

**RESOLUTION
R2022-225**

A Resolution Authorizing the County Board Chair to Execute an Asset Purchase Agreement and Operational Transfer Agreement between the DeKalb County Government and Illuminate HC regarding the Sale of the DeKalb County Rehab and Nursing Center

Be it resolved by the County Board of the County of DeKalb, Illinois as follows;

WHEREAS, the DeKalb County Board entered into a Letter of Intent to sell the DeKalb County Rehab and Nursing Center (DCRNC) to Illuminate HC; and


WHEREAS, the attached Asset Purchase Agreement (“Exhibit A”) and Operational Transfer Agreement (“Exhibit B”) outline the terms of the sale;

NOW, THEREFORE, BE IT RESOLVED that in recognition of these factors, the DeKalb County Board hereby authorizes the County Board Chair the authority to execute the Asset Purchase and Operational Transfer Agreements.

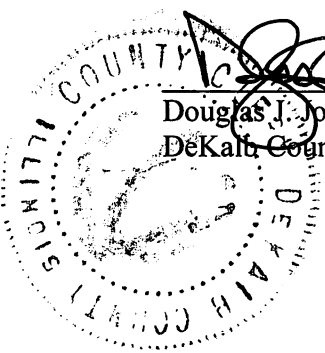
PASSED THIS 19TH DAY OF OCTOBER 2022 AT SYCAMORE, ILLINOIS

ATTEST:

SIGNED:



Douglas J. Johnson
DeKalb County Clerk





John Frieders, Chairman
DeKalb County Board

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “*Agreement*”), is made and entered into as of the ___ day of October, 2022 (the “*Effective Date*”) by and among THE COUNTY OF DEKALB, ILLINOIS, a public body corporate and politic of the State of Illinois (“*Seller*”), and DEKALB SNF REALTY LLC, an Illinois limited liability company (individually and collectively (except as otherwise indicated), “*Buyer*”). The terms “*Party*” and “*Parties*” include Seller, Buyer and their respective successors and assigns.

WITNESSETH:

WHEREAS, Seller is the fee owner of the Land (as defined herein) and the licensed operator of the Facility;

WHEREAS, Seller desires to sell and Buyer desires to purchase the Purchased Assets (as defined herein) and certain other assets, subject to the terms and conditions of this Agreement;

WHEREAS, Buyer shall enter into leases with [DEKALB SNF OPERATIONS LLC], an [Illinois] limited liability company (“*New Operator*”), pursuant to which Buyer shall lease the Facility to New Operator, and New Operator shall be the operator of the Facility; and

WHEREAS, in connection with the foregoing, Seller shall enter into that certain Operations Transfer Agreement with New Operator, dated concurrently herewith (the “*OTA*”), which shall provide the rights and obligations of the parties thereto relative to the transition of the operations of the Facility from Seller to New Operator.

NOW, THEREFORE, in consideration of the premises, the mutual promises and covenants of the parties hereunder, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I PURCHASE AND SALE

1.1 Sale and Purchase of Purchased Assets. Subject to the provisions set forth herein, each Seller individually hereby agrees to sell, convey, assign, deliver and transfer, free and clear of all claims, liens, deeds of trust, mortgages, easements, restrictions, encumbrances or security interests of any nature whatsoever, except for Permitted Exceptions (as herein defined), and Buyer hereby agrees to purchase, acquire, accept and assume, upon the terms and conditions hereinafter set forth, its respective interests in and to the following assets (collectively, the “*Purchased Assets*”): (a) the property consisting of those certain plots, pieces or parcels of land located in Dekalb, Illinois, as more particularly described in Exhibit A hereto (the “*Land*”), (b) all buildings and all other structures, facilities or improvements presently or hereafter located in or on the Land (collectively, the “*Improvements*”), including, that certain 190 bed skilled nursing facility commonly known as “DeKalb County Rehab & Nursing Facility” and located at 2600 North Annie Glidden Road, Dekalb, IL 60115 (the Land and Improvements hereinafter being collectively referred to as the “*Real Property*”); (c) together with all fixtures, systems and equipment owned by Seller and attached or appurtenant to, located on, and used solely in connection with the ownership, use, operation or maintenance of the Real Property and/or the DeKalb County Rehab & Nursing Facility (collectively the “*Fixtures and Equipment*”), (the Fixtures and Equipment together with the Real Property being collectively referred to as the “*Facility*”); (d) such other items of personal property and equipment owned by Seller and located on or used solely in connection with the ownership, use, operation or maintenance of the Facility, and listed on Schedule 1.1 hereto (the “*Personal Property*”); (e) all right, title and interest, if

any, of Seller to any unpaid award for (i) any taking by condemnation or (ii) any damage to the Land or the Improvements by reason of a change of grade of any street or highway, as specified in Article XIV ; (f) all easements, licenses, rights and appurtenances relating to any of the foregoing; (g) all intangible property owned by Seller used solely in connection with the ownership and/or operation of its Facility listed on Schedule 1.2 hereto; (h) the Warranties (as defined herein); (i) the Permits (as defined herein); (j) any transferable goodwill symbolized and associated with the Facility; and (k) any bed rights and other assets located at or used in connection with the Facility listed on Schedule 1.3 hereto. For the avoidance of doubt, the following assets (collectively the “Retained Assets”) are to be retained by the Seller and are excluded from the definition of Purchased Assets:

- (a) all of the assets listed on Schedule 1.4 hereto;
- (b) Seller’s privileged records, executive session minutes, and other records the delivery of which would be prohibited by applicable law;
- (c) the Excluded Liabilities (defined below); and
- (d) governance and human resource documents and Seller's books and records.

ARTICLE II PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Purchased Assets is Eight Million Three Hundred Thousand One Hundred and 00/100 Dollars (\$8,300,100.00), (the “**Purchase Price**”), subject to adjustments and prorations as set forth herein. The Purchase Price amongst the Purchased Assets shall be as set forth on Schedule 2.1.

2.2 Payment of Purchase Price. Buyer shall pay the Purchase Price as follows:

(a) An earnest money deposit in an amount equal to Twenty Thousand and 00/100 Dollars (\$20,000.00) (the “**First Earnest Money Deposit**”) has already been delivered to Landmark Abstract Agency, LLC, 207 Rockaway Turnpike, Lawrence, NY 11559, Attention: Jacob Rekant, E-mail: Jrekant@Laatitle.com (the “**Escrow Agent**”). The First Earnest Money Deposit shall be non-refundable unless the Seller breaches or defaults under this Agreement. If Buyer believes that Seller has breached or defaulted under this Agreement, then the notice and Escrow disbursement provisions under Article IV, Section 4.1(c), (d) and (e) shall apply to the disbursement of the First Earnest Money Deposit; but otherwise, the First Earnest Money deposit shall be paid to the Seller or fully applied to the Purchase Price at Closing as hereinafter provided.

(b) Within three (3) Business Days following the Effective Date, an earnest money deposit in an amount equal to Twenty Thousand and 00/100 Dollars (\$20,000.00) (the “**Second Earnest Money Deposit**”) to the Escrow Agent.

(c) Within three (3) Business Days following the expiration of the Due Diligence Period (as defined herein), an earnest money deposit in an amount equal to Two Hundred Ten Thousand and 00/100 Dollars (\$210,000.00) (the “**Third Earnest Money Deposit**”, and collectively with the Second Earnest Money Deposit, the “**Earnest Money Deposit**”) to the Escrow Agent.

(d) The balance of the Purchase Price, adjusted to reflect prorations and other adjustments pursuant to ARTICLE IX, if applicable, shall be paid to Seller on the Closing Date (as defined below) by federal funds wire transfer of immediately available funds to an account at such bank or banks as shall be designated by Seller by notice to Buyer prior to the Closing Date.

2.3 Earnest Money Deposit.

(a) The First Earnest Money Deposit and the Earnest Money Deposit shall be held by Escrow Agent and disbursed in accordance with the terms and conditions of this Agreement. Any interest earned on the First Earnest Money Deposit shall be deemed to be part of the First Earnest Money Deposit and shall be paid together with the principal portion of the First Earnest Money Deposit provided, however, that if the transaction closes, at the Closing any interest earned on the First Earnest Money Deposit shall be credited to Buyer by applying the same against the Purchase Price. Any interest earned on the Earnest Money Deposit shall be deemed to be part of the Earnest Money Deposit and shall be paid together with the principal portion of the Earnest Money Deposit; provided, however, that if the transaction closes, at the Closing any interest earned on the Earnest Money Deposit shall be credited to Buyer by applying the same against the Purchase Price.

(b) Subject to ARTICLE IV, whenever in this Agreement Buyer or Seller is entitled to a return of the First Earnest Money Deposit and/or the Earnest Money Deposit, said Party shall be entitled to the return of the Earnest Money Deposit actually being held by Escrow Agent pursuant to this Agreement.

(c) If Buyer cancels or terminates this Agreement as allowed and within the Due Diligence Period under Section 3.1 of this Agreement, unless otherwise provided herein, Escrow Agent shall, within five (5) days following its receipt of Buyer's termination, remit the Earnest Money Deposit to Buyer and remit the First Earnest Money Deposit to Seller, and thereafter the Parties shall be released from further liability under this Agreement, except as otherwise provided herein.

ARTICLE III INVESTIGATION OF THE PROPERTY

3.1 Due Diligence Period. Buyer shall have forty-five (45) days following Buyer's receipt of all requested due diligence materials (the "***Due Diligence Period***") to review the Purchased Assets and the documents and materials delivered by Seller to Buyer as required in Section 3.2 (the "***Inspections***"). Buyer's Inspections may also encompass such matters as, without limitation, title and survey (as further provided in Section 6.1 below), property conditions, environmental conditions, soil conditions, access, traffic patterns, financing, economic feasibility, platting, zoning and matters involving governmental cooperation (as further provided in Section 3.3 below).

3.2 Within five (5) days after the first day of the Due Diligence Period, Buyer shall provide to Seller an initial list of documents and materials requested in connection with Buyer's review of the Purchased Assets. In addition, within seven (7) days, or such later date as Buyer and Seller may mutually agree in writing, Seller shall deliver to Buyer those documents and materials reasonably requested by Buyer, together with copies of all feasibility studies, soil reports, environmental audits and other inspections, tests, reports, title reports, surveys, studies or information reasonably related to the Purchased Assets that are in the possession or reasonable control of Seller. Buyer may make additional requests for documents and materials that are reasonably related to the Purchased Assets or Buyer's purchase of the Purchased Assets during the first 37 days of the Due Diligence Period, and within seven (7) days of Buyer's request, or such later date as Buyer and Seller may mutually agree, Seller shall deliver to Buyer those additional documents and materials reasonably requested by Buyer.

3.3 During the Due Diligence Period, Buyer and its agents (including New Operator and Buyer's lender(s)) shall have the right, upon at least 24 hours prior notice to Seller, to enter upon the Real Property or any portion thereof and make such engineering, land use, physical, market or soil tests, soil borings, investigations and studies (including, without limitation, environmental investigations and studies)

concerning the Real Property (collectively, the "Tests") that they may elect to perform. Buyer agrees to indemnify and hold harmless Seller from any loss, cost, expense or damages (including reasonable attorneys' fees) (i) resulting from any actual damage to the Real Property, or any liens filed against the Real Property or claims or demands made against Seller for work performed by or on behalf of Buyer, and/or (ii) arising out of death, bodily injury to any person, or property damage, in each case, to the extent caused by such entry or inspection, except to the extent such damage or injury is caused by the negligence or intentional misconduct of Seller or its agents; provided, however, that the indemnity set forth in this Section 3.3, shall not apply to pre-existing conditions at the Real Property (except to the extent that Buyer and/or its agents, representatives, employees or contractors negligently or maliciously exacerbate such pre-existing condition, in which case the indemnity set forth in this Section 3.3, shall apply to the extent of such negligent or malicious exacerbation). Seller shall tender to Buyer defense of any third-party claim subject to Buyer's indemnity in sufficient time to avoid prejudice, and Buyer shall have the right to assume and control the defense thereof with counsel selected by Buyer and reasonably acceptable to Seller. Buyer's indemnification and hold harmless obligations herein shall survive the Closing or the earlier termination of this Agreement for a period of 18 months following the Closing Date (or termination date), except that as to any matter as to which Seller has given written notice to Buyer prior to expiration of said 18-month period, and provided Seller has instituted litigation proceedings within 6 months following expiration of said 18-month period, the same shall not expire while such litigation is pending.

3.4 If Buyer is dissatisfied with the Purchased Assets for any reason or for no reason, then Buyer shall have the right to terminate this Agreement upon written notice to Seller delivered in the manner provided in Section 17.1 at any time prior to 11:59 p.m. Central Standard Time on the last day of the Due Diligence Period (which notice may be transmitted via electronic mail), in which event the Earnest Money Deposit shall be returned to Buyer and Seller shall be entitled to a release of the First Earnest Money Deposit, and this Agreement shall terminate, and the Parties shall have no further liability hereunder (except with respect to those obligations hereunder which survive the termination of this Agreement). In the event Buyer does not deliver notice to Seller of Buyer's election to terminate this Agreement prior to 11:59 p.m. Central Standard Time on the last day of the Due Diligence Period, Buyer shall be deemed to have elected to proceed to Closing, and the Earnest Money Deposit shall become non-refundable, subject to the terms and conditions of this Agreement. If Buyer timely elects to terminate this Agreement as provided in this Article III, Escrow Agent shall return the Earnest Money Deposit to Buyer, and upon such refund being made this Agreement shall terminate, and the parties shall have no further liability hereunder (except with respect to those obligations hereunder which survive the termination of this Agreement).

ARTICLE IV ESCROW

4.1 Escrow Terms. Escrow Agent shall hold and disburse the Earnest Money Deposit in accordance with the following provisions:

(a) Escrow Agent shall, at the direction of Buyer, invest the First Earnest Money Deposit and the Earnest Money Deposit in (i) obligations of the United States government, its agencies or independent departments; or (ii) a federally insured interest-bearing account of a banking institution with an office in New York, New York, provided that no investment of the First Earnest Money Deposit or the Earnest Money Deposit shall have a maturity date beyond the Closing Date.

