisdiction in which the Premises is located. If required by applicable law, Tenant has, or the Manager, if applicable, has a current provider agreement (other than the Medicaid Provider Agreement covered by Section 9.4.8) under any and all applicable federal, state, and local laws for reimbursement for providing housing or services to residents at the Premises. There is no decision not to renew any provider agreement related to the Premises, nor is there any action pending or threatened to impose alternative, interim, or final sanctions with respect to the Premises.

9.4.10 Other than the Medicaid Provider Agreement covered by Section 9.4.8:

(A) Tenant is not a participant in any federal program whereby any Governmental Authority may have the right to recover funds by reason of the advance of federal funds; and

(B) Manager is not a participant in any federal program whereby any Governmental Authority may have the right to recover funds by reason of the advance of federal funds with respect to the Premises.

9.4.11 The Licenses will not be adversely affected by (A) the execution and delivery of this Lease or the Management Services Agreement or (B) Tenant's performance under them.

9.4.12 In the event this Lease or any existing Management Services Agreement is terminated, none of Tenant, Landlord, any current Manager or future Manager, or any subsequent purchaser must obtain a certificate of need from any applicable state health care regulatory authority or agency (other than giving such notice required under the applicable state law or regulation) prior to applying for any applicable License, provided that no service or Unit complement is changed.

9.4.13 If Tenant or any Manager is a HIPAA Covered Entity or HIPAA Business Associate, such entity has developed and implemented appropriate administrative, technical and physical safeguards to protect the privacy and security of Protected Health Information (as that term is defined in HIPAA), and otherwise achieved substantial compliance with all applicable HIPAA requirements, including those concerning privacy, breach notification, security and electronic transaction standards.

9.4.14 If required by applicable law, Tenant shall at all times maintain a current provider agreement under any and all applicable federal, state, and local laws for reimbursement for providing housing or other services to residents at the Premises.

9.4.15 Other than the Medicaid Provider Agreement covered by Section 9.4.8:

(A) Tenant shall not participate in any federal program whereby any Governmental Authority may have the right to recover funds by reason of the advance of federal funds; and

(B) Manager shall not participate in any federal program whereby any Governmental Authority may have the right to recover funds by reason of the advance of federal funds with respect to the Premises.

9.4.16 To Tenant's and Affiliated Manager's knowledge, the Premises and the use of the Premises comply with all applicable laws, ordinances, statutes, rules, and regulations, including:

(A) all applicable statutes, rules, and regulations pertaining to requirements for equal opportunity, anti-discrimination, fair housing, and rent control;

(B) the applicable provisions of all laws, rules, regulations, and published interpretations thereof including all criteria established to classify the premises as housing for older persons under the Fair Housing Amendments Act of 1988 and the

Housing for Older Persons Act of 1995 to which Tenant, Manager or the Premises is subject; and

(C) privacy, breach notification, security, and electronic transaction standards including those set forth in HIPAA; and

(D) Tenant has no knowledge of any action or proceeding (or threatened action or proceeding) regarding noncompliance or nonconformity with any of the foregoing.

9.4.17 To Tenant's knowledge, there is no evidence of any illegal activities on the Premises.

9.4.18 All required permits, Licenses, and certificates to comply with all zoning and land use statutes, laws, ordinances, rules, and regulations, and all applicable health, fire, safety, and building codes, and for the lawful use and operation of the Premises, including certificates of occupancy, apartment licenses, or the equivalent, have been obtained and are in full force and effect.

9.4.19 To the extent required under applicable law for the Seniors Housing Facility Licensing Designation, the Premises is duly licensed and such Licenses are in good standing and are in full force and effect.

9.4.20 If a License is required to operate the Premises as a Seniors Housing Facility:

(A) To Tenant's knowledge, there currently exist no grounds for the revocation, suspension or limitation of any License, including any restriction on admission of new residents or any modification of any License to permit a less acute level of care.

(B) Tenant, as applicable, has filed all reports and other information required by the Licenses on or prior to any deadlines imposed by the Licenses.

(C) Tenant, as applicable, has not assigned, sub-contracted or delegated any of its rights and obligations created by the Licenses.

(D) There has been no prior assignment of Licenses that has not been terminated prior to or on the date of this Lease.

9.4.21 The Management Services Agreement and each Contract is a valid and binding agreement enforceable against the parties in accordance with its terms and is in full force and effect.

9.4.22 No party is in default in performing any of its obligations under the Management Services Agreement or any Contract.

9.4.23 The Management Services Agreement and each Contract is assignable and no previous assignment of Tenant's interest in the Management Services Agreement or Contracts has been made.

9.4.24 All records pertaining to residents living at the Premises are true and correct in all material respects.

9.4.25 Tenant shall require that all leases and occupancy agreements for residents living at the Premises (in each case, entered into following the date hereof) have initial terms of not more than twenty-four (24) months and not less than one (1) month (provided that leases or occupancy agreements with terms of less than six (6) months are customary for properties comparable to the Premises in the applicable market).

9.4.26 Tenant (A) shall maintain and operate, or shall cause the Manager, if applicable, to maintain and operate, the Premises as a Seniors Housing Facility, (B) shall maintain, or shall cause the Manager, if applicable, to maintain, in good standing all Licenses required to maintain and operate the Premises as a Seniors Housing Facility, (C) shall renew or extend, or shall cause Manager, if applicable, to renew and extend, all such Licenses, and (D) shall not fail, nor allow the failure by the Manager, if applicable, to take any action necessary to keep all such Licenses in good standing and full force and effect. Tenant will, or shall cause the Manager, if applicable, to provide Landlord written notice within five (5) days of Tenant's or the Manager's receipt of any notice or order of a violation which may otherwise have an adverse impact on Tenant, the Manager, the Premises, its operations, or its compliance with licensing and regulatory requirements.