(b) If the Closing occurs, then Escrow Agent shall deliver the First Earnest Money Deposit and the Earnest Money Deposit to Seller. If this Agreement is terminated other than because of Seller's breach or default, then Escrow Agent shall deliver the First Earnest Money Deposit to Seller

(c) If Escrow Agent receives a notice signed by Buyer or Seller (the “*Noticing Party*”) stating that: (i) this Agreement has been timely cancelled or terminated pursuant to the terms of a specific section of this Agreement giving either Buyer or Seller the right to terminate this Agreement, and that such Noticing Party is entitled to the Earnest Money Deposit; or (ii) the other Party hereto (the “*Non-Noticing Party*”) has defaulted in the performance of its obligations hereunder, Escrow Agent shall deliver a copy of such notice to the Non-Noticing Party. The Non-Noticing Party shall have the right to object to such request for the Earnest Money Deposit by notice of objection delivered to and received by Escrow Agent within five (5) Business Days after the date of Escrow Agent’s delivery of such copy to the Non-Noticing Party, but not thereafter. If Escrow Agent shall not have so received a notice of objection from the Non-Noticing Party pursuant to the terms of the immediately preceding sentence, Escrow Agent shall deliver the Earnest Money Deposit to the Noticing Party. If Escrow Agent shall have received a notice of objection from the Non-Noticing Party within the time herein prescribed, Escrow Agent shall, at its sole option, either: (x) deliver to a court of competent jurisdiction the Earnest Money Deposit; or (y) retain the Earnest Money Deposit until one of the following events shall have occurred: (A) the Non-Noticing Party shall have failed to commence an action in a court of competent jurisdiction against the Noticing Party to resolve why the Noticing Party shall not be entitled to the payment of the Earnest Money Deposit within thirty (30) Business Days after delivery of the Noticing Party’s notice, by serving a summons and complaint on the Noticing Party and delivering to Escrow Agent a copy thereof, together with an affidavit of service within such thirty (30) Business Day period, in which event Escrow Agent shall pay over the Earnest Money Deposit to the Noticing Party; (B) there shall have been served upon Escrow Agent an order or judgment duly entered in a court of competent jurisdiction setting forth the manner in which the Earnest Money Deposit is to be paid out and delivered, in which event Escrow Agent shall deliver the Earnest Money Deposit as set forth in such order or judgment; or (C) Seller and Buyer shall have delivered to Escrow Agent a joint statement executed by both Seller and Buyer setting forth the manner in which the Earnest Money Deposit is to be paid out and delivered, in which event Escrow Agent shall deliver the Earnest Money Deposit as set forth in such statement. Escrow Agent shall not be or become liable in any way to any person for its refusal to comply with any such requests or demands by Seller and Buyer until and unless it has received a direction of the nature described above.

(d) Any notice to Escrow Agent shall be sufficient only if received by Escrow Agent within the applicable time period set forth herein. All mailings and notices from Escrow Agent to Seller or Buyer, or from Seller or Buyer to Escrow Agent, provided for in this ARTICLE IV shall be addressed to the Party to receive such notice at its notice address set forth in Section 17.2 of this Agreement (with copies to be similarly sent to the additional persons therein indicated).

(e) Notwithstanding the foregoing, if Escrow Agent shall have received a notice of objection as provided for in Section 4.1(c) above within the time therein prescribed, or shall have received at any time before actual disbursement of the Earnest Money Deposit a notice signed by Seller or Buyer disputing entitlement to the Earnest Money Deposit or shall otherwise believe in good faith at any time that a disagreement or dispute has arisen between the parties hereto over entitlement to the Earnest Money Deposit (whether or not litigation has been instituted), Escrow Agent shall have the right, upon notice to both Seller and Buyer to: (i) to deposit the Earnest Money Deposit with the clerk of the court in which any litigation is pending or (ii) to take such reasonable affirmative steps as it may, at its option, elect in order to terminate its duties as Escrow Agent, including the depositing of the Earnest Money Deposit with a court of competent jurisdiction and the commencement of an action for interpleader, the costs thereof to be borne by whichever of Seller or Buyer is the losing party, and thereupon Escrow Agent shall be released of and from all liability hereunder except for any previous gross negligence or willful misconduct.

(f) Notwithstanding any provisions in this ARTICLE IV to the contrary, if Buyer, on or before the expiration of the Due Diligence Period, indicates in writing to Seller that it is no longer interested in

pursuing the transactions set forth in this Agreement (a “**Termination Notice**”) and Buyer delivers to Escrow Agent a copy of the Termination Notice addressed to Seller and executed by Buyer, then Escrow Agent shall pay, and is irrevocably directed to pay, to Buyer, without the consent or joinder of Seller, the First Earnest Money Deposit and the Escrow Money Deposit.

4.2 No Liability. Escrow Agent is acting hereunder without charge as an accommodation to Buyer and Seller, it being understood and agreed that Escrow Agent shall not be liable for any error in judgment or any act done or omitted by it in good faith or pursuant to court order, or for any mistake of fact or law. Escrow Agent shall not incur any liability in acting upon any document or instrument believed thereby to be genuine. Escrow Agent is hereby released and exculpated from all liability hereunder, except only for willful misconduct or gross negligence. Escrow Agent may assume that any person purporting to give it any notice on behalf of any Party has been authorized to do so. Escrow Agent shall not be liable for, and Buyer and Seller hereby jointly and severally agree to indemnify Escrow Agent against, any loss, liability or expense, including reasonable attorneys’ fees (either paid to retained attorneys or, representing the fair value of legal services rendered by Escrow Agent to itself), arising out of any dispute under this Agreement, including the cost and expense of defending itself against any claim arising hereunder. The provisions of this Section 4.2 shall survive the termination of this Agreement.

ARTICLE V CLOSING

5.1 Closing Date. Unless this Agreement shall have been terminated or abandoned pursuant to the provisions hereof, or unless otherwise agreed to in writing by the parties hereto, and subject to the satisfaction of the contingencies and conditions to close set forth herein, the consummation of the transactions contemplated by this Agreement (the “**Closing**”) shall take place on the first day of the month following the date that all conditions to Closing have been satisfied, including without limitation, New Operator’s receipt of all applicable regulatory approvals; provided however, that in the event such conditions are satisfied following the fifteenth (15th) day of a month, then the Closing shall occur on the first day of the second month thereafter (the “**Closing Date**”), or at such other time, date or place as Buyer and Seller shall mutually agree in writing. The Closing shall be effective as of 12:01 a.m. CST on the Closing Date.

Notwithstanding the foregoing time of Closing, Seller and Buyer may deliver some or all of the documents required hereunder with respect to the Closing to Escrow Agent, on or before the Closing Date (to hold in escrow in accordance with customary conveyance practices subject to the consummation of such Closing) by mail or overnight courier.

ARTICLE VI TITLE MATTERS AND REVIEW

6.1 Title.

(a) Buyer shall order: (i) preliminary title reports covering the Land, as applicable (collectively, the “**Title Commitment**”) issued by a national title insurance company selected by Buyer, together with copies of all documents referred to as exceptions therein (the “**Title Documents**,” and together with the Title Commitment, collectively, the “**Title Report**”); and (ii) ALTA/ACSM Land Title Surveys of the Land, as applicable (collectively, the “**Survey**”) and promptly after receipt thereof, deliver copies thereof to Seller’s counsel. At the Closing and as a condition to Buyer’s obligations under this Agreement, the Title Company shall issue to Buyer, and Buyer shall accept, an ALTA extended coverage owner’s title policy, with coverage in an amount not less than the Purchase Price, with such endorsements as Buyer shall

desire and as are commercially reasonable and customarily obtained in similar transactions insuring that the entire fee simple title or leasehold title to the Property, as applicable, is vested in the Buyer, subject only to the Permitted Exceptions (as defined below) (the “**Title Insurance Policy**”).

(b) On the Closing Date, the applicable Property shall be subject only to the following title matters (collectively, the “**Permitted Exceptions**”):

(i) All real estate taxes and water and sewer charges not due and payable as of the Closing Date, subject to adjustment as hereinafter provided.

(ii) Any statement of facts which would be shown on or by an accurate current survey of the applicable Property, provided same do not: (A) render title unmarketable; (B) prohibit or interfere with the maintenance of any building or structure now on the applicable Property or for Buyer’s intended use of the applicable Property; or (C) impose any financial or other obligations on Buyer unless the same shall become a Permitted Exception pursuant to Section 6.1(c).

(iii) Any liens, encumbrances or other title exceptions approved or waived by Buyer in writing as provided in this Agreement.

(c) Beginning on the day immediately following the day when Buyer shall have received both the Title Report and the Survey (or any subsequent update thereof), Buyer shall have five (5) Business Days (unless an additional matter shown on such subsequent update first arises within five (5) Business Days of the Closing Date, in which event notice of same may be given on the Closing Date and the Closing Date shall be extended day for day without the need for additional action by either party), to provide Seller or Seller’s attorney with written objections (each, a “**Title Objection**,” and collectively, hereinafter, the “**Title Objections**”) to those matters (except for the Permitted Exceptions) shown in: (i) Schedule B of the Title Commitment; (ii) any search included in the Title Report; (iii) the Title Documents; or (iv) the Survey. Except for those items which Seller is obligated to cure pursuant to the terms of this Agreement, any such matter not the subject of a timely Title Objection shall be deemed a Permitted Exception. Notwithstanding anything to the contrary contained herein, Buyer shall have no need to object to any Mandatory Title Removal Item (as defined below), which Mandatory Title Removal Items shall be automatically deemed Title Objections pursuant to this Section 6.1.

6.2 Seller Unable to Eliminate Title Objections.

(a) Seller shall use commercially reasonable efforts to eliminate all Title Objections by the Closing Date.

(b) If Seller is unable or unwilling to eliminate any Title Objection by the Closing Date, Seller shall provide written notice of same to Buyer and then, unless the same is waived by Buyer in writing, in its sole and absolute discretion, Buyer may: (x) accept the status of Seller’s title to the applicable Property subject to such Title Objection with no adjustment to the Purchase Price, in which event: (A) such Title Objection shall be deemed to be, for all purposes, a Permitted Exception; (B) Buyer shall close hereunder notwithstanding the existence of same; and (C) Seller shall have no obligations whatsoever after the Closing Date with respect to Seller’s failure to cause such Title Objection to be eliminated; or (y) terminate this Agreement upon notice to Seller within ten (10) Business Days following such written notice from Seller or the Closing Date, whichever is later (and if the Closing Date is then set to occur on a date prior to the expiration of such ten (10) Business Day period, the Closing Date shall be moved to the first Business Day immediately following such ten (10) Business Day period), time being of the essence, in which event Buyer shall be entitled to a return of the Earnest Money Deposit. If Buyer shall fail to deliver the termination

notice in accordance with clause (y), Buyer shall be deemed to have made the election under clause (x) herein. Upon the timely giving of any termination notice under clause (y), this Agreement shall terminate and neither Party hereto shall have any further rights or obligations hereunder other than those which are expressly provided to survive the termination hereof.

(c) Notwithstanding anything in Section 6.1 to the contrary, Seller shall be required to be released, satisfied and removed of record as of the Closing Date: (i) any Title Objections which have been voluntarily recorded or otherwise placed, or permitted to be placed, by Seller against the applicable Property on or following the date hereof (other than with the prior written approval of Buyer which approval shall not be unreasonably withheld, conditioned or delayed with respect to the granting or denial of Buyer's approval in connection with requests for instruments to be recorded for the benefit of any utility or governmental authority but in all other cases in Buyer's sole and absolute discretion); and (ii) any mortgages, deeds of trust, security instruments, financing statements or other instruments which evidence or secure indebtedness, judgments and liens against the applicable Property, including mechanics' liens, tax liens and real estate taxes, water rates and sewer rents and taxes, in each case, which are due and payable but which remain unpaid or of record as of the Closing Date (subclauses (i) and (ii), collectively, the "**Voluntary Liens**"); or (iii) any Title Objections which would not constitute Voluntary Liens, but which can be removed by the payment of a liquidated sum of money (items set forth in this subclause (iii), collectively, "**Monetary Liens**"; and, together with the Voluntary Liens, the "**Mandatory Title Removal Items**"). In the event any claim for Monetary Liens is made by any party prior to Closing, or in the event any lien is filed against the Real Property subsequent to Closing as a result of the furnishing of materials and/or labor made on behalf of Seller prior to Closing (other than a lien or claim made with respect to Investigations by or on behalf of Buyer), Seller shall either immediately pay said claim and discharge said lien or, in the event Seller desires to challenge or contest any such claim, Seller shall indemnify Buyer against such claim and lien, and first bond over or place into escrow the amount necessary (plus any percentage reasonably required by the Title Company) to pay such claim for Buyer to obtain the Title Insurance Policy. The obligations of Seller stated in this Paragraph 6.2(c) shall survive Closing. If Seller otherwise fails to discharge and remove of record, or indemnify and bond over or escrow funds to protect Buyer against any Mandatory Title Removal Items on or prior to the Closing Date, at Buyer's election, such failure shall constitute a failure of a closing condition pursuant to Section 12.4(b) and a default by Seller hereunder, and Buyer shall be entitled to such remedies as are set forth in Section 15.2.

6.3 Title As Seller Can Convey. Notwithstanding anything in Section 6.1 and Section 6.2 above to the contrary, Buyer may at any time accept such title as Seller can convey, without reduction of the Purchase Price or any credit or allowance on account thereof or any claim against Seller. The acceptance of the Deed or lease assignment, as applicable, by Buyer shall be deemed to be full performance of, and discharge of, every agreement and obligation on Seller's part to be performed under this Agreement, except for such matters which are expressly stated to survive the Closing hereunder. Upon request by Buyer, Seller shall deliver any such affidavits and documentary evidence as are reasonably required by the Title Company in order to issue the Title Insurance Policy to Buyer free and clear of matters other than the Permitted Exceptions.

6.4 AS-IS Sale, Disclaimer and Release. Except as otherwise specifically provided in Sections 6.1, 6.2, and 6.3, Seller sells, assigns, transfers and conveys the Purchased Assets to Buyer on an "AS IS" and "WHERE IS" basis, with no representations or warranties as to merchantability, fitness or use.

(a) IT IS UNDERSTOOD AND AGREED THAT, UNLESS EXPRESSLY STATED HEREIN AND/OR THE DOCUMENTS DELIVERED AT CLOSING, SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PURCHASED ASSETS,

INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) BUYER ACKNOWLEDGES AND AGREES THAT UPON THE CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PURCHASED ASSETS “**AS IS, WHERE IS, WITH ALL FAULTS.**” BUYER HAS NOT RELIED UPON AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PURCHASED ASSETS OR RELATING THERETO MADE OR FURNISHED BY SELLER OR ITS REPRESENTATIVES TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, EXCEPT AS EXPRESSLY STATED HEREIN. BUYER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PURCHASED ASSETS ARE BEING SOLD “**AS IS, WHERE IS, WITH ALL FAULTS.**”

(e) EXCEPT FOR SELLER’S REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, BUYER ACKNOWLEDGES TO SELLER THAT BUYER WILL HAVE THE OPPORTUNITY TO CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PURCHASED ASSETS AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE PURCHASED ASSETS AND ITS ACQUISITION THEREOF. BUYER FURTHER WARRANTS AND REPRESENTS TO SELLER THAT BUYER WILL RELY SOLELY ON ITS OWN REVIEW AND OTHER INSPECTIONS AND INVESTIGATIONS IN THIS TRANSACTION AND NOT UPON THE INFORMATION PROVIDED BY OR ON BEHALF OF SELLER, OR ITS AGENTS, EMPLOYEES OR REPRESENTATIVES WITH RESPECT THERETO. BUYER HEREBY ASSUMES THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, LATENT OR PATENT DEFECTS, ADVERSE PHYSICAL OR OTHER ADVERSE MATTERS, MAY NOT HAVE BEEN REVEALED BY BUYER’S REVIEW AND INSPECTIONS AND INVESTIGATIONS.

THE PROVISIONS OF THIS SECTION 6.4 SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT BE DEEMED TO HAVE MERGED INTO ANY OF THE DOCUMENTS EXECUTED OR DELIVERED AT THE CLOSING.

ARTICLE VII CLOSING DELIVERIES

7.1 Seller’s Closing Deliverables. On the Closing Date, Seller shall deliver or cause to be delivered all of the following to Buyer, except as otherwise specified:

(a) a Deed for the Real Property, in substantially the form annexed hereto as Exhibit B (the “*Deed*”)

(b) a bill of sale, in substantially the form annexed hereto as Exhibit C (the “*Bill of Sale*”) executed by Seller, conveying to Buyer (i) good and marketable title to the Personal Property, free and clear of all encumbrances and adverse claims and (ii) all of Seller’s right, title and interest in the Intangible Property;

(c) an affidavit of title and such other affidavits as may be reasonably required by the Title Company in connection with the conveyance of the Property;

(d) an assignment by Seller for the Facility, in substantially the form annexed hereto as Exhibit D (the “*Assignment and Assumption Agreement*”), of all of Seller’s right, title and interest in, to and under:

(i) the Warranties (as defined below in Section 7.1(e));

(ii) the Permits (as defined below in Section 7.1(f)); and

(iii) any other of the Personal Property other than that conveyed by the Bill of Sale to the extent assignable;

(e) copies of all guaranties or warranties then in effect, if any, with respect to the Improvements and the Personal Property to the extent legally assignable (the “*Warranties*”);

(f) copies of all licenses, permits, certificates of occupancy and accreditations issued by any federal, state, municipal or local governmental authority relating to the occupancy or ownership of the Land and Improvements, including the Facility, running to, or in favor of, Seller, to the extent assignable (including all modifications thereto or renewals thereof) (collectively, the “*Permits*”);

(g) a complete set of keys for the Improvements, appropriately tagged for identification;

(h) the FIRPTA affidavit;

(i) a form 1099 identifying Seller’s gross proceeds and Seller’s tax identification number, as required by the Title Company;

(j) originals or, if originals are not in the possession or control of the Seller, copies of plans and specifications, technical manuals and similar materials related to the Property, to the extent same are in Seller’s possession or under Seller’s control;

(k) consent of the DeKalb County Board authorizing the transaction contemplated hereby and the execution and delivery of the documents required to be executed and delivered hereunder;

(l) a bring down certificate, reaffirming the accuracy and truthfulness of each of Seller’s representations and warranties in Section 11.1 (or, if any has ceased to be true, so indicating), and providing that such representations and warranties shall survive the Closing Date and the delivery of the Deed and other documents at Closing for a period of one (1) year;

(m) Closing Statements (as defined below in Section 9.5);

(n) lease termination agreements for any leases at the Property that releases Seller from all obligations under such leases;

(o) releases reasonably acceptable to Buyer and Title Company from any creditors of Seller or the Property in order to deliver the Title Insurance Policy in the form specified in ARTICLE VI;

(p) the Escrow Holdback Agreement, in substantially the form annexed hereto as Exhibit E;

(q) all other documents reasonably necessary or otherwise required by the Escrow Agent to consummate the transactions contemplated by this Agreement.

7.2 Buyer's Closing Deliverables. On the Closing Date, Buyer shall deliver or cause to be delivered to Seller the following:

(a) the balance of the Purchase Price as set forth in Section 9.1, as adjusted for apportionments pursuant to ARTICLE IX of this Agreement;

(b) a consent of the members of Buyer authorizing the transaction contemplated hereby and the execution and delivery of the documents required to be executed and delivered hereunder;

(c) a bring down certificate, reaffirming the accuracy and truthfulness of each of Buyer's representations and warranties in Section 11.3 (or, if any has ceased to be true, so indicating), and providing that such representations and warranties shall survive the Closing Date and the delivery of the Deed and other documents at Closing for a period of one (1) year;

(d) Closing Statements;

(e) such documents, affidavits and indemnities required by Section 6.1 to permit the Title Company to deliver the Title Insurance Policy;

(f) copies of all licenses, permits, consents and approvals required in order for Buyer to accept title to the Purchased Assets at Closing and immediately and legally upon Closing for New Operator to commence operations of the Nursing Home and Rehabilitation Facility leased to it as set forth in the Recitals of this Agreement;

(g) all other documents reasonably necessary or otherwise required by the Escrow Agent to consummate the transactions contemplated by this Agreement.

ARTICLE VIII CLOSING COSTS

8.1 Seller's Closing Costs. Seller shall pay the following costs and expenses in connection with the transaction contemplated by this Agreement:

(a) one-half of the Escrow Agent's fees;

(b) the cost of the Survey;

(c) recording fees and transfer taxes in connection with the Deed which are customarily charged to Seller in the Property jurisdiction;

(d) the cost of the Title Report and the Title Insurance Policy;

(e) all recording fees for releasing any liens or other instruments on the Property that Seller is obligated to remove hereunder;

(f) all real estate commissions to Marcus and Millichap arising out of or in any way connected with the conveyance of the Purchased Assets; and

(g) any and all costs incurred by Seller in connection with the preparation, review and negotiation of this Agreement and the transactions and the Closing contemplated by this Agreement, including any attorneys' or consultancy fees.

8.2 Buyer's Closing Costs. Buyer shall pay the following costs and expenses in connection with the transaction contemplated by this Agreement:

- (a) one-half of the Escrow Agent's fees;
- (b) the cost of any land survey ordered by Buyer (not including the cost of the Survey which cost shall be the responsibility of the Seller);
- (c) recording fees and transfer taxes in connection with the Deed which are customarily charged to Buyer in the Property jurisdiction; and
- (d) and any and all costs incurred by Buyer in connection with the preparation, review and negotiation of this Agreement and the transactions and the Closing contemplated by this Agreement, including any expenses associated with Buyer's investigation of the Property and any attorneys' or consultancy fees.

ARTICLE IX APPORTIONMENTS AND CREDITS AT CLOSING

9.1 Apportionments at Closing. The Parties shall pro-rate the following as of 11:59 p.m. on the day immediately preceding the respective Closing Date (the "**Apportionment Date**") on the basis of the actual number of days of the month which shall have elapsed as of the Closing Date and based upon the actual number of days in the month and a 365-day year:

- (a) any assessments (including any assessments relating to Permitted Exceptions, business improvement district assessments or similar charges), water rates and charges, and sewer taxes, in accordance with the terms of Section 9.2 below;
- (b) all other costs and expenses of operating the Property customarily apportioned in connection with sales of properties substantially similar to the Property in the city and county where such Property is located.

9.2 Property Taxes and Assessments.

- (a) The parties acknowledge that the Real Property is presently property tax exempt, and that there are no real estate taxes accrued, due or payable for the period prior to the Closing Date so there shall be no proration of real estate taxes made at Closing.
- (b) If as of the Closing Date the Property or any portion thereof shall be affected by any special or general assessments which are or may become payable in installments of which the first installment is then a lien and has become payable, Seller shall pay the unpaid installments of such assessments which are due prior to the Closing Date and Buyer shall pay the installments which are due on or after the Closing Date.

9.3 Costs and Expenses of Property. All costs and expenses of owning the Property that accrue before the Closing Date and are not the responsibility of any affiliate of Buyer shall be paid by Seller on or before the Closing Date or promptly upon receipt of applicable statements. All costs and expenses of owning the Property that accrue on or after the Closing Date and (ii) those liabilities of Seller relating to the trade payables, accounts payable and other obligations of the Business EXPRESSLY AGREED TO BY Buyer under this Agreement and/or under the OTA and set forth on Schedule 3, ("**Assumed Liabilities**") shall be paid by Buyer. Except for liabilities that accrue on or after the Closing Date, Buyer shall not assume or

become obligated in any way to pay or perform any liabilities, debts or obligations of Seller whatsoever, including, but not limited to, any liabilities or obligations relating to Seller's business activities that took place prior to the date hereof. All liabilities, debts and obligations of Seller not expressly assumed by Buyer hereunder, and all Seller liability arising out of litigation pending against the Seller at Closing are hereinafter referred to as the "**Excluded Liabilities.**"

9.4 Post-Closing Adjustments. To the extent that the amounts of any required pro-rations cannot be identified with reasonable certainty prior to the Closing Date, the pro-rations shall be made as soon as reasonably practical after the Closing but in no event more than ten (10) days thereafter. Refunds to Seller or Buyer shall be made outside of escrow as soon as reasonably practical after identification, but in no event more than ten (10) days thereafter.

9.5 Closing Statement. No later than one (1) Business Day prior to the Closing Date, Seller and Buyer shall agree to a schedule of items to be pro-rated as of the Closing Date and the amounts thereof and Seller and Buyer or their respective agents or designees will jointly prepare, and at the Closing, Seller and Buyer shall execute and deliver, a closing statement (the "**Closing Statement**") which will show the net amount due either to Seller or to Buyer as the result of the adjustments and prorations provided for in this Agreement, and such net due amount will be added to or subtracted from the cash balance of the Purchase Price to be paid to Seller at the Closing, as applicable.

9.6 Utilities. Notwithstanding the foregoing, utility services shall be prorated as of the Closing Date, and a credit shall be provided at the Closing on the basis of the prior period for which bills were issued and shall further be adjusted and reconciled when the bills for the current period are issued; and Buyer shall cause all such bills for utility services invoiced after the Closing Date to be paid on or prior to the date when due and payable. The parties shall cooperate in regards to the reasonable allocation of Seller's utility deposits and credits in favor of Seller at Closing, if any, to be reflected on the Closing Statement.

9.7 Survival. The provisions of this ARTICLE IX shall survive the Closing or the earlier termination of this Agreement. Any corrected adjustment or proration shall be paid by wire transfer of immediately available funds to the Party entitled thereto.

ARTICLE X COVENANTS

10.1 Seller's Covenants. Seller covenants that:

- (a) During the period from the Effective Date until the Closing Date, Seller shall:
 - (i) promptly deliver to Buyer copies of all written notices of any violations of law, or municipal ordinances, orders, designations or requirements noted in or issued by any federal, state, municipal or other governmental department, agency or bureau or any other governmental authority having jurisdiction over the Property and promptly notify Buyer of all judgments, claims and litigation affecting Seller or any part of the Purchased Assets;
 - (ii) promptly notify Buyer of the institution of any litigation, arbitration, administrative hearing before any court or governmental agency concerning or affecting the Purchased Assets and of any such proceedings which are to Seller's knowledge threatened after the date hereof;
 - (iii) promptly after the delivery or receipt thereof, deliver to Buyer copies of all notices concerning Seller or the Real Property, which relate to releases of Hazardous Materials affecting the Property or any actual or threatened condemnation of the Property or any portion thereof given by or on

behalf of any federal, state or local agency, and copies of all other correspondence sent, filed, served on or received by Seller from any federal, state or local agency affecting the Real Property from and after the Effective Date; and

(iv) not settle or compromise or agree to any settlement or compromise of any insurance or condemnation claim or award affecting the Real Property without the prior written consent of Buyer, which may be granted or withheld in Buyer's sole and absolute discretion except in the case of an emergency.

(b) During the period from the Effective Date until the Closing Date, Seller shall not, to the extent the same would be binding on or affect the Real Property or any owner thereof after the Closing, and except as permitted under Section 10.1(a), without Buyer's prior written approval, which approval may be given or withheld in its sole and absolute discretion:

(i) enter into any new or amend any existing lease or other agreement granting any person any interest in the Real Property or any right to occupy or use any of the Real Property;

(ii) affirmatively (whether by action or inaction) subject the Real Property to any additional liens, encumbrances, covenants or easements;

(iii) enter into any agreement which would require the consent of a third-party to consummate or the transactions contemplated by this Agreement;

(iv) sell, transfer, encumber or change the status of title of all or any portion of the Purchased Assets;

(v) cancel, amend or modify any certificate, approval, license or permit held by Seller with respect to the Real Property or any part thereof which would be binding upon Buyer after the Closing; or

(vi) take any action in respect of any litigation or proceeding in respect of the Real Property which shall have a material adverse effect on the Real Property; provided, however, nothing shall preclude Seller from filing appropriate pleadings prior to the answer date or pursuant to an order of a court or administrative body. In the event Seller shall take any action in respect of any litigation or proceeding in respect of the Real Property other than in the ordinary course of defending, prosecuting or responding to the same, Seller shall indemnify and hold harmless Buyer from and against any and all loss, liabilities, costs, damages, expenses, assessments, penalties (including reasonable attorneys' fees) incurred by Buyer as a result of any such litigation or proceeding. The foregoing indemnity shall survive the Closing without any restriction or limitation.

(c) At the Closing, the Property shall be free and clear of all liens, charges, encumbrances, mortgages, pledges, security interests, easements, agreements and other interests, adverse claims and title matters, except as otherwise provided in this Agreement.