9.4.27 If any License requirement is imposed upon the Premises after the date of this Lease, or any License is replaced with new License after the date of this Lease that does not constitute a renewal of an existing License, Tenant shall (A) obtain, or cause the Manager, if applicable, to obtain, all such Licenses, (B) execute, and cause the Manager, if applicable, to execute a new assignment of Licenses in a form acceptable to Landlord, and (C) maintain, or cause the Manager, if applicable, to maintain, such License in full force and effect.

9.4.28 Without the prior written consent of Landlord, Tenant shall not amend, modify, transfer, assign, or otherwise change the Licenses or permit Manager, if applicable, to do so.

9.4.29 Tenant shall promptly inform Landlord in writing and shall cause Manager to promptly inform Landlord in writing, if such party has actual knowledge of, and shall deliver to Landlord copies of, (A) any written communications, complaints, orders, judgments, and other documents relating to the commencement of any litigation, rulemaking, or disciplinary proceeding or the promulgation of any proposed or final rule which would have, or may reasonably be expected to have, a material adverse effect on the Premises or the Licenses, and (B) notice from any Governmental Authority having jurisdiction over Tenant or any Manager that (i) Tenant or Manager is being placed under regulatory supervision, (ii) any License related to the conduct of Tenant's or Manager's, if applicable, business or the Premises is to be suspended or revoked, or (iii) Tenant or

Manager is to cease and desist any practice, procedure, or policy employed by Tenant or Manager in the conduct of its business, and such cessation would have, or may reasonably be expected to have, a material adverse effect on the Premises or the Licenses.

9.4.30 At all times a Management Services Agreement with a Manager acceptable to Landlord, in its sole discretion, shall be in effect. Each Manager and each Management Services Agreement must be approved in writing in advance by Landlord. Tenant shall not remove or consent to the removal of any Manager without the prior written consent of Landlord and unless and until Landlord has approved in writing a replacement Manager. Tenant shall comply with and shall enforce the obligations of each Manager under each Management Services Agreement. Without the prior written consent of Landlord, Tenant shall not:

(A) modify, amend, supplement, or restate any Management Services Agreement;

(B) waive a default under any Management Services Agreement;

or

(C) waive any of Tenant's rights or fail to diligently pursue Tenant's remedies under the Management Services Agreement.

As a condition to any approval by Landlord of a new Management Services Agreement, Tenant and such new Manager shall enter into an assignment of Management Services Agreement and any applicable ancillary assignments.

9.4.31 Within five (5) days of Tenant's receipt or delivery, Tenant shall provide Landlord written notice of any notice or information received by Tenant that indicates either Tenant or any Manager is (A) in default under the terms of any Management Services Agreement, (B) amending, modifying, or terminating any Management Services Agreement, or (C) otherwise discontinuing its operation and management of the Premises.

9.4.32 Tenant shall cause each Manager, where applicable, to comply with the terms, conditions, provisions, requirements, and affirmative and negative covenants of this Lease relating to the use and operation of the Premises, including all terms, conditions, provisions, requirements, and affirmative and negative covenants set forth in this Lease applicable to the organization, existence, and good standing of Manager necessary for the use and operation of the Premises.

9.4.33 Tenant shall continue to have complete access throughout the Term to the organizational, financial, and operational information and documentation of Manager in every respect as it relates to the Premises and the Management Services Agreement (collectively, the "***Manager Business Information***"). Tenant shall continue to be fully informed regarding the Manager Business Information and shall have complete access to the Manager Business Information as if Tenant were the day-to-day operator of the Premises and the business activities thereon. Tenant may in the future enter into

Contracts for the provision of additional goods or services at or otherwise in connection with the operation, use, or management of the Premises.

9.4.34 Tenant absolutely and unconditionally pledges, grants a security interest in, and assigns to Landlord all of Tenant's right, title, and interest in, to, and under the Contracts, including Tenant's right, power, and authority to modify the terms of, extend, or terminate any such Contract. Until Landlord gives notice to Tenant of Landlord's exercise of its rights under this Lease, Tenant shall have all right, power, and authority granted to Tenant under any Contract (except as otherwise limited by this subsection or any other provision of this Lease), including the right, power, and authority to modify the terms of any Contract or extend or terminate any Contract. If an Event of Default has occurred and is continuing, and at the option of Landlord, the permission given to Tenant pursuant to the preceding sentence to exercise all right, power, and authority under the Contracts shall terminate. Upon Landlord's delivery of notice to Tenant of an Event of Default, Landlord shall immediately have all right, power, and authority granted to Tenant under any Contract, including the right, power, and authority to modify the terms of, extend, or terminate any such Contract. Tenant shall fully perform all of its obligations under the Contracts, and Tenant agrees not to assign, sell, pledge, transfer, mortgage, or otherwise encumber its interests in any of the Contracts without the prior written approval of Landlord. Each Contract entered into by Tenant subsequent to the date hereof, the average annual consideration of which, directly or indirectly, is at least \$50,000, shall provide: (A) that it shall be terminable for cause, and (B) that it shall be terminable, at Landlord's option, upon the occurrence of an Event of Default.

9.4.35 Tenant shall at all times be and remain a Single-Purpose Entity.

9.4.36 Tenant, at Tenant's sole cost and expense, shall:

(A) furnish to Landlord all instruments, documents, certificates, and each and every other document, certificate, agreement and instrument required to be furnished by Tenant pursuant to the terms of this Lease or reasonably requested by Landlord in connection therewith;

(B) execute and deliver to Landlord such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure Tenant's obligations under this Lease, as Landlord reasonably require; and

(C) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the provisions of this Lease, as Landlord shall reasonably require from time to time. In furtherance hereof, Tenant grants to Landlord an irrevocable power of attorney coupled with an interest for the purpose of protecting, perfecting, preserving and realizing upon the interests granted pursuant to this Lease, all as fully and effectually as Tenant might or could do; and Tenant hereby ratifies all that Landlord shall lawfully do or cause to be done by virtue hereof.