10.2 Buyer's Covenants. Buyer covenants that:

(a) If Buyer conducts any physical inspections of the Property, Buyer will restore the Property to the condition in which it was found prior to any such inspection or examination. Buyer shall defend, indemnify and hold harmless Seller from and against all losses, costs, damages, claims and liabilities (whether arising out of injury or death to persons or damage to the Facility or otherwise), including mechanic's and materialmen's liens and attorneys' fees arising out of or in connection with Buyer's due

diligence review or Buyer's (or its agents') entry upon the Property, except to the extent any of the same are caused by the gross negligence or willful misconduct of Seller.

(b) Buyer will comply or cause New Operator to comply with all applicable federal, state and local laws and regulatory requirements in order to secure such licenses as may be required for its employees and to conduct business in the state, municipality, county and location, as applicable.

(c) No Conflicts.

(i) To the best of its knowledge, Buyer certifies that it, its parent companies, subsidiaries, and affiliates are not barred from entering into this agreement as a result of a violation of either 720 ILCS 5/33e-3 or 5/33e-4 (bid rigging or bid rotating) or as a result of a violation of 820 ILCS 130/1 *et seq.* (the Illinois Prevailing Wage Act). To the best of its knowledge, Buyer further certifies by signing the contract documents that it, its parent companies, subsidiaries, and affiliates have not been convicted of, or are not barred for attempting to rig bids, price-fixing (or attempting to fix prices) as defined in the Sherman Anti-Trust Act and Clayton Act. 15 U.S.C. § 1 *et seq.*; and has not been convicted of, or barred for bribery or attempting to bribe an officer or employee of a unit of state or local government or school district in the State of Illinois in that officer or employee's official capacity, nor has Buyer made an admission of guilt of such conduct that is a matter of record, nor has any official, officer, agent, or employee of the company been so convicted nor made such an admission.

(ii) Conflict of Interest. To the best of each parties' respective knowledge, both parties affirm no DeKalb County officer or elected official has a direct or indirect pecuniary interest in Vendor or this Agreement, or, if any DeKalb County officer or elected official does have a direct or indirect pecuniary interest in Vendor or this Agreement, that interest, and the procedure followed to effectuate this Agreement has and will comply with the Public Officer Prohibited Activities Act (50 ILCS 105/3).

ARTICLE XI REPRESENTATIONS AND WARRANTIES

11.1 Seller's Representations and Warranties. The matters set forth in this Section 11.1 constitute representations and warranties by Seller, made as of the date hereof, and which are now and shall continue to be true, complete and correct up to and including the Closing Date. Seller hereby covenants, represents and warrants that:

(a) Due Authority, Execution, Organization.

(i) Seller is a public body corporate and politic of the State of Illinois and in good standing under the laws of the State of Illinois and has the requisite power and authority to enter into and to perform the terms of this Agreement. Seller is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Agreement, or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by The DeKalb County Board, as Seller. This Agreement and all documents executed by Seller that are to be delivered to Buyer at Closing are, and at the time of Closing will be, duly authorized, executed and delivered by Seller, and at the time of Closing will be the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms (subject to equitable remedies and bankruptcy), and do not and, at the time of Closing will not, violate any provision of any agreement or judicial order to which Seller or the Property is subject.

(ii) Except as set forth herein, Seller has full right, power and authority to enter into and perform all of the obligations required of Seller under this Agreement, including transferring the Property to Buyer without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties.

(b) No Conflict. Neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Seller.

(c) Title to Property. Seller now has and will have at Closing good and marketable title to the Property, free and clear of all liens, taxes, assessments, charges, encumbrances, mortgages, pledges, security interests, deeds of trust, easements, agreements and other interests, adverse claims and title matters, except for the Permitted Exceptions. The Property has not been assigned or conveyed to any party, and no Person (other than Buyer pursuant to this Agreement) has a right to acquire any interest in the Property.

(d) No Litigation. Except as set forth in **Schedule 4**, (“**Pending or Threatened Litigation**”), there are no judgments presently outstanding and unsatisfied against Seller affecting the Purchased Assets; and except as set forth in **Schedule 4**, neither Seller nor the Purchased Assets are involved in any litigation at law or in equity, or any other proceeding before any court, or by or before any governmental or administrative agency, relating to the Purchased Assets or the transaction contemplated hereby or otherwise, and to the best of Seller’s knowledge, no such litigation or proceeding is threatened or pending but not yet served against Seller or the Property.

(e) No Bankruptcy or Insolvency. Seller has not: (a) filed any voluntary or had involuntarily filed against it in any court or with any governmental body pursuant to any statute either of the United States or of any State, a petition in bankruptcy or insolvency or seeking to effect any plan or other arrangement with creditors, or seeking the appointment of a receiver; (b) had a receiver, conservator or liquidating agent or similar person appointed for all or a substantial portion of its assets, suffered the attachment or other judicial seizure of all, or substantially all of its assets; (c) given notice to any person or governmental body of insolvency; or (d) made an assignment for the benefit of its creditors or taken any other similar action for the protection or benefit of its creditors. Seller is not insolvent, and Seller will not be rendered insolvent by the performance of its obligations under this Agreement.

(f) FIRPTA Compliance. Seller is not a foreign person, foreign corporation, foreign partnership or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulation, as amended, or any regulations promulgated thereunder).

(g) Liens.

(i) At Closing, Seller shall not owe any monies to any contractor, subcontractor or materialman for labor or materials performed, rendered or supplied in connection with the Land for which such person could claim a lien against the Land.

(ii) Seller is not in default under, has not received a notice of default under, and has not breached any of the terms of any of the Permitted Encumbrances, and no fact or circumstance has occurred which by itself or with the passage of time or the giving or notice, or both, would constitute a default by Seller or any other party pursuant to the terms of any of the Permitted Encumbrances.

(h) Option to Purchase. Subject to Seller's right of first refusal, which terms shall be finalized as an amendment to this Agreement during prior to the expiration of the Due Diligence Period, no person or party, other than Buyer, has any right or option to acquire the Property or any part thereof or any interest therein.

(9) Public Utility Service. To the knowledge of Seller, without investigation or inquiry, all public utilities currently serving the Land and public and quasi-public improvements upon or adjacent to the Land (including all applicable electric lines, water lines, gas lines and telephone lines): (i) are adequate to service the requirements of the Land, and all payments for the same have been made; (ii) enter the Land directly through adjoining public streets and do not pass through adjoining private land; and (iii) are installed and operating and all installation and connection charges have been paid for in full.

(i) Roads. To the best of Seller's knowledge, the streets, roads, highways and avenues in front of or adjoining any part of the Land have been dedicated to the proper municipal authority and such municipal authority has accepted such dedication. Upon the mutual execution of this Agreement and the OTA, Buyer and Seller shall enter into any agreements necessary to provide for the necessary access for each party over the Real Property and Seller's additional real property not subject to this Agreement as well as an agreement with regards to apportionment of future costs and upkeep. For the avoidance of doubt, such agreement may include, without limitation, an easement and real estate agreement, which may be recorded if deemed necessary by either party. The parties agree that the documents referred to in this Section 11.1(j) shall be agreed to and finalized no later than the expiration of the Due Diligence Period.

(j) Environmental. To the knowledge of Seller, without investigation or inquiry, and except as disclosed in any environmental reports provided to Buyer, no "**Hazardous Substances**" (as defined below) have been disposed of, or identified on, under or at the Land in violation of applicable "**Environmental Laws**" (as defined below). Seller has not received written notice from any governmental authorities, or any political or quasi-political, subdivision, agency, authority, department, court, commission, board, bureau or instrumentality of any of the foregoing asserting jurisdiction over any of the parties hereto or over the Land, that the Land is or may be in violation of any applicable federal, state or municipal law, ordinance or regulation regarding Hazardous Substances. To the knowledge of Seller, without investigation or inquiry, no Hazardous Substances were used in the construction of the Improvements, no Release of Hazardous Substances has occurred at, from, in, adjacent to, or on the Land, nor are there any Hazardous Substances in, on, about or migrating to the Land, and the Land is not affected in any way by any Hazardous Substances. To the knowledge of Seller, without investigation or inquiry, there are no incinerators, septic tanks, PCB-containing equipment, asbestos-containing material, formaldehyde insulators or cesspools on the Land, all waste is discharged from the Land into a public sanitary sewer system in accordance with applicable legal requirements, and no Hazardous Substances are discharged from the Land, directly or indirectly, into any body of water.

(i) As used herein, the term "**Hazardous Substances**" shall mean: (a) those substances included within the definitions of any one or more of the terms "hazardous materials," "hazardous wastes," "hazardous substances," "industrial wastes," and "toxic pollutants," as such terms are defined under the Environmental Laws, or any of them; (b) petroleum and petroleum products, including crude oil and any fractions thereof; (c) natural gas, synthetic gas and any mixtures thereof; (d) asbestos, whether friable or non-friable; (e) polychlorinated biphenyl ("**PCBs**") or PCB-containing materials or fluids; (f) radon; (g) any other hazardous or radioactive substance, material, pollutant, contaminant or waste; and (h) any other substance with respect to which any Environmental Law or governmental authority requires environmental investigation, monitoring or remediation.

(ii) As used herein, the term “**Environmental Laws**” shall mean all federal, state and local laws, statutes, ordinances and regulations, now or hereafter in effect, in each case as amended or supplemented from time to time, including all applicable judicial or administrative orders, applicable consent decrees and binding judgments relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface, water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation), including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 5101 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. § 136 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. § 2601 et seq.), the Clean Air Act, as amended (42 U.S.C. § 7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. § 300f et seq.), any state or local counterpart or equivalent of any of the foregoing, and any federal, state or local transfer of ownership notification or approval statutes.

(iii) As used herein, the term “**Release**” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of any Hazardous Substances.

(k) Condemnation. To the knowledge of Seller, without investigation or inquiry, there are no pending or contemplated condemnation or eminent domain proceedings against Seller, the Property or any part thereof, and Seller has not received written notice of any pending or threatened condemnation or eminent domain proceedings, or otherwise, that would affect the Property.

(l) Obligations. The Seller has no liabilities or obligations of any kind, including with respect to repayment of money, other than mortgage loans which will be repaid at Closing and leases which will terminate at Closing. The parties acknowledge and agree that public Bonds utilized in the build out of the Facility were not issued and secured by the Facility itself, and therefore carry no lien or obligation as the Facility

(m) Contracts. The Seller is not party to any agreements (written or oral) other than those provided under the OTA, and such agreements shall either be terminated prior to the Closing or continued in force, pursuant to the terms of OTA, notwithstanding Closing.

(n) Omitted

(o) Accuracy of Representations and Warranties. No representation or warranty made by Seller in this Agreement, in any Exhibit annexed hereto, or in any letter or certificate furnished to Buyer pursuant to the terms hereof, each of which is incorporated herein by reference and made a part hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

11.2 Survival of Seller’s Representations and Warranties. The representations and warranties set forth in Section 11.1 are true, complete and correct, as of the date hereof, and shall be true, complete and correct as of the Closing Date with the same force and effect as if first made at that time. The representations and warranties of Seller set forth in Section 11.1 shall survive the Closing for a period of one (1) year. Seller shall not be liable for any breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had actual knowledge of such inaccuracy or breach prior to the Closing as demonstrated by written materials actually received by Buyer indicating such matter.

11.3 Buyer's Representations and Warranties. Buyer represents and warrants that:

(a) Due Authority, Execution, Organization.

(i) Buyer is a limited liability company duly formed and in good standing under the laws of the State of Illinois and has the requisite power and authority to enter into and to perform the terms of this Agreement. Buyer is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Agreement, or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Buyer. This Agreement constitutes, and each document and instrument contemplated hereby to be created and delivered by Buyer, when executed and delivered, shall constitute the legal, valid, and binding obligation by Buyer, enforceable against Buyer in accordance with its respective terms (subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally).

(ii) Buyer has full right, power and authority to enter into and perform all of the obligations required of Buyer under this Agreement without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties.

(b) No Conflict. To the best of its knowledge, neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby is prohibited by, or requires Buyer to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Buyer.

(c) No Litigation. To the best of its knowledge, there are no actions, lawsuits, litigation or proceedings pending or threatened in any court or before any governmental or regulatory agency that would have a materially adverse effect on Buyer's power or authority to enter into or perform its obligations under this Agreement. To the best of its knowledge, there are no judgments, orders, or decrees of any kind against Buyer unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Buyer's actual knowledge, threatened against Buyer, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Buyer or the ability of Buyer to consummate the transactions contemplated by this Agreement.

11.4 Survival of Buyer's Representations and Warranties. The representations and warranties set forth in Section 11.3 shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made at that time. The representations and warranties set forth in Section 11.3 shall survive the Closing for a period of one (1) year.

ARTICLE XII CONDITIONS TO CLOSING

12.1 Conditions to Obligations of Seller. Notwithstanding anything to the contrary contained herein, the obligation of Seller to close in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing, of each of the conditions listed below, provided that Seller, at its election, evidenced by written notice delivered to Buyer at or prior to the Closing, may waive any of such conditions:

(a) Buyer shall have: (i) executed and delivered to Seller all of the documents required to be delivered by Buyer at the Closing as described in Section 7.2 hereof; (ii) paid the full balance of the Purchase Price in accordance with ARTICLE II; (iii) paid all other sums of money required under this

Agreement; and (iv) performed all other obligations required to be performed by it under this Agreement on or prior to the Closing Date in all material respects.

(b) Title to the Property shall have been conveyed to Buyer.

(c) The representations and warranties of Buyer contained in Section 11.3 shall be true and correct in all material respects as of the Closing Date, as though made at and as of the Closing Date.

(d) Buyer and New Operator shall have received all governmental, quasi-governmental and other regulatory approvals that are required as a result of the transactions contemplated in this Agreement and in the OTA (the “*Regulatory Approvals*”).

(e) The OTA having been executed by New Operator upon terms satisfactory to Seller and the closing for the transaction contemplated by the OTA being scheduled to close contemporaneously with the Closing.

12.2 Conditions to Obligations of Buyer. Notwithstanding anything to the contrary contained herein, the obligation of Buyer to close and pay the Purchase Price in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Buyer, at its election, evidenced by written notice delivered to Seller at or prior to the Closing, may waive all or any of such conditions:

(a) Seller shall have: (i) executed and delivered to Buyer, or the applicable party, all of the documents required to be delivered by Seller at the Closing; (ii) taken all other action required of Seller at the Closing; and (iii) performed all other obligations required to be performed by Seller under this Agreement on or prior to the Closing Date in all material respects.