10. **Reports: Financial, Management and Regulatory Reports.**

10.1 **Reports.** Tenant shall prepare and deliver to Landlord such operating statements and reports relating to the operation of the Tenant's business on the Premises as may be reasonably requested by Landlord. Tenant shall promptly furnish to Landlord copies of all reports, notices and correspondence exchanged pursuant to any Management Services Agreement, as well as a quarterly operating summary of the financial results of the Premises. Tenant will annually file its tax returns no later than September 15 and furnish copies of its tax returns to Landlord upon request. If Tenant is a disregarded entity for tax purposes, the foregoing shall apply to the tax returns of the taxpayer reporting Tenant's taxable events.

10.2 **Accounting Principles.** All of the reports and statements required hereby shall be prepared in accordance with GAAP and Tenant's accounting principles consistently applied.

11. **Events of Default and Landlord's Remedies.**

11.1 **Events of Default.** The occurrence of any of the following shall constitute an event of default on the part of Tenant hereunder (each, an "***Event of Default***"):

11.1.1 The failure to pay when due any Base Rent, Taxes or assessments, utilities, premiums for insurance or other charges or payments required of Tenant under this Lease if not cured within thirty (30) days (except for the payment of Base Rent which shall have no cure period);

11.1.2 Any material suspension, termination or restriction placed upon Tenant or the Premises, the operation of business thereon or the ability to admit residents or patients (e.g., inspection survey resulting in an admissions ban and/or non-payment for new admissions by Medicare or Medicaid) or if the certification of the Premises under Medicare or Medicaid (or any successor program) is suspended or materially limited if not cured within thirty (30) days;

11.1.3 A default by Tenant with respect to any obligation of Tenant under any lease or subcontract with any other party, or under the Management Services Agreement, which default is not cured within any applicable cure period provided in the documentation for such obligation;

11.1.4 any arbitration award, judgment, or decree or order for the payment of money in an amount in excess of \$25,000 per occurrence or \$50,000 in the aggregate, which is not adequately insured or subject to adequate indemnity, is entered against any Tenant which is not immediately stayed or the stay of any such award, judgment, decree or order is lifted;

11.1.5 any writ, levy, lien (including, without limitation, a mechanics lien), seizure, replevin, attachment, execution or similar process shall be issued or levied on any of the property of Tenant (i) that is in excess of \$10,000, (ii) of which Tenant fails to notify Landlord in writing within three (3) Business Days following Tenant's receipt of same, or (iii) that Tenant has not satisfied within ten (10) Business Days;

11.1.6 Any material misstatement or omission of fact in any written report, notice or communication from Tenant to Landlord with respect to Tenant or the Premises if not cured within thirty (30) days;

11.1.7 The failure to comply with the provisions of Section 23 below if not cured within thirty (30) days;

11.1.8 Tenant shall (a) generally not pay its debts as such debts become due, (b) admit in writing its inability to pay its debts generally, or (c) make an assignment of all or substantially all of its property for the benefit of creditors;

11.1.9 The appointment of a receiver, trustee, or liquidator for Tenant, or any of the property of Tenant, if (a) within three (3) business days of such appointment Tenant does not inform Landlord in writing that Tenant intends to cause such appointment to be discharged, (b) Tenant does not thereafter diligently prosecute such discharge to completion or (c) such appointment is not discharged within sixty (60) days after the date of such appointment;

11.1.10 The failure to deliver evidence of insurance to Landlord as required by Section 5.1, and to maintain such insurance in full force and effect at all times;

11.1.11 The filing by Tenant of a voluntary petition under any federal bankruptcy law or under the law of any state to be adjudicated as bankrupt or for any arrangement or other debtor's relief, or in the alternative, if any such petition is involuntarily filed against Tenant by any other party and (a) Tenant does not within three (3) business days of any such filing inform Landlord in writing of the intent by Tenant to cause such petition to be dismissed, (b) Tenant does not thereafter diligently prosecute such dismissal, or (c) such filing is not dismissed within sixty (60) days after filing thereof;

11.1.12 Any amendment, modification, or termination of the Management Services Agreement not permitted by this Lease;

11.1.13 Any failure by Tenant or the Manager to comply with the use and License requirements set forth in this Lease or as required by any applicable law;

11.1.14 A transfer or change in the holder of the Licenses not permitted by this Lease;

11.1.15 (A) any loss by Tenant or the Manager of any License, or (B) any failure by Tenant or the Manager to comply strictly with any consent order or decree or to correct, within the time deadlines set by any federal, state, or local licensing agency, any deficiency where such failure results, or under applicable laws and regulations, is reasonably likely to result, in an action by such agency with respect to the Premises that may have a material adverse effect on Tenant, the Manager, or the management and operations of the Premises or Tenant's or the Manager's interest in the Premises, including a termination, revocation, or suspension of any Licenses;

11.1.16 If Tenant or any Manager: (A) ceases to operate the Premises as a Seniors Housing Facility or takes any action or permits to exist any condition that causes the Premises to no longer be classified as a Seniors Housing Facility, (B) ceases to provide such kitchens, separate bathrooms, and areas for eating, sitting, and sleeping in each independent living or assisted living Unit or at a minimum, central bathing and dining facilities for Alzheimer's/dementia care, as are provided as of the date of this Lease, (C) ceases to provide other facilities and services normally associated with independent living or assisted living Units including (i) central dining services with a commercial kitchen, (ii) periodic housekeeping, (iii) laundry services, (iv) customary transportation services, and (v) social activities, or (D) provides or contracts for skilled nursing care for any of the Units; or

11.1.17 Landlord's security interest in any of the Tenant Personal Property fails to be a perfected first priority security interest;

11.1.18 The failure to perform or comply with any other term or provision of this Lease not requiring the payment of money, including, without limitation, the failure to comply with the provisions hereof pertaining to the use, operation and maintenance of the Premises; provided, however, the default described in this Section 11.1.15 shall not be an Event of Default if: (a) within three (3) business days of Tenant's receipt of a notice of default from Landlord, Tenant gives Landlord notice of its intent to cure such default; and (b) Tenant cures such default within thirty (30) days after such notice from Landlord (which thirty-(30) day cure shall not apply to payment of Base Rent under Section 3 hereof), unless such default cannot with due diligence be cured within a period of thirty (30) days because of the nature of the default or delays beyond the control of Tenant, and cure after such thirty (30) day period will not have a material and adverse effect upon the operation of the Premises by Tenant and Manager, in which case such default shall not constitute an Event of Default if Tenant uses its best efforts to cure such default by promptly commencing and diligently pursuing such cure to the completion thereof, provided, however, no cure period for such default shall continue for more than ninety (90) days from Tenant's receipt of a notice of the default from Landlord.