(b) Title to the Property shall have been conveyed to Buyer.

(c) The representations and warranties of Seller contained in Section 11.1 shall be true and correct in all material respects as of the Closing Date, as though made at and as of the Closing Date.

(d) The Title Company shall have issued the Title Insurance Policy insuring Buyer’s good, marketable and indefeasible title to the Property subject only to the Permitted Exceptions and with all endorsements reasonably required by Buyer.

(e) There shall be no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against Seller that would prevent Seller from performing its obligations under this Agreement.

(f) Seller shall have cancelled and terminated all agreements of Seller applicable to the Property and provided Buyer with evidence of same.

(g) There shall be no judicial, administrative or other adversarial suit, action or proceeding pending against Seller or the Property which was not disclosed to or discovered by Buyer before the end of the Due Diligence Period and which will be binding against the Property from and after the Closing.

(h) There shall be no material adverse change in the condition of the Improvements from the condition as of the Effective Date, reasonable wear and tear excepted.

(i) Buyer and New Operator shall have received all Regulatory Approvals.

(j) The OTA having been executed by Seller upon terms satisfactory to New Operator and the closing for the transaction contemplated by the OTA being scheduled to close contemporaneously with the Closing.

(k) There shall be no materially adverse matters disclosed on the phase I environmental study ordered by Buyer or its lender.

12.3 Intentionally omitted.

12.4 Failure of Conditions to Closing.

(a) If Buyer is unable to timely satisfy (and Seller has not waived in writing) the conditions precedent to Seller's obligation to effect the Closing set forth in Section 12.1, then Seller, in Seller's sole and absolute discretion, may (in addition to any rights Seller may have under Section 15.1 of this Agreement in the event that the non-satisfaction of a condition is a result of a breach or default by Buyer) either: (i) terminate this Agreement by written notice thereof to Buyer and Escrow Agent, and to the extent provided under Section 15.2 with respect to a breach or default by Buyer, Escrow Agent shall disburse the First Earnest Money Deposit and the Earnest Money Deposit to Seller and upon such refund or disbursement being made, this Agreement shall terminate and have no further force or effect and neither Party shall have any further rights or obligations with respect to each other or this Agreement, except for any obligations that expressly survive termination; or (ii) waive any unsatisfied condition and consummate the transactions contemplated hereby.

(b) If any condition precedent to Buyer's obligation to effect the Closing set forth in Section 12.2 has not been timely satisfied, then Buyer, in Buyer's sole and absolute discretion, may either: (i) terminate this Agreement by written notice thereof to Seller and Escrow Agent and, unless Seller is entitled to the First Earnest Money Deposit and the Earnest Money Deposit as a result of Buyer's breach or default under Section 15.1, Escrow Agent shall refund the First Earnest Money Deposit and the Earnest Money Deposit to Buyer, and upon such transfer of the First Earnest Money Deposit and the Earnest Money Deposit to Buyer or Seller, as applicable, being made, this Agreement shall terminate and have no further force or effect and neither Party shall have any further rights or obligations with respect to each other or this Agreement, except for any obligations that expressly survive termination; or (ii) waive any unsatisfied condition and consummate the transactions contemplated hereby.

(c) Notwithstanding anything to the contrary set forth in this Section 12.4, the failure by Seller to remove any Mandatory Title Removal Items in accordance with Section 6.2(c) above as to all portions of the Property as to which Seller holds title at Closing, shall constitute a default by Seller hereunder and entitle Buyer to the remedies provided for in Section 15.2.

ARTICLE XIII BROKERS

Seller represents and warrants to Buyer that in connection with the transaction contemplated hereby no third-party broker or finder has been engaged or consulted by Seller or is entitled to compensation or commission in connection herewith other than Marcus & Millichap REIS National Seniors Housing Group 13890 Bishop's Dr; Ste 300 Brookfield, WI 53005, ("Broker"). Seller shall be responsible for payment of any commission due and owing Broker concurrent with Closing, and Seller hereby agrees to defend, indemnify and hold harmless Buyer from and against any and all claims of other brokers, finders or any like third party claiming any right to commission or compensation by or through acts of Seller in connection herewith. Buyer represents and warrants to Seller that in connection with the transaction contemplated

hereby no third-party broker or finder has been engaged or consulted by Buyer or is entitled to compensation or commission in connection herewith other than Broker. Buyer hereby agrees to defend, indemnify and hold harmless Seller from and against any and all claims of brokers, finders or any like third party claiming any right to commission or compensation by or through acts of Buyer in connection herewith. The indemnity obligations hereunder shall include all damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to matters being indemnified under this Article XIII. Neither Broker nor any other broker, finder or like party shall be entitled to rely (as a third-party beneficiary or otherwise) on the provisions herein in claiming any right to commission or compensation or otherwise. This ARTICLE XIII shall survive the rescission, cancellation, termination or consummation of this Agreement.

ARTICLE XIV CASUALTY AND CONDEMNATION

14.1 Casualty and Condemnation. Promptly upon learning thereof, Buyer and Seller, as applicable, shall give the other written notice of any condemnation, damage or destruction of the Property occurring prior to the Closing (the “*Casualty Notification Date*”).

(a) If prior to the Closing all or a material portion of the Property is condemned (or subjected to a bona fide threat of condemnation or becomes the subject of any proceedings, judicial, administrative or otherwise, with respect to a taking by eminent domain or condemnation), or materially damaged or destroyed by an insured casualty, Buyer shall have the option of either: (i) applying the proceeds of any condemnation award or payment under any insurance policies toward the payment of the Purchase Price to the extent such condemnation awards or insurance payments have been received by Seller, receiving from Seller an amount equal to any applicable deductible under any such insurance policy and receiving an assignment from Seller of Seller’s right, title and interest in any such awards or payments not theretofore received by Seller; or (ii) terminating this Agreement. Buyer shall deliver written notice of its election to Seller and Escrow Agent within ten (10) days after the Casualty Notification Date with respect to such material condemnation, damage or destruction (the Closing being deemed extended for such ten (10) day period). If Buyer fails to notify Seller of its election prior to the end of such ten (10) day period, Buyer shall be deemed to have terminated this Agreement pursuant to clause (ii) herein. If Buyer elects, or is deemed to elect, to terminate this Agreement in accordance with this Section 14.1(a), then Escrow Agent shall refund to Buyer the Earnest Money Deposit and upon such refund being made, this Agreement shall terminate and have no further force or effect and neither Party shall have any further rights or obligations with respect to each other or this Agreement, except for any obligations that expressly survive termination. For purposes of this Section 14.1, “material portion” shall mean such portion of the Property without which the Real Property cannot be reasonably and practically used for the purposes of a 190-bed skilled nursing and rehabilitation facility. For purposes of this Section 14.1, “material damage” shall mean either damage that an estimator agreed to by the parties’ estimates will cost more than \$250,000 to repair, or damage that is not covered by Seller’s insurance and for which Seller is unwilling to provide Buyer a credit against the Purchase Price in the amount of 100% of the actual costs of repair.

(b) If, prior to the Closing, a portion of the Property is condemned, damaged or destroyed and such portion is not a material portion of the Property, or the damage is not material, neither Buyer nor Seller shall have any right to terminate this Agreement; provided, however, the proceeds of any condemnation

award or payment and any applicable deductible under any insurance policies shall be applied toward the payment of the Purchase Price (to the extent such condemnation awards or insurance payments have been received by Seller), and Seller shall assign to Buyer all of Seller's right, title and interest in any unpaid awards or payments.

(c) Buyer shall be entitled to participate in any such condemnation proceedings as provided in this Section 14.1, and Seller shall cooperate with Buyer in such respect.

ARTICLE XV DEFAULT BY BUYER OR SELLER

15.1 Buyer's Default. If Buyer shall (i) default in the payment of the Purchase Price or Buyer shall default in the performance of any of its other material obligations to be performed under this Agreement in any material respect or (ii) breach any material covenant, agreement, representation or warranty contained in this Agreement in any material respect, and if Seller has notified Buyer of the default (other than a default in the payment of the Purchase Price) or breach, the same has continued without cure for a period of ten (10) days thereafter, and the Closing does not occur as a result thereof (provided that the Closing Date shall be extended as reasonably necessary to afford Buyer such cure period) (and Buyer's default or breach was not caused by Seller's default under this Agreement), and Seller is otherwise ready, willing and able to perform its obligations to be performed on the Closing Date, then Seller's sole and exclusive remedy by reason thereof shall be to retain the First Earnest Money Deposit and the Earnest Money Deposit as liquidated damages for Buyer's default or breach hereunder, it being agreed that actual damages by reason of Buyer's default or breach are difficult, if not impossible, to ascertain, and whereupon this Agreement will terminate and Buyer and Seller shall have no further rights or obligations under this Agreement except for those that are expressly provided in this Agreement to survive the termination hereof. THE PARTIES AGREE THAT THESE LIQUIDATED DAMAGES SHALL BE IN LIEU OF ANY OTHER RELIEF TO WHICH SELLER MIGHT BE ENTITLED BECAUSE OF BUYER'S BREACH OR DEFAULT AND THAT SELLER HEREBY WAIVES ANY RIGHT IT MIGHT HAVE HAD TO AN ACTION FOR SPECIFIC PERFORMANCE OR FOR DAMAGES OTHER THAN LIQUIDATED DAMAGES.

15.2 Seller's Default. If Seller shall (i) default in the performance of any of Seller's material obligations to be performed under this Agreement in any material respect or (ii) breach any material covenant, agreement, representation or warranty contained in this Agreement in any material respect, and if Buyer has notified Seller of the default or breach, the same has continued without cure for a period of ten (10) days thereafter, and the Closing does not occur as a result thereof (provided that the Closing Date shall be extended as reasonably necessary to afford Seller such cure period), Buyer's sole and exclusive remedy shall be to either: (x) terminate this Agreement by delivery of written notice to Seller and Escrow Agent, and Escrow Agent or Seller, as applicable, shall return the First Earnest Money Deposit and the Earnest Money Deposit to Buyer, with the interest earned thereon, if any, whereupon this Agreement shall terminate and neither Party shall have any further rights or obligations with respect to each other or this Agreement, except those that are expressly provided in this Agreement to survive the termination hereof; or (y) continue this Agreement and seek specific performance of Seller's obligations hereunder, and if Buyer prevails thereunder, Seller shall reimburse Buyer for all reasonable attorneys' fees actually incurred, court costs, and all other reasonable costs of such action. Notwithstanding the foregoing, if Seller shall willfully default in its obligation to close the transaction hereunder on the Closing Date and specific performance shall not be a legally available remedy to Buyer as a result thereof, then Buyer shall: (x) have the right to receive a return of the First Earnest Money Deposit and the Earnest Money Deposit; and (y) be entitled to (and Seller shall reimburse Buyer for) Buyer's actual costs (collectively, "**Buyer's Costs**") of (w) title examination, survey and municipal searches, including the issuance of Buyer's Title Report and any continuation thereof, without issuance of a title insurance policy; (x) fees paid to Buyer's engineer for preparing any

environmental and engineering reports with respect to the Property; (y) the actual and reasonable third-party costs incurred by Buyer in connection with the negotiation of this Agreement and Buyer's due diligence with respect to the Property, and (z) reasonable, actual attorneys' fees, court costs, and all other reasonable costs of any action brought by Buyer to enforce the provisions hereof, not to exceed in total Fifty Thousand and 00/100 Dollars (\$50,000.00). Seller's reimbursement obligations shall survive the termination of this Agreement. In any circumstance under this Agreement in which the Earnest Money Deposit is to be paid to any Party or otherwise disbursed hereunder or refunded to Buyer, said payment, disbursement or refund of the Earnest Money Deposit by Escrow Agent shall be subject to the provisions of ARTICLE IV herein.

15.3 Survival. The provisions of this ARTICLE XV shall survive the Closing or the earlier termination of this Agreement for a period of t Seller's reimbursement obligations shall survive the termination of this Agreement two (2) years and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

ARTICLE XVI INDEMNIFICATION

16.1 Indemnification. Subject to the exclusive remedy provision of Section 15.1, Buyer will defend, indemnify and hold Seller and its officers, agents, representatives, employees, and successors and assigns of the Purchased Assets harmless against and in respect of any and all recoverable damages under Illinois law (including reasonable, actual attorney's fees and other professional fees and expenses and court costs) (collectively, "**Losses**") arising out of the breach of any covenant, representation or warranty set forth herein or under the OTA. Subject to the provisions and limitations set forth in this Section 16.1, Buyer agrees to defend, indemnify and hold harmless Seller as to:

- (a) the Assumed Liabilities; or
- (b) the use of the Purchased Assets or operation of the Business after the date hereof.

provided, however, that nothing in this Section 16.1 shall impose on Buyer any duty to indemnify Seller for any Retained Assets.

16.2 Subject to the exclusive remedy provision of Section 15.2, Seller shall defend, indemnify and hold Buyer and its successors, assigns, affiliates, managers, members, agents, servants, employees, and New Operator harmless against and in respect of any and all Losses arising out of (i) the breach of any covenant, representation or warranty of Seller herein or under the OTA, (ii) the Retained Assets; and (iii) any suits, arbitration proceedings, administrative actions, or investigations to the extent relating to the ownership and use of the Property by Seller prior to the Closing Date including without limitation the Pending Threatened Litigation.

ARTICLE XVII LIMITATIONS OF LIABILITY

17.1 Escrow Holdback. On the Closing Date, Seller shall deposit in an interest-bearing escrow account with the Title Company the total sum equal to Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "**Escrow Holdback**"). The Escrow Holdback shall be held by the Title Company and distributed in

accordance with the terms of an escrow holdback agreement to be entered into by and among the Seller, Buyer and New Operator (the “**Escrow Holdback Agreement**”). The purpose of the Escrow Holdback shall be to provide Buyer and New Operator with readily available funds for satisfaction of all payment of any amounts due with respect to any of the Seller’s indemnification obligations pursuant to this Agreement and to New Operator under the OTA, in all instances made before the three (3) year anniversary of the Closing Date (the “**Escrow Release Date**”). On the first-year anniversary of the Closing Date, a portion of the Escrow Holdback shall be released to Seller such that the balance of the funds remaining in the Escrow Holdback shall be equal to Two Hundred Thousand Dollars (\$200,000.00). On the second-year anniversary of the Closing Date, a portion of the Escrow Holdback shall be released to Seller such that the balance of the funds remaining in the Escrow Holdback shall be equal to One Hundred Thousand Dollars (\$100,000.00). On the Escrow Release Date, the Title Company shall deliver to Seller all amounts remaining in the Escrow Holdback, provided that on such date there does not exist a pending or unresolved Escrow Claim, in which event the amount of such pending or unresolved claim shall remain in the Escrow Holdback until paid to either Seller, Buyer or New Operator in connection with the resolution of such claim.