Notwithstanding the foregoing, there shall be no cure period in the event of the breach by Tenant of (a) the obligation to provide replacement cost policies of insurance as required in Section 5.1 above or (b) the provisions of Section 22 below with respect to assignments and other related matters. All notice and cure periods provided herein shall run concurrently with any notice or cure periods provided by applicable law.

11.2 **Remedies.** Upon the occurrence of an Event of Default (after applicable notice and cure periods), Landlord may exercise all rights and remedies under this Lease and the laws of the State of North Carolina available to a lessor of real and personal property in the event of a default by its lessee, and as to the Tenant Personal Property, all remedies granted under the laws of such State to a secured party under its Uniform Commercial Code. Without limiting the foregoing, Landlord shall have the right to do any or all of the following at any time during the continuation of any Event of Default:

11.2.1 Sue for the specific performance of any covenant of Tenant under this Lease as to which Tenant is in breach;

11.2.2 Upon compliance with the requirements of applicable law, Landlord may do any of the following: enter upon the Premises, terminate this Lease, dispossess Tenant from the Premises and/or collect money damages by reason of Tenant's breach, including, without limitation, the acceleration of all Rent which would have accrued under this Lease after such termination, and all obligations and liabilities of Tenant under this Lease which survive the termination of the Term;

11.2.3 Elect to leave this Lease in place and sue for Rent and/or other money damages as the same come due;

11.2.4 Before or after repossession of the Premises pursuant to Section 11.2.2, and whether or not this Lease has been terminated, Landlord shall have the right (but shall be under no obligation) to relet any portion of the Premises to such tenant or tenants, for such term or terms (which may be greater or less than the remaining balance of the Term), for such Rent, or such conditions (which may include concessions or free rent), and for such uses, as Landlord, in its absolute discretion, may determine, and Landlord may collect and receive any Rents payable by reason of such reletting. Except to the extent required by applicable law, Landlord shall have no duty to mitigate damages unless required by applicable law and shall not be responsible or liable for any failure to relet any of the Premises or for any failure to collect any Rent due upon any such reletting. Tenant agrees to pay Landlord, immediately upon demand, all expenses incurred by Landlord in obtaining possession and in reletting any of the Premises, including fees, commissions and costs of attorneys, architects, agents and brokers;

11.2.5 Hold, collect, or use the Tenant Personal Property as reasonably determined by Landlord in connection with the continued operation of the Premises and the transfer of the Premises to a replacement tenant, and require Tenant to assign its interest in this Lease to any replacement tenant acceptable to Landlord, or cause the sale of any of the Tenant Personal Property as a non-judicial foreclosure sale under the Uniform Commercial Code with the proceeds of any such sale to be made available to Landlord as recovery of such amount of Landlord's damages for Tenant's Event of Default;

11.3 **Receivership.** Tenant acknowledges that, during the continuance of an Event of Default, one of the rights and remedies available to Landlord under applicable law is to apply to a court of competent jurisdiction for the appointment of a receiver to take possession of the Premises, to collect the Rents, issues, profits and income of the Premises and to manage the operation of the Premises. Tenant further acknowledges that the revocation, suspension or material limitation of the certification of the Premises for provider status under Medicare or Medicaid (or successor programs) and/or the revocation, suspension or material limitation of a license relating to the operation of the Premises for its intended use under the laws of the State of North Carolina will materially and irreparably impair the value of the Premises. Therefore, in any of such events, including upon and during the continuance of an Event of Default pursuant to section 11.1, and in addition to any other right or remedy of Landlord under this Lease or otherwise available at law or in equity, Landlord may petition any appropriate court for, and Tenant hereby consents to, the

appointment of a receiver to take possession of the Premises, to manage the operation of the Premises, to collect and disburse all Rents, issues, profits and income generated thereby and to preserve or replace to the extent possible any such license and provider certification for the Premises or to otherwise substitute the licensee or provider thereof. The receiver shall be entitled to a reasonable fee for its services as a receiver, payable from the Receivership estate. All such fees and other expenses of the Receivership estate shall be added to the monthly Rent due to Landlord under this Lease. Tenant hereby irrevocably stipulates to the appointment of a receiver under such circumstances and for such purposes and agrees not to contest such appointment.

11.4 **Late Charges.** Tenant acknowledges that the late payment of any Base Rent or other amounts due under this Lease will cause Landlord to lose the use of such money and incur costs and expenses not contemplated under this Lease, including, without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, if any installment of Base Rent or other amounts due under this Lease is not paid within five (5) calendar days after the due date for such payment, then Tenant shall thereafter pay to Landlord on demand a late charge equal to five percent (5%) of the amount of any delinquent installments of Base Rent and other amounts due under this Lease and not paid on the due date.

11.5 **Remedies Cumulative; No Waiver.** No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity. No failure of Landlord to insist at any time upon the strict performance of any provision of this Lease or to exercise any option, right, power or remedy contained in this Lease shall be construed as a waiver, modification or relinquishment thereof as to any similar or different breach (future or otherwise) by Tenant. A receipt by Landlord of any Rent or other sum due hereunder (including any late charge) with knowledge of the breach of any provision contained in this Lease shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in a writing signed by Landlord.

11.6 **Performance of Tenant's Obligations by Landlord.** If Tenant at any time shall fail to make any payment or perform any act on its part required to be made or performed under this Lease, then Landlord may, without waiving or releasing Tenant from any obligations or default of Tenant hereunder, make any such payment or perform any such act for the account and at the expense of Tenant, and may enter upon the Premises for the purpose of taking all such action thereon as may be reasonably necessary therefore. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the performance of any such act by Landlord, together with interest at the rate of the Prime Rate as reported daily by the Wall Street Journal plus 5% (or if said interest rate is violative of any applicable statute or law, then the maximum interest rate allowable) from the date of the making of such payment or the incurring of such costs and expenses by Landlord, shall be payable by Tenant to Landlord on demand.

12. **Damage by Fire or Other Casualty.**

12.1 **Reconstruction Using Insurance.** In the event of the damage or destruction of the Premises, Tenant shall forthwith notify Landlord and diligently repair or reconstruct the same to a like or better condition than existed prior to such damage or destruction. Any net insurance proceeds payable with respect to the casualty shall be used for the repair or reconstruction of the Premises pursuant to reasonable disbursement controls in favor of Landlord.

12.2 **Surplus Proceeds.** If there remains any surplus of insurance proceeds after the completion of the repair or reconstruction of the Premises, such surplus shall belong to and be paid to Landlord.

12.3 **No Rent Abatement.** The Rent payable under this Lease shall not abate by reason of any damage or destruction of the Premises by reason of an insured or uninsured casualty. Tenant hereby waives all rights under applicable law to abate, reduce or offset Rent by reason of such damage or destruction.

13. **Condemnation.**

13.1 **Complete Taking.** If during the Term all or substantially all of the Premises is taken or condemned by any competent public or quasi-public authority, then Tenant may, at Tenant's election, made within thirty (30) days of such taking by condemnation, terminate this Lease, and the current Base Rent shall be prorated as of the date of such termination. The award payable upon such taking shall be allocated between Landlord and Tenant as so allocated by the taking authority. In the absence of such allocation by the taking authority, the award shall be allocated as agreed by Landlord and Tenant. Failing such agreement within thirty (30) days after the effective date of such taking, the award shall be allocated between Landlord and Tenant pursuant to a mutually agreeable appraisal procedure.

13.2 **Partial Taking.** In the event such condemnation proceeding or right of eminent domain results in a taking of less than all or substantially all of the Premises, the Base Rent thereto shall be abated to the same extent as the diminution in the fair market value of the Premises by reason of the condemnation. Such diminution in the fair market value shall be as agreed between Landlord and Tenant, but failing such agreement within thirty (30) days of the effective date of the condemnation such fair market value will be determined by a mutually agreeable appraisal. Landlord shall be entitled to receive and retain any and all awards for the partial taking and damage and Tenant shall not be entitled to receive or retain any such award for any reason. Landlord's Investment will be reduced for all purposes under this Lease by reason of any award paid to Landlord under this Section 13.2.

13.3 **Lease Remains in Effect.** Except as provided above, this Lease shall not terminate and shall remain in full force and effect in the event of a taking or condemnation of the Premises, or any portion thereof, and Tenant hereby waives all rights under applicable law to abate, reduce or offset Rent by reason of such taking.

14. **Provisions on Termination of Term.**

14.1 **Surrender of Possession.** Tenant shall, on or before the last day of the Term, or upon earlier termination of this Lease, surrender to Landlord the Premises (including all patient charts and resident records along with appropriate patient and resident consents (if necessary)) in good condition and repair, ordinary wear and tear excepted.

14.2 **Removal of Personal Property.** If Tenant is not then in default hereunder Tenant shall have the right in connection with the surrender of the Premises to remove from the Premises all Tenant Personal Property but not the Landlord Personal Property (including the Landlord Personal Property replaced by Tenant or required by the State of North Carolina or any other governmental entity to operate the Premises for the purpose set forth in Section 6.2 above). Any such removal shall be done in a workmanlike manner leaving the Premises in good and presentable condition and appearance, including repair of any damage caused by such removal. At the end of the Term or upon the earlier termination of this Lease, Tenant shall return the Premises to Landlord with the Landlord Personal Property (or replacements thereof) in the same condition and utility as was delivered to Tenant at the commencement of the Term, reasonable wear and tear excepted.

14.3 **Title to Personal Property Not Removed.** Title to any of Tenant Personal Property which is not removed by Tenant upon the expiration of the Term shall, at Landlord's election, vest in Landlord; provided, however, that Landlord may remove and dispose at Tenant's expense of any or all of such Tenant Personal Property which is not so removed by Tenant without obligation or accounting to the Tenant.

14.4 **Management of Premises.** Upon the expiration or earlier termination of the Term, Landlord or its designee, upon written notice to Tenant, may elect to assume the responsibilities and obligations for the management and operation of the Premises and Tenant agrees to cooperate fully with Landlord or its designee to accomplish the transfer of such management and operation to Landlord without interrupting the operation of the Premises. Tenant shall not commit any act or fail to take any action if such act or failure would jeopardize any licensure or certification of the facility, and Tenant shall comply with all requests for an orderly transfer of any facility licenses, Medicare and Medicaid (or any successor program) certifications and possession of the Premises at the time of any such surrender. Upon the expiration or earlier termination of the Term, Tenant shall promptly deliver copies of all of Tenant's books and records relating to the Premises and its operations to Landlord.

14.5 **Correction of Deficiencies.** Upon termination or cancellation of this Lease, Tenant shall indemnify Landlord for any loss, damage, cost or expense incurred by Landlord to correct all deficiencies of a physical nature identified by any government agency or Medicare or Medicaid (or any successor programs) providers in the course of the change of ownership inspection and audit.