**ARTICLE XVIII
GENERAL PROVISIONS**

18.1 Notices. Unless specifically stated otherwise in this Agreement, all notices, waivers and demands required under this Agreement shall be in writing and delivered to all other Parties, and Escrow Agent, at the addresses below, by one of the following methods:

Any and all notices, requests, demands, consents, approvals or other communications required or permitted under this Agreement by either party hereto shall be in writing, by sending via Federal Express or another nationally-recognized overnight delivery service, by sending via certified U. S. Mail with unrestricted delivery, return receipt requested, postage prepaid or by sending via electronic mail, and such communications shall be delivered or so sent to the party being notified at the following address or email address, as the case may be:

If to Buyer:

[_____]
[_____]
[_____]

with a copy to:

Gulko Schwed LLP
525 Chestnut Street, Suite 207
Cedarhurst, NY 11516
Attn: Steven Gitelis, Esq.
Email: steven@gulkoschwed.com

If to Seller:

Brian Gregory

DeKalb County Administrator
200 N. Main St.
Sycamore, IL 60178
Phone: 815.895.1638
E-Mail: bgregory@dekalbcounty.org

with a copy to:

DeKalb County State's Attorney
133 West State Street
Sycamore, IL 60178
E-Mail:

If to Escrow Agent:

Landmark Abstract Agency, LLC,
207 Rockaway Turnpike
Lawrence, NY 11559
Attention: Jacob Rekant
E-mail: Jrekant@Laatitle.com

Notice shall be considered delivered at the earliest of the following to occur: (i) when actually received, (ii) three (3) Business Days after being so sent by U. S. Mail, (iii) one (1) Business Day after being so sent by Federal Express or another nationally-recognized overnight courier service (and as to the foregoing clauses (ii) and (iii), delivery shall be deemed to have occurred independent of the date of actual delivery or whether delivery is ever in fact made, as the case may be, provided the giver of notice can establish the fact that notice was sent or tendered as provided herein), or (iv) if given by electronic mail, effective upon transmission if before 11:59 p.m. (Central Standard Time) (otherwise effective the next business day). If notice is tendered pursuant to the provisions of this Section and is refused by the intended recipient thereof, the notice, nevertheless, shall be considered to have been given and shall be effective as of the date herein provided.

Any Party shall change its address for purposes of this Section 18.1 by giving written notice as provided in this Section 18.1.

Notices from counsel for Seller to counsel for Buyer shall for all purposes hereunder constitute notice from Seller to Buyer. Notices from counsel for Buyer to counsel for Seller shall for all purposes hereunder constitute notice from Buyer to Seller.

18.2 Complete Agreement; Amendments and Modifications; Partial Invalidity; Waivers.

(a) This Agreement may be executed in counterparts, and when executed by both Parties shall become one (1) integrated agreement enforceable on its terms. The Parties contemplate that they may be executing counterparts of this Agreement transmitted by facsimile or electronic mail and agree and intend that a signature delivered by facsimile machine or electronic mail shall bind the Party so signing with the same effect as though the signature were an original signature. This Agreement and the OTA supersede all prior agreements between the Parties with respect to the Property and all discussions, understandings, offers and negotiations with respect thereto, whether oral or written. This Agreement shall not be amended or modified, except in a writing signed by each Party hereto. If amended or modified as permitted by this

Section 18.2, the term “*Agreement*” shall thereafter be read as including all said amendments and modifications. All exhibits that are referenced in this Agreement or attached to it are incorporated herein and made a part hereof as if fully set forth in the body of the document.

(b) Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

(c) Any waiver of any provision or of any breach of this Agreement shall be in writing and signed by the Party waiving said provision or breach. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts. Effective as of the Closing, any breaches or conditions not waived previously (including any Title Report objections) in accordance with Section 18.2(c) are deemed waived.

18.3 Parties; Third-Party Beneficiary; Assignment of Agreement; Successors and Assigns.

(a) This Agreement is an agreement solely for the benefit of Seller and Buyer (and their permitted successors and assigns). No other person, party or entity shall have any rights hereunder nor shall any other person, party or entity be entitled to rely upon the terms, covenants and provisions contained herein. The provisions of this Section 18.3 shall survive the Closing or the termination hereof.

(b) All references to Buyer in this Agreement shall include Buyer’s assignee.

(c) Buyer and its permitted successors and assigns shall have the right and authority to assign this Agreement subject to Seller’s right of first refusal under Section 11.1(h) during the first 10 years following the Closing, upon the express written consent of the Seller, whereupon all of Buyer’s rights hereunder to any such corporation, limited liability company, partnership or other entity as Buyer may elect and Seller may approve, and any such assignee approved by Seller (the “*Assignee*”) shall be entitled to all of the rights and powers of Buyer hereunder, provided that Buyer: (i) gives Seller written notice of such assignment; (ii) delivers to Seller at or prior to the assignment an instrument evidencing the proposed assignment; and the approved Assignee assumes all of Buyer’s obligations under this Agreement in writing, and reaffirms Seller’s right of first refusal. Seller shall not unreasonably withhold its approval to Buyer’s assignment. Upon the effective date of the assignment of this Agreement to Assignee, Buyer shall be released from all obligations under this Agreement. Notwithstanding anything contained to the contrary herein, Seller’s prior written approval shall not be required for Buyer’s assignment to an entity that Buyer owns, controls and/or is under common ownership with such Assignee provided that such Assignee assumes all of Buyer’s obligations under this Agreement in writing.

(d) This Agreement and all its covenants, terms and provisions and the right of first refusal shall be binding on and inure to the benefit of each Party and its successors and permitted assigns.

18.4 Further Assurances. From the Effective Date, Seller and Buyer each agrees to do such things, perform such acts and make, execute, acknowledge and deliver such documents as may be reasonably necessary and customary to complete the transactions contemplated by this Agreement. In particular, at the Closing and through the period that is thirty (30) days following the Closing, Seller and Buyer each

agrees to do such things as may be reasonably necessary with respect to the transfer of the ownership of the Property. This Section 18.4 shall survive the Closing for a period of thirty (30) days thereafter.

18.5 Interpretation and Construction.

(a) Notwithstanding anything herein to the contrary, the representations and warranties of Seller hereunder shall be deemed to have been made by Seller only as to itself and only as to the items of Purchased Assets owned by it and not as to any items of Purchased Assets owned by another.

(b) The Parties acknowledge that, in connection with negotiating and executing this Agreement, each has had its own counsel and advisors and that each has reviewed and participated in the drafting of this Agreement. The fact that the initial draft of this Agreement was prepared by Buyer's counsel as a matter of convenience shall have no import or significance to the construction of this Agreement. Any uncertainty or ambiguity in this Agreement shall not be construed against either Party because such Party's counsel participated in the drafting of this Agreement. Any rule of construction that requires any ambiguities to be interpreted against the drafter shall not be employed in the interpretation of: (i) this Agreement; (ii) any exhibits to this Agreement; or (iii) any document drafted or delivered in connection with the transactions contemplated by this Agreement.

(c) Any captions or headings used in this Agreement are for convenience only and do not define or limit the scope of this Agreement.

(d) The singular of any term, including any defined term, shall include the plural and the plural of any term shall include the singular. The use of any pronoun with respect to gender shall include the neutral, masculine, feminine and plural. "Include," "includes" and "including" shall be deemed to be followed by "without limitation." Words such as "herein," "hereof," "hereby" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular Section or Subsection of this Agreement. "**Person**" includes a natural person or any corporation, limited liability company, partnership, trust or other type of entity validly formed.

18.6 Days; Performance on a Saturday, Sunday or Holiday. Except for the Closing Date, whenever the term "day" is used in this Agreement, it shall refer to a calendar day unless otherwise specified. A "**Business Day**" shall mean any weekday except for those weekdays that a banking institution within the State of Illinois is required by said state to be closed (a "**Holiday**"). Should this Agreement require an act to be performed or a notice to be given on a Saturday, Sunday or Holiday, the act shall be performed or notice given on the next Business Day. Should any deadline hereunder expire on a Holiday, the deadline shall be deemed to expire on the next Business Day. Should the Closing Date, as set by the terms of this Agreement, fall on a Holiday, the Closing under this Agreement shall fund on the next Business Day following the Closing Date but effective as of the Closing Date.

18.7 Time Is of the Essence. The parties hereto acknowledge and agree that, except as otherwise expressly provided in this Agreement, TIME IS OF THE ESSENCE for the performance of all actions (including the giving of notices, the delivery of documents and the funding of money) required or permitted to be taken under this Agreement. However, notwithstanding anything to the contrary herein, whenever action must be taken (including the giving of Notice, the delivery of documents or the funding of money) under this Agreement prior to the expiration of, by no later than or on a particular date that is not a Business Day, then such date shall be extended until the immediately following Business Day.

18.8 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois. Each party hereto agrees that all actions or proceedings arising in connection with this

agreement and the transactions contemplated hereby shall be tried and litigated in the federal courts located in Illinois or the state located in Dekalb County, Illinois, unless such actions or proceedings are required to be brought in another court to obtain subject matter jurisdiction over the matter in controversy. To the extent permitted by law, each party hereto irrevocably waives any right any party hereto may have to assert the doctrine of forum non conveniens, to assert that any party hereto is not subject to the jurisdiction of the aforesaid courts or to object to venue to the extent any proceeding is brought in accordance with this ARTICLE XVIII.

18.9 No Offer. This Agreement shall not be deemed an offer or binding upon Seller or Buyer until this Agreement is fully executed and delivered by Seller and Buyer.

18.10 Attorneys' Fees.

(a) Each Party to this Agreement shall be responsible for all costs it incurs in connection with the preparation, review and negotiation of this Agreement and the transactions and the Closing contemplated by this Agreement, including any attorneys' or consultants' fees, except as is otherwise provided in this Agreement.

(b) If any action is brought by either Party against the other in connection with or arising out of this Agreement or any of the documents and instruments delivered in connection herewith or in connection with the transactions contemplated hereby, the prevailing Party shall be entitled to recover from the other Party its reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred in connection with the prosecution or defense of such action.


18.11 Waiver of Jury Trial. In the event that a dispute survives the Closing or termination of this Agreement, each of Seller and Buyer hereby expressly and unconditionally waives, in connection with any suit, action or proceeding brought by the other party hereto under this Agreement or in connection with any transaction contemplated hereby, any and every right each of Seller and Buyer may have to: (a) injunctive relief (except as otherwise expressly provided in this agreement to the contrary); (b) a trial by jury; (c) interpose any counterclaim therein (except for any compulsory counterclaim which, if not asserted in such suit, action or proceeding, would be waived); and (d) have the same consolidated with any other or separate suit, action or proceeding.

[Signatures appear on following pages.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.


BUYER:

DEKALB HEALTHCARE HOLDINGS LLC,
a Delaware limited liability company

By: 
Name: Avi Zuckerman
Its: Authorized Signatory

SELLER:

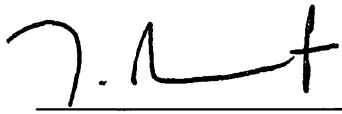
THE COUNTY OF DEKALB, ILLINOIS,
a public body corporate and politic of the State of Illinois

By: 
Name: John Frieders
Its: Chairman, County Board

Escrow Agent places its signature below solely to acknowledge that it is acting as escrow agent in accordance with the terms and conditions of Article IV of this Agreement.

ESCROW AGENT:

LANDMARK ABSTRACT AGENCY LLC

By: 
Name: Jacob Rekant
Its: President

EXHIBITS

<u>Exhibit A</u>	Legal Description
<u>Exhibit B</u>	Deed
<u>Exhibit C</u>	Bill of Sale
<u>Exhibit D</u>	Assignment and Assumption Agreement
<u>Exhibit E</u>	Escrow Holdback Agreement

EXHIBIT A

Legal Description

EXHIBIT B

Quit Claim Deed

EXHIBIT C

Bill of Sale

EXHIBIT D

Assignment and Assumption Agreement

EXHIBIT E

Escrow Holdback Agreement

OPERATIONS TRANSFER AGREEMENT
by and between

THE COUNTY OF DEKALB, ILLINOIS

a public body corporate and politic of the State of Illinois

“Old Operator”

and

DEKALB SNF OPERATIONS LLC
an Illinois limited liability company
“New Operator”

Dated as of: September __, 2022

OPERATIONS TRANSFER AGREEMENT

This OPERATIONS TRANSFER AGREEMENT (this “Agreement”) is entered into this ___ day of September, 2022 (the “Effective Date”) by and between THE COUNTY OF DEKALB, ILLINOIS, a public body corporate and politic of the State of Illinois (“Old Operator”), and [DEKALB SNF OPERATIONS LLC], an [Illinois] limited liability company (“New Operator”).