15. **Notices and Demands.** All notices and demands, certificates, requests, consents, approvals, and other similar instruments under this Lease shall be in writing and shall be sent by personal delivery or by either (a) United States certified or registered mail, return receipt requested,

postage prepaid, or (b) Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows:

If to Tenant: 600 Third Avenue, 21st Floor
New York, NY 10016
Attention: Jonathan Litt
Email: jlitt@monticelloam.com

If to Landlord: c/o Michael F. Flanagan, Esq.
Flanagan & Associates, L.L.C.
7611 State Line Road, Suite 303
Kansas City, MO 64114
MikeFlanagan@MFFLLC.com

Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice so given by mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be, whether accepted or refused. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

16. **Right of Entry; Examination of Records.** Landlord and its representatives may enter the Premises at any reasonable time after reasonable notice to Tenant for the purpose of inspecting the Premises for any reason, including, without limitation, Tenant's default under this Lease, or to exhibit the Premises for sale, lease or mortgage financing, or posting notices of default, or non-responsibility under any mechanic's or material man's lien law or to otherwise inspect the Premises for compliance with the terms of this Lease. Any such entry shall not unreasonably interfere with residents, patients, patient care, or any other of Tenant's operations. During normal business hours, Tenant will permit Landlord and Landlord's representatives, inspectors and consultants to examine all contracts, books and records relating to Tenant's operations at the Premises, whether kept at the Premises or at some other location, including, without limitation, Tenant's financial records.

17. **Landlord May Grant Liens.** Without the consent of Tenant, Landlord may, subject to the terms and conditions set forth below in this Section 17, from time to time, directly or indirectly, create or otherwise cause to exist any lien, encumbrance or title retention agreement ("***Encumbrance***") upon the Premises, or any portion thereof or interest therein (including this Lease), whether to secure any borrowing or other means of financing or refinancing or otherwise. Any such Encumbrance shall provide that it is subject to the rights of Tenant under this Lease, and shall further provide that so long as no Event of Default shall have occurred under this Lease (after applicable notice and cure periods), Tenant's occupancy hereunder, including, but without limitation, Tenant's right of quiet enjoyment provided in Section 18, shall not be disturbed in the event any such lien holder or any other person takes possession of the Premises through foreclosure proceeding or otherwise. Upon the request of Landlord, Tenant shall subordinate this Lease to the lien of a new Encumbrance on the Premises.

18. **Quiet Enjoyment.** So long as there is no Event of Default by Tenant (after applicable notice and cure periods), Landlord covenants and agrees that Tenant shall peaceably and quietly have, hold and enjoy the Premises for the Term, free of any claim or other action not caused or created by Tenant (excepting, however, intrusion of Tenant's quiet enjoyment occasioned by condemnation or destruction of the property as referred to in Sections 12 and 13 hereof).

19. **Applicable Law.** This Lease shall be governed by and construed in accordance with the internal laws of the State of North Carolina without regard to the conflict of laws rules of such State.

20. **[Intentionally Omitted]**

21. **Hazardous Materials.**

21.1 **Hazardous Material Covenants.** Tenant's use of the Premises shall comply with all Hazardous Materials Laws. Tenant shall not engage in, cause or permit any Prohibited Activities or Conditions other than Prohibited Activities or Conditions that are the subject of an O&M Plan approved in writing by Landlord so long as Tenant remains in full compliance therewith. Tenant shall take all commercially reasonable actions to prevent its employees, agents and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Tenant shall not lease or allow the sublease or use of all or any portion of the Premises to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition. Tenant shall not cause or permit any Prohibited Activities or Conditions with respect to any property that is adjacent to the Premises that is owned, leased or otherwise controlled by Tenant or any Tenant Affiliate. Landlord shall have the right to require the establishment of, monitor and review an O&M Plan with respect to Hazardous Materials on the Premises or any other property owned, leased or otherwise controlled by Tenant or any Tenant Affiliate that is adjacent to the Premises. If an O&M Plan has been established, Tenant and its employees shall comply in a timely manner with, and shall use all commercially reasonable efforts to cause all agents and contractors of Tenant and any other persons present on the Premises to comply with, the O&M Plan. All costs of performance of Tenant's obligations under any O&M Plan shall be paid by Tenant, and Landlord's reasonable out-of-pocket costs incurred in connection with the monitoring and review of the O&M Plan and Tenant's performance shall be paid by Tenant within ten (10) days of demand by Landlord. Tenant shall comply with all Environmental Laws applicable to the Premises, including (A) all requirements for notification regarding the presence of or any releases of Hazardous Materials, and (B) all requirements governing the presence or removal of any above-ground or underground storage tank located on the Premises. Without limiting the generality of the previous sentence, Tenant shall obtain and maintain all Environmental Permits required by Environmental Laws, shall comply with all conditions of such Environmental Permits and all such Environmental Permits shall be kept in full force and effect.

21.2 **Tenant Notices to Landlord.** Tenant shall immediately advise Landlord in writing upon the occurrence of any of the following events:

21.2.1 any Environmental Activities in violation of any Hazardous Materials Laws,

21.2.2 any Hazardous Materials Claims against Tenant or the Premises,

21.2.3 any remedial action taken by Tenant in response to any Hazardous Materials Claims or any Hazardous Materials on, under or about the Premises in violation of any Hazardous Materials Laws,

21.2.4 Tenant's discovery of any Prohibited Activity or Condition or any occurrence or condition on or in the vicinity of the Premises that materially increase the risk that the Premises will be exposed to Hazardous Materials,

21.2.5 all communications to or from Tenant, any Governmental Authority or any other person relating to Hazardous Materials Laws or Hazardous Materials Claims with respect to the Premises, including copies thereof, including, without limitation, Tenant's receipt of notice of any action, suit, claim, proceeding, order, notice of violation or other communication from any property management agents, Governmental Authority or other Person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Premises or any other property owned, leased or otherwise controlled by Tenant or any Tenant Affiliate that is adjacent to the Premises, and

21.2.6 any plans to conduct or requirements to conduct any Remedial Work.

22. **Assignment and Subletting.** Tenant shall not, without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion, voluntarily or involuntarily assign, mortgage, encumber or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof (except in the ordinary course of Tenant's business with occupants of the Premises or their immediate family members using Tenant's standard form occupancy lease). For the purposes of this Lease, the following shall be considered an assignment of this Lease by Tenant: (a) a management or similar agreement relating to the operation and/or control of the Premises (other than any such agreement between Tenant and an Affiliate of Tenant and any Management Services Agreement), and (b) any change (voluntary or involuntary, by operation of law or otherwise), in the person(s), entity or entities which ultimately exert effective control over the management of the affairs of Tenant as of the date hereof. Any of the foregoing acts without such consent shall be void but shall, at the option of Landlord in its sole discretion, constitute an Event of Default giving rise to Landlord's right, among other things, to terminate this Lease. Without limiting the foregoing, this Lease shall not, nor shall any interest of Tenant herein, be assigned or encumbered by operation of law without the prior written consent of Landlord which may be withheld at Landlord's sole discretion. Notwithstanding the foregoing, Tenant may without Landlord's consent assign this Lease or sublet the Premises or any portion thereof to an Affiliate of Tenant, provided that such Affiliate fully assumes the obligations of Tenant under this Lease, Tenant remains fully liable under this Lease, the use of the Premises remains unchanged, and no such assignment or sublease shall be valid and no such Affiliate shall take possession of

the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord.

22.1 For the purpose of this Lease, the transfer, assignment, sale, hypothecation or other disposition of any membership interest or stock of Tenant, which results in a change in the Person which ultimately exerts effective Control over the management of the affairs of Tenant as of the date hereof, shall be deemed to be an assignment of the Lease.

22.2 Notwithstanding anything to the contrary contained in Section 22.1, in no event shall an initial public offering of Tenant be deemed to be an assignment of the Lease; provided, however, that after such initial public offering of Tenant and without limiting Section 22.1, any, transfer, assignment, sale, hypothecation or other disposition of the voting stock of Tenant which results in twenty-five percent (25%) or more of the voting stock of Tenant being held by any Person or related group of Persons who did not have such ownership after the initial public offering shall be deemed to be an assignment of the Lease.

23. **Indemnification.** To the fullest extent permitted by law, Tenant agrees to protect, indemnify, defend and save harmless Landlord, its members, directors, officers, shareholders, partners, managers, trustees, agents and employees (collectively, the “**Indemnitees**”) from and against any and all liability, expense, loss, costs, deficiency, fine, penalty, or damage (including reasonable fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees and remediation costs) (collectively, “**Damages**”) arising from any suits, claims or demands by third parties (whether initiated or sought by Governmental Authorities or private parties), on account of any action or failure to act arising out of or in connection with this Lease (including, without limitation, the breach by Tenant of any of its obligations hereunder), the Premises, or the operations of Tenant on the Premises; provided, however, that Tenant shall not have any liability or obligation under this Section 23 unless such Damages arise from Tenant’s willful misconduct, bad faith or gross negligence. Upon receiving knowledge of any suit, claim or demand asserted by a third party that Landlord believes is covered by this indemnity, Landlord shall give Tenant notice of the matter. Tenant shall defend the Indemnitees against such matter at Tenant’s sole cost and expense (including, without limitation, reasonable fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees and remediation costs) with legal counsel satisfactory to the applicable Indemnitees. Landlord may elect to employ its own counsel and consultants at Tenant’s expense. Tenant shall reimburse Landlord within fifteen (15) days of its receipt of written demand from Landlord for all reasonable costs and expenses incurred by Landlord which are required to be reimbursed under the terms of this provision, including all costs of settlements entered into in good faith, and the reasonable fees and out-of-pocket expenses of attorneys and consultants. Tenant shall not, without the prior written consent of those Indemnitees who are named as parties to any action, suit, claim, proceeding, or order, settle or compromise such action, suit, claim, proceeding, or order if the settlement may materially and adversely affect any Indemnitee, as determined by Landlord, or results in the entry of any judgment that does not include as an unconditional term the delivery by the claimant or plaintiff to Landlord of a written release of the applicable Indemnitees (such release satisfactory in form and substance to Landlord).

24. **Holding Over.** If Tenant shall for any reason remain in possession of the Premises after the expiration or earlier termination of this Lease, such possession shall be a month-to-month tenancy during which time Tenant shall pay as Rent each month, 1½ times (150%) the aggregate

of the monthly Base Rent payable with respect to the last Lease Year allocable to the month, and all additional charges accruing during the month and all other sums, if any, payable by Tenant pursuant to the provisions of this Lease with respect to the Premises. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Lease, nor shall anything contained herein be deemed to limit Landlord's remedies pursuant to this Lease or otherwise available to Landlord at law or in equity.

25. **Estoppel Certificates.** Tenant shall, at any time upon not less than five (5) business days prior written request by Landlord, execute, acknowledge and deliver to Landlord or its designee a statement in writing, executed by an officer, manager, managing member, or general partner of Tenant, as applicable, certifying that this Lease is unmodified and in full force and effect (or, if there have been any modifications, that this Lease is in full force and effect as modified, and setting forth such modifications), the dates to which Base Rent and additional charges hereunder have been paid, certifying that no default by either Landlord or Tenant exists hereunder or specifying each such default and as to other matters as Landlord may reasonably request.

26. **Conveyance by Landlord.** If Landlord or any successor owner of the Premises shall convey the Premises without violating the terms hereof, Landlord or such successor owner shall thereupon be released from all future liabilities and obligations of Landlord under this Lease arising or accruing from and after the date of such conveyance or other transfer as to the Premises and all such future liabilities and obligations shall thereupon be binding upon the new owner.