WITNESSETH:

WHEREAS, Old Operator owns that certain real property located at 2600 North Annie Glidden Road, Dekalb, IL 60115 improved with a 190-bed skilled nursing facility (the “Facility” or “Real Property”), commonly known as “Dekalb County Rehab & Nursing” (the “Property”);

WHEREAS, Dekalb SNF Realty LLC, an Illinois limited liability company (the “Buyer”) is acquiring the Real Property from Old Operator, pursuant to that certain Asset Purchase Agreement dated as of even date herewith (the “APA”);

WHEREAS, upon the Closing (as defined herein), New Operator will lease the Facility and other related assets from Buyer, under that certain Lease Agreement, dated as of [____], 2022 and commencing as of the Closing Date, by and among Buyer and New Operator (the “Lease”);

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

WHEREAS, Old Operator currently owns and at closing will transfer to Buyer certain furniture, fixtures and equipment and other items of personal property, including as located on, used in connection with, the operation of the Facility (the “Personal Property”); and

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

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

1. **CLOSING.** THE CLOSING (“CLOSING”) UNDER THIS AGREEMENT SHALL OCCUR WHEN ALL THE CLOSING CONDITIONS SET FORTH IN SECTION 3 BELOW ARE SATISFIED OR SUCH OTHER DATE AS MUTUALLY AGREED UPON BY THE OLD OPERATOR AND NEW OPERATOR, BUT NOT PRIOR TO THE DATE OF THE COMMENCEMENT DATE UNDER THE LEASE (THE “CLOSING DATE”). NEW OPERATOR SHALL USE ITS BEST EFFORTS TO OBTAIN ALL GOVERNMENTAL OR QUASI-GOVERNMENTAL APPROVALS THAT ARE NECESSARY OR APPROPRIATE IN ORDER FOR NEW OPERATOR TO OPERATE THE FACILITY UNDER ILLINOIS LAW, INCLUDING A NURSING HOME LICENSE (THE “LICENSE”) ISSUED BY THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH (“IDPH”), AND ALSO USE BEST EFFORTS TO BEGIN TO OBTAIN MEDICARE AND MEDICAID AND MANAGED CARE PROVIDER AGREEMENTS (THE “PROVIDER AGREEMENTS”) WITH RESPECT TO THE FACILITY (THE LICENSE AND PROVIDER AGREEMENTS, COLLECTIVELY, THE “REGULATORY APPROVALS”).

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

a. Old Operator agrees to cooperate with New Operator, and New Operator agrees to cooperate with Old Operator to affect an orderly transfer of the operation of the Facility. Upon reasonable prior notice to Old Operator, New Operator and its agents, employees and contractors shall have the right to enter the Real Property during reasonable business hours to conduct any necessary diligence and, subject to Old Operator's approval, conduct interviews with employees.

b. From the Effective Date until the earlier of the Closing Date or the date this Agreement is terminated, Old Operator shall operate the Facility in substantially the same manner as it has heretofore operated, use commercially reasonable and diligent efforts to preserve intact the business operations and relationships of the Facility with third parties and use best efforts to keep available the services of all of the Facility's employees, including but not limited to the Administrator, the Director of Nursing and the employee(s) responsible for public relations and marketing. Without limiting the generality of the preceding sentences, until the earlier of (i) the Closing Date, or (ii) the termination of this Agreement, Old Operator shall:

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

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

iii. not sell, transfer or otherwise dispose of any of the Supplies (as hereinafter defined) except in the ordinary course of business consistent with the prior practices of Old Operator, in which event Old Operator shall replace the same with similar property of equal or greater quality, value and usefulness;

iv. not enter into any contract, other than residential contracts, which shall become the obligation of New Operator nor modify, cancel, accept the surrender of or renew (except when any such acceptance of surrender or renewal is non-discretionary) any Contract (as hereinafter defined) which exists at present without New Operator's prior written consent;

v. not decrease the private pay rates of the residents of the Facility, except with the prior written consent of New Operator;

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

vii. not increase or promise to increase any wages or benefits of, or grant or promise to grant any bonuses to, any of the employees of the Facility without the prior written consent of New Operator except those reasonable

bonuses and wage increases in the ordinary course of business consistent with Old Operator's past practice;

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

ix. use reasonable commercial efforts to preserve the present residency occupancy levels of the Facility and the goodwill with all of the suppliers, residents and others having business relations with the Old Operator or the Facility;

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

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

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

xiii. promptly inform New Operator in writing of any material event adversely affecting the ownership, use, occupancy, operation, management or maintenance of the Facility, whether or not insured against.

3. **CONDITIONS PRECEDENT.**

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

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

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

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

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

A. A duly executed assignment by Old Operator to the extent legally and contractually assignable, in substantially the form annexed hereto as Exhibit A (the “General Assignment”), of all of Old Operator’s right, title and interest in, to and under:

- i. the Patient Trust Funds and Patient property (“Patient Property”);
- ii. all resident contracts or other agreements with residents of the Facility;
- iii. all licenses, permits, accreditations, Medicaid and Medicare contracts, and other regulatory approvals, and all rights of Old Operator under any government or non-government provider agreements or any other third-party payor programs, if any, issued by any federal, state, municipal or local governmental authority relating to the use, maintenance or operation of the Facility running to, or in favor of, Old Operator (including all modifications thereto or renewals thereof) (the “Permits”);
- iv. all guaranties or warranties then in effect, if any, with respect to the Facility and the Personal Property (the “Warranties”);
- v. any other assets required to be assigned to New Operator pursuant to this Agreement.

B. a duly executed Bill of Sale (as hereinafter defined);

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

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

E. copies of all Warranties; and

F. copies of all Permits.

v. As of and on the Closing Date, there shall not have been imposed against Old Operator, nor has Old Operator received notice undisclosed to the

Buyer or New Operator of (a) any civil monetary penalty (“CMP”) or other federal, state or local fine and/or penalty or (b) any withholding, recoupment, repayment, recapture and/or recovery of any alleged overpayment by Medicaid or Medicare and/or any alleged underpayment of any tax and/or assessment, including but not limited to state bed tax or assessment or (c) that it is not in substantial compliance with any state or federal regulations, rule or law;

vi. On or before the Closing Date, Old Operator shall have transferred to New Operator the Patient Trust Funds and Patient Property on the Closing Date in compliance with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Patient Property and in accordance with 42 USC Sec. 483.10 and the provisions of Section 5 below;

vii. Between the Effective Date and the Closing Date, there shall not have been any material adverse change in the regulatory status and/or condition of any of Old Operator’s licenses, permits and/or certifications, and the Medicare and Medicaid rates of the Facility, and/or the business operations, financial conditions or prospects of the Facility;

viii. On the Closing Date, there shall not be any lawsuits filed or threatened against Old Operator which are not covered by insurance and being defended, subject to policy limits and any reservation of rights; nor shall there be any actions, suits, claims or other proceedings, pending or to the Old Operator’s actual knowledge, actually threatened, or injunctions or orders entered, pending or to the Old Operator’s actual knowledge, actually threatened against Old Operator, to restrain or prohibit the consummation of the transactions contemplated hereby;

ix. Old Operator shall have delivered evidence satisfactory to New Operator that all PPP loans relating to the Facility, if any, were forgiven;

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

xi. Old Operators shall have credited or paid to New Operators all amounts outstanding for bed tax obligations for each of the census days of its operations prior to the Closing Date;

xii. New Operator shall have been issued all licenses, consents and all Permits that are not otherwise assigned under the General Assignment that are necessary for New Operator’s legal operation of the Facility as of the Closing Date in substantially the same manner as operated by Old Operator. The foregoing contemplates without limitation that New Operator shall have received, to the extent required, all consents for New Operator’s assumption of the Assumed Contracts defined in the Asset Purchase Agreement;

xiii. New Operator shall have approved of any updates as of Closing to the schedules and/or exhibits attached hereto; and

xiv. New Operator shall have received notice from IDPH advising that IDPH is prepared to issue to New Operator the License effective upon the Closing pending final receipt of evidence of the effectiveness of the Closing, and New Operator shall have provided copies of said notice to Old Operator prior to Closing.

b. The effectiveness of this Agreement and the parties' obligations to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and through the Closing Date to the reasonable satisfaction of each party or the waiver thereof, which waiver shall be binding only to the extent made in writing and dated as of the Closing Date:

i. Each party shall have duly and timely performed and fulfilled all of its duties, obligations, promises, covenants and agreements hereunder;

ii. Each of the representations and warranties of each party contained in this Agreement shall be true and correct through the Closing Date;

iii. Neither party shall be in breach of any term, provision or condition of this Agreement; and

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

In the event that either of the parties hereto (a "Waiving Party") waives a condition precedent to its performance hereunder, or otherwise elects to proceed with the Closing despite the fact that one or more conditions precedent to its performance have not been satisfied, such action by the Waiving Party shall in no way be deemed a waiver of any payment, indemnification or other rights of the Waiving Party with respect to such condition, and the Waiving Party shall be entitled, following the Closing, to pursue any and all available remedies at law or equity with respect thereto, unless the written waiver states otherwise.

4. CONVEYANCE OF SUPPLIES AND PROPERTY.

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

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

c. For the avoidance of doubt, the Bill of Sale shall not include any and all items already conveyed via the Bill of Sale, pursuant to the APA.

5. TRANSFER OF PATIENT TRUST FUNDS.

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

b. Old Operator hereby agrees to transfer, or to cause to be transferred, to New Operator the Patient Trust Funds and Patient Property on the Closing Date. Old Operator shall comply with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Patient Property. New Operator hereby agrees that it will accept the Patient Trust Funds and Patient Property in trust for the residents, in accordance with applicable statutory and regulatory requirements; provided, however, such transfer shall not relieve Old Operator of its custodial and fiduciary responsibilities for such funds and property to the beneficiaries thereof for the period prior to the Closing Date.

c. Old Operator will indemnify, defend and hold New Operator harmless from all fines, penalties, liabilities, and damages, including reasonable attorneys’ fees, arising or resulting from Old Operator’s violation or breach of its legal obligations with respect to the custody and transfer of Patient Funds and Patient Property prior to the Closing Date. Prior to the Closing Date.

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

a. Effective on the Closing Date, Old Operator sells, assigns and conveys to New Operator the Medicare provider number in use at the Facility (the “Existing Medicare Provider Number”), to the extent such transfer is approved by CMS. Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to the Existing Medicare Provider Number relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of the Existing Medicare Provider Number. During the pendency of New Operator’s CMS Form 855A (the “CHOW”). New Operator may bill Medicare under Old Operator’s name and the Existing Medicare Provider Number, until the Intermediary changes the electronic funds transfer account or special payment address to the New Operator. Notwithstanding the foregoing, New Operator shall be responsible for all rights and liabilities relating to the Existing Medicare Provider Number relating to any and all periods on or after the Closing Date. This Section 6 is intended to satisfy the requirements of Chapter Section 15.7.7.1.5 of the Medicare Program Integrity Manual.

b. Effective on the Closing Date, to the extent permitted by applicable law, Old Operator shall, upon the request of New Operator, transfer, assign and convey to New Operator the Medicaid provider number in use at the Facility (the “Existing Medicaid Provider Number”). Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to the Existing Medicaid Provider Number relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of the Existing Medicaid Provider Number. New Operator shall be responsible for all rights and liabilities relating to the Existing Medicaid Provider Number relating to any and all periods on or after the Closing Date.

c. Old Operator shall prepare and file with the appropriate Medicare and Medicaid agencies its final cost reports with respect to its operation of the Facility as soon as reasonably

practicable after the Closing Date, but in any event prior to the expiration of the period of time as may be required by law for the filing of each such final cost report under the applicable third-party payor program, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursement paid to New Operator for the period beginning on the Closing Date is not delayed, reduced or offset in any manner as a result of Old Operator's failure to timely file such final cost reports. To the extent that there are any delays in payment by any third-party payor to New Operator as a result of Old Operator's failure to timely file its cost reports under this Section 6(d), upon demand of New Operator, Old Operator shall pay to New Operator interest on the amounts withheld by such third-party payor(s) equal to the then current prime rate of interest (as announced from time to time by the *Wall Street Journal*) plus three percent (3%) (the "Default Rate"). Old Operator agrees to cooperate with New Operator as necessary for enrollment of New Operator in the Medicare and Medicaid programs.

d. Each party hereto agrees to notify the other within three (3) calendar days after receipt of any notice of any claim of recapture by Illinois Department of Healthcare and Family Services ("HFS"), IDPH CMS, OIG or any other governmental or quasi-governmental authority with respect to an alleged Medicare or Medicaid overpayment or any alleged underpayment of any tax or assessment for periods relating prior to the Closing Date (collectively "Recapture Claim"). For the avoidance of doubt, the term "Recapture Claim" shall include any recapture, recoupsments or other claims related to use of CARES Act funds or other monies related to Covid-19. To the extent ascertainable on or prior to the Closing Date, Old Operator shall pay or cause to be paid any Recapture Claim which is for the periods prior to the Closing Date; provided, however, nothing herein shall be deemed to prevent or restrict Old Operator from contesting any such Recapture Claim, and, if, based on the advice of its attorneys, by paying such Recapture Claim, Old Operator shall have forfeited its right to such contest, Old Operator may delay paying such Recapture Claim until final resolution of such contest, so long as Old Operator complies with the provisions of this Section 6.

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

f. If Old Operator does not prevail with regard to such contest, Old Operator hereby agrees to save, indemnify, defend and hold New Operator harmless from and against any loss, damage, injury or expense incurred by New Operator arising from or related to any such Recapture Claim; provided, that this indemnification shall not apply to the extent that such Recapture Claims arose out of or related to New Operator's act or omission to act. In connection with the foregoing indemnification obligation, in the event that CMS, HFS, IDPH or any other governmental or quasi-governmental authority or agency or other third-party payor source withholds amounts from New Operator's reimbursement checks as a result of such Recapture Claim, Old Operator shall pay such amounts to New Operator within ten (10) days following New Operator's demand therefor. Such payment shall be made regardless of whether Old Operator is then contesting such Recapture Claim.

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

h. Old Operator shall at its sole and exclusive cost and expense be liable and responsible for the correction of all violations related to the Facility cited by IDPH and/or CMS in any survey ("Survey") prior to, on or after the Closing Date as detailed in the Statement of Deficiencies issued by IDPH ("Statement"), if any, accompanying said Survey, and all proposed or imposed remedies, including but not limited to any CMP, if such remedies arise from a violation resulting from a condition or incident at the Facility prior to the Closing Date or resulting from an action or inaction of Old Operator prior to the Closing Date, until the same are cured and, if applicable, until any proposed denial of payment by or termination of certification to participate in the Medicare or Medicaid programs set forth in the Statement or Survey is withdrawn.

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

7. CONTRACTS; RESIDENT AGREEMENTS.

a. Within five (5) business days of the Effective Date, the Old Operator shall deliver to the New Operator true, accurate and complete copies of all Contracts, a schedule of which is attached hereto as Schedule 7(a).

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

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

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

8. RECIPROCAL EASEMENT AGREEMENT.

The Real Property and Facilities are contiguous and physically interconnected with the New Operator's Health Department building. Effective on the Closing Date, and from and after Closing, the Parties agree to be bound by and subject to a Reciprocal Easement Agreement ("**Reciprocal Easement Agreement**") to be finalized prior to the expiration of the due Diligence Period defined in the APA. The provisions of the Reciprocal Easement Agreement shall survive Closing and termination of this Agreement according to its written terms.