27. **Waiver of Jury Trial.** Landlord and Tenant hereby waive any rights to trial by jury in any action, proceedings or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Lease, including, without limitation, the relationship of Landlord and Tenant, Tenant's use and occupancy of the Premises, or any claim of injury or damage relating to the foregoing or the enforcement of any remedy hereunder.

28. **Attorneys' Fees.** If Landlord or Tenant brings any action to interpret or enforce this Lease, or for damages for any alleged breach hereof, the prevailing party in any such action shall be entitled to reasonable attorneys' fees and costs as awarded by the court in addition to all other recovery, damages and costs.

29. **Severability.** In the event any part or provision of the Lease shall be determined to be invalid or unenforceable, the remaining portion of this Lease shall nevertheless continue in full force and effect.

30. **Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. This Lease may be executed through the exchange of portable document format .pdf email signature pages, facsimile or other electronic means, which shall have the same legal effect as original signatures.

31. **Binding Effect.** Subject to the provisions of Section 22 above, this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives, successors in interest and assigns.

32. **Waiver and Subrogation.** Landlord and Tenant hereby waive to each other all rights of subrogation which any insurance carrier, or either of them, may have as to the Landlord or Tenant by reason of any provision in any policy of insurance issued to Landlord or Tenant, provided such waiver does not thereby invalidate the policy of insurance.

33. **Memorandum of Lease.** Landlord and Tenant shall promptly upon the request of either, enter into a short form memorandum of the Lease, in form suitable for recording under the laws of the State of North Carolina in which reference to this Lease shall be made. The party requesting such recordation shall pay all costs and expenses of preparing and recording such memorandum of this Lease.

34. **Incorporation of Recitals and Attachments.** The recitals and exhibits, schedules, addenda and other attachments to this Lease are hereby incorporated into this Lease and made a part hereof.

35. **Titles and Headings.** The titles and headings of sections of this Lease are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this Lease.

36. **Usury Savings Clause.** Nothing contained in this Lease shall be deemed or construed to constitute an extension of credit by Landlord to Tenant. Notwithstanding the foregoing, in the event any payment made to Landlord hereunder is deemed to violate any applicable laws regarding usury, the portion of any payment deemed to be usurious shall be held by Landlord to pay the future obligations of Tenant as such obligations arise and, in the event Tenant discharges and performs all obligations hereunder, such funds will be reimbursed to Tenant upon the expiration of the Term. No interest shall be paid on any such funds held by Landlord.

37. **Joint and Several.** If more than one person or entity is the Tenant hereunder, the liability and obligations of such persons or entities under this Lease shall be joint and several.

38. **Survival of Representations, Warranties and Covenants.** All of the obligations, representations, warranties, indemnities, and covenants of Tenant under this Lease shall survive the expiration or earlier termination of the Term, including, without limitation, (A) Tenant's obligations to pay Rent and other sums under this Lease following the occurrence of an Event of Default and the termination of this Lease pursuant to Section 11.2.2 above and (B) Tenant's indemnification obligations pursuant to Section 23 above.

39. **Relationship of Parties.** Nothing contained in this Lease shall be deemed to create a partnership or joint venture or any form of agency relationship between Landlord and Tenant. Landlord and Tenant's relationship in this Lease shall be deemed to be one of landlord and tenant only, and neither party shall have the right or authority to hold out any party to this Lease as a partner, joint venturer, principal or agent of the other.

40. **Interpretation.** Both Landlord and Tenant have been represented by counsel and this Lease has been freely and fairly negotiated. Consequently, all provisions of this Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party.

41. **Entire Agreement.** This instrument contains the entire agreement between the parties hereto with respect to the Lease transaction contemplated herein, and no drafts, previous versions, representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. This Lease shall not be modified, changed or altered in any respect except by a written instrument signed by the parties hereto.

42. **Acknowledgements.** Each of Tenant and Landlord, in order to induce the other to enter into this Lease, agrees, acknowledges, and is forever estopped from asserting to the contrary that the business relationship created by this Lease and any related documents is solely that of a commercial lease of nonresidential real property between Landlord and Tenant, and in the event of bankruptcy of the Tenant, Landlord and Tenant shall have such rights and obligations as are applicable to leases of nonresidential real property.

43. **Non-Recourse.** This Lease may be enforced only against, and any claim or cause of action based upon, arising out of, or related to this Lease or the negotiation, execution or performance of this Lease or the transactions or matters contemplated hereby, may be brought only against the Persons that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. With respect to each named party to this Lease, no past, present or future director, officer, employee, incorporator, member, manager, general or limited partner, shareholder, Affiliate, agent, attorney, advisor, financing source or representative or Affiliate of any of the foregoing Persons (each, a “***Non-Recourse Party***”) shall have any liability (whether in contract, tort or otherwise) for any one or more of the representations, warranties, covenants, agreements or other obligations or liabilities of such named party or for any claim based on, arising out of, or related to this Lease or the negotiation, execution or performance of this Lease or the transactions or matters contemplated hereby. Without limiting the rights of any party against the other parties to this Lease, in no event shall any party hereto or any of its Affiliates seek to enforce this Lease against, make any claims for breach of this Lease against, or seek to recover damages, losses or otherwise with respect to this Lease or any breach of this Lease from, any Non-Recourse Party.

[Signatures on the following page]

IN WITNESS WHEREOF, each of the parties hereto has signed and sealed, or caused their duly authorized officers to execute, this Lease, all on the day and year first above written.

LANDLORD:

GREENSBORO BG PROPCO LLC

DocuSigned by:
Mike Flanagan
By: _____
Name: Michael F. Flanagan
Its: Authorized Signatory

TENANT:

GREENSBORO MC, LLC

DocuSigned by:
Jonathan Litt
By: _____
Name: Jonathan Litt
Its: Authorized Signatory

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "B"
DISBURSEMENT ACCOUNT