9. NO ASSUMPTION OF LIABILITIES.

a. Other than as specifically set forth in this Agreement, New Operator shall not assume and shall not be liable for, and Old Operator shall indemnify New Operator for, any debts, liabilities or obligations of the Old Operator including, but not limited to, any (i) expenses that accrue or arise prior to the Closing Date; (ii) liabilities or obligations of the Old Operator to its creditors, shareholders, partners, members or owners, (iii) liabilities or obligations of the Old Operator with respect to any Contracts, acts, events or transactions occurring prior to, on or after the Closing Date, (iv) liabilities or obligations of the Old Operator for any federal, state, county or local taxes applicable to or assessed against the Old Operator or the assets or business of the Old Operator that accrue or arise prior to the Closing Date, or (v) any contingent liabilities or obligations of the Old Operator, whether known or unknown by the Old Operator or New Operator, (vi) liabilities or obligations of the Old Operator relating to any of its employees of the Facility that accrue or arise prior to the Closing Date, or (vii) any other liabilities resulting from any act or failure to act by Old Operator before the Closing Date.

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

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

10. **ACCOUNTS RECEIVABLE; ACCOUNTS PAYABLE.**

a. Old Operator shall retain the right to collect all unpaid accounts receivable as of the close of business on the day prior to the Closing Date with respect to the Facility, but only to the extent that such accounts receivable relate to services rendered prior to the Closing Date. All collections shall be conducted in accordance with normal business practices and no patients or residents shall be unreasonably harassed in the collection of such amounts. Old Operator shall engage sufficient personnel to bill and collect Old Operator's accounts receivable using Old Operator's legacy billing system, which Old Operator shall maintain as required to bill and collect its accounts receivable hereunder.

b. If at any time after the Closing Date, New Operator shall receive any payment from any federal or state agency, which payment includes any reimbursement with respect to payments or underpayments made to Old Operator for services rendered prior to the Closing Date, then New Operator shall remit such payments to Old Operator. New Operator and Old Operator shall send copies of all Medicare and Medicaid remittance advices to the other party for purposes of recording and pursuing accounts receivable for the period of twelve (12) months following the Closing Date and thereafter as reasonably requested by each party. If at any time after the Closing Date, Old Operator shall receive any payment from any federal or state agency, which payment represents reimbursement with respect to payments or underpayments made to New Operator for services rendered on or after the Closing Date, then Old Operator shall remit such payments to New Operator. Any such remittances pursuant to this Section 10(b) shall occur within ten (10) days from the date the party required to make such remittance receives payment thereof, and if not paid in full by such date, any amount outstanding shall bear interest at the Default Rate until paid in full.

c. Payments received by New Operator or Old Operator from non-governmental payment sources shall be paid to the party designated in such payments entitled to the payments for the services provided thereunder within ten (10) days from the date the party required to make such remittance receives payment thereof, and if not paid in full by such date, any amount outstanding shall bear interest at the Default Rate until paid in full. Any non-designated payments received by New Operator or Old Operator from non-governmental payments sources after the Closing Date shall first be applied to any post-Closing Date monthly balances due to New Operator for services provided after the Closing Date, with the excess if any, applied to any pre-Closing Date monthly balances due for services rendered by Old Operator prior to the Closing Date. Notwithstanding the foregoing, New Operator hereby acknowledges and agrees that such pre-Closing Date monthly balances are the property of Old Operator and Old Operator reserves the right to continue to directly pursue the collection of such pre-Closing Date monthly balances.

d. To the extent either party receives any payments for accounts receivable of the other party, both parties acknowledge that the party receiving the payment belonging to the other party shall hold the payment in trust, that neither party shall have any right to offset with respect to such accounts receivable, and that the party erroneously receiving the payment shall have no right, title or interest whatsoever in the payment and shall remit the same to the other within five (5) business days of receipt or pay same thereafter at the Default Rate.

e. Nothing herein shall be deemed to limit in any way either party's rights and

remedies to recover accounts receivable due and owing to it under the terms of this Agreement.

f. All accounts payable for services provided or goods furnished for or at the Facility prior to the Closing Date, notwithstanding whether such accounts payable were incurred in the name of Old Operator, shall remain the sole responsibility and obligation of Old Operator. All accounts payable for services provided or goods furnished for or at the Facility on or after the Closing Date, notwithstanding whether such accounts payable were incurred in the name of New Operator (except with respect to Rejected Contracts), shall be the sole responsibility and obligation of New Operator. To the extent accounts payable have accrued for a period that includes time both before and after the Closing Date, the parties hereto shall equitably apportion the responsibility for payment of the same. The parties hereto hereby agree to cooperate with each other and to notify the merchants, suppliers or other third parties with respect to which of Old Operator or New Operator bears responsibility for accounts payable of the Facility based on the foregoing clauses of this Section 10(**Error! Reference source not found.**).

11. EMPLOYEES.

a. Old Operator shall terminate the employment of all employees providing services at the Facility, a listing of which is attached hereto as Schedule 11(a) (such listing, to include the current base salaries of all such employees) (the "Current Employees"), effective as of the Closing Date. Old Operator shall be responsible for any "Continuation Coverage" (as that term is defined by COBRA Section 4980B of the tax code and Section 601, et seq. of ERISA) for any employee of Old Operator terminated at any time prior to or on the Closing Date who does not become a Retained Employee (as defined below). New Operator shall not be bound by or assume any employment contracts to which Old Operator may be a party. Old Operator shall not make any material changes in the compensation or benefits of the employees at the Facility prior to the Closing Date.

b. New Operator shall determine, in its sole discretion, which of the Current Employees shall be offered employment with New Operator, pursuant to employment terms acceptable to New Operator (hereinafter, the "Retained Employees"). Nothing in this paragraph, however, shall create any right in favor of any person not a party hereto, including without limitation, the Current Employees, or constitute an employment agreement or condition of employment for any employee of Old Operator or any affiliate of Old Operator who is a Current or Retained Employee.

c. On the Closing Date, Old Operator shall provide New Operator with a credit (the "Employee Accrual Credit") of an amount equal to 100% of the accrued, vested and unvested, but unpaid vacation obligations and 100% of the vested and unvested sick and holiday pay and severance obligations, and all other related payroll obligations including but not limited to all FICA, withholding, unemployment, workmen's compensation or other employment related taxes, as well as any insurance premium obligations of Old Operator, vested or unvested, with respect to the Retained Employees that have accrued prior to the Closing Date ("Old Operator's Vacation and Holiday Pay Expenses").

d. In exchange therefore, New Operator agrees to pay when and as due, all of such Old Operator's Vacation and Holiday Pay Expenses, provided, however, New Operator shall not be liable and Old Operator shall indemnify and hold the New Operator harmless on account of any and all other liabilities, contingent liabilities and obligations with regard to any of the Current Employees and with regard to the Retained Employees, any and all other liabilities, contingent

liabilities, and obligations that relate to the period prior to the Closing Date. A schedule of Old Operator's Vacation and Holiday Pay Expenses is attached hereto as Schedule 11(d). In the event that New Operator discovers after the Closing Date that the amount credited is less than the amounts required under this Section 11(d), Old Operator shall pay to New Operator, within ten (10) days after New Operator provides notice thereof, an amount equal to such deficiencies.

e. New Operator and Old Operator agree and acknowledge that the employees at the Facility provide valuable services that are crucial for the success of the Facility, and New Operator's decision to serve as licensed operator of the Facility is based upon the skills and qualifications of such employees. As such, in the event that during the period beginning on the Effective Date and ending upon the date that is eighteen (18) months following Closing: i) any Retained Employees that have accepted employment with New Operator is solicited for employment or hired by any person or entity that either directly or indirectly controls, is under common control with or is otherwise affiliated with Old Operator (any of the foregoing, an "Old Operator Party"), then Old Operator shall pay to New Operator an amount equal to the greater of (a) Fifty Thousand Dollars (\$50,000.00), or (b) an amount equal to such employee's annual salary as liquidated damages, for each such Current Employee or Scheduled Employee. The parties agree and acknowledge that actual damages with respect to the foregoing would be difficult to ascertain and that Fifty Thousand Dollars (\$50,000.00) or the amount of the annual salary is a fair and reasonable approximation of such actual damages. This provision shall not in any way limit such other remedies as may be available to New Operator. Old Operator further acknowledges that the scope and duration of the provisions of this Section 11(d) are reasonable. The parties also agree that advertisements available to the general public, such as through website job postings and newspaper, Internet and trade journals shall not constitute solicitation for purposes of this Section 11(d).

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

13. **ACCESS TO RECORDS.**

a. On the Closing Date, Old Operator shall deliver to New Operator all of the records of the Facility, including patient medical and financial records, provided, however, that nothing herein shall be construed as precluding Old Operator from removing from the Facility on the Closing Date its corporate financial records which relate to its operations at the Facility or to its overall corporate operations; and provided, further, that for a five (5) year period after the Closing Date, Old Operator shall give New Operator access to any information and the right of inspection (including the right to extract or make copies) in any such removed records as is necessary for the efficient and lawful operation of the Facility by New Operator or is otherwise required by law to be maintained at the Facility.

b. Subsequent to the Closing Date, New Operator shall allow Old Operator and its agents and representatives to have reasonable access to (upon reasonable prior notice and during normal business hours), and to make copies of, the books and records and supporting material of the Facility relating to the period prior to and including the Closing Date, at its own expense, to

the extent reasonably necessary to enable Old Operator to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns or any other government agency actions or notices.

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

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

14. **USE OF TELEPHONE NUMBER.** New Operator may use the present telephone numbers of the Facility. Old Operator shall, as of the closing date, transfer or cause to be transferred, at its expense, all right, title and interest in and to the telephone numbers used by the Facility.

15. **POLICY AND PROCEDURE MANUALS.** Old Operator agrees to leave its policy and procedure manuals at the facility and to transfer all of its right, title and interest in and to such policy and procedure manuals to new operator.

16. **TAXES.** Old Operator shall discharge any provider tax charged by or other amounts owed to HFS, IDPH or other government agency for periods prior to the Closing Date. Old Operator will file all returns, reports and filings of any kind or nature, required to be filed by Old Operator on a timely basis and will timely pay all taxes or other obligations and liabilities which are due and payable with respect to the real property in the ordinary course of business. Old Operator shall pay before the same shall become due all taxes, duties and other governmental charges that accrue prior to the closing date, which, if not paid, would create or may hereafter create a lien on any of the assets of new operator or for which New Operator could become liable as a successor operator of the facility. Old Operator shall also file any required bulk transfer filings necessary to establish that New Operator shall not succeed to any Old Operator state tax liabilities.

17. **INDEMNIFICATION.**

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

the part of New Operator or its affiliates, and (iii) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the Other Documents.

b. Old Operator agrees to indemnify, save, protect, defend and hold harmless New Operator and its employees, affiliates, managers, members, officers, directors and agents, from and against all Losses arising from, out of, or relating to (i) operation of the Facility by Old Operator prior to the Closing Date, (ii) Old Operator's use or occupancy of the Facility or the condition thereof prior to the Closing Date, (iii) any Recapture Claim, (iv) any breach of any representation, warranty, covenant, agreement or obligation or material inaccuracy of Old Operator contained in this Agreement or in any of the Other Documents by Old Operator, (v) any Fraud on the part of Old Operator or its affiliates. (vi) Medicare Advance Funds received by Old Operator prior to the Closing Date, for services not yet provided as of Closing (vii) Cares Act Payments, PPP Payments, or Other COVID-19 Funds for application exclusively at or for the Facility, and received by Old Operator prior to the Closing Date, and/or (viii) any resident present at the Facility on the Closing Date for whom a recognized payor source cannot be obtained following the Closing. Old Operator's obligations for any and all claims for Losses for which indemnification of New Operator is provided shall be secured by the Escrow Holdback pursuant to the Escrow Holdback Agreement (each as defined in the APA), provided, however, any Losses under Section 16(b)(vi) of this Agreement shall be made first against the Medicare Advance Escrow pursuant to the terms of the Medicare Advance Escrow Agreement.

c. In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Agreement ("Indemnitee's Claim") is made against or received by any indemnified party (hereinafter "Indemnitee") hereunder, said Indemnitee shall notify the indemnifying party (hereinafter "Indemnitor") in writing within thirty (30) calendar days of Indemnitee's receipt of written notice of said Indemnitee's Claim, provided, however, that Indemnitee's failure to timely notify Indemnitor of Indemnitee's receipt of an Indemnitee's Claim shall not impair, void, vitiate or invalidate Indemnitor's indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee's delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor's right or ability to defend the Indemnified Claim. Upon its receipt of any or all Indemnitee's Claim(s), Indemnitor shall, in its sole, absolute and unreviewable discretion, diligently and vigorously defend, compromise or settle said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee's Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within two (2) calendar days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee's Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee's Claim without Indemnitor's prior written consent. Failure to obtain such consent shall be deemed a forfeiture by Indemnitee of its indemnification rights hereunder. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee's Claim and/or to diligently pursue the same to its conclusion, or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee's Claim, on seven (7) calendar days prior written notice to Indemnitor during which time Indemnitor may cure any alleged default hereunder, the foregoing shall immediately, automatically and without further notice be an event of default hereunder (an "Indemnification Default") and thereafter Indemnitee may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law

and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense, including but not limited to attorneys' fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitee all said Indemnitee's Claims and the reasonable costs, expenses and attorneys' fees incurred by Indemnitee to defend, settle or compromise said Indemnitee's Claims.

d. All indemnification obligations of Old Operator and New Operator under this Agreement shall survive the Closing Date and shall continue in effect for a period of three (3) years after the Closing Date; provided that if there is an Indemnitee's Claim made prior to the three-year anniversary of the Closing Date, such indemnification obligation shall continue to survive until the final, non-appealable resolution of such Indemnitee's Claim.

e. The foregoing to the contrary notwithstanding, all indemnification obligations relating to the Recapture Claims and any other Losses relating to the Medicaid and Medicare programs shall survive indefinitely, subject to any applicable statutes of limitations.

f. New Operator's right to indemnification, reimbursement or other remedy based upon any representation, warranty, covenant or obligation contained herein shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the Effective Date or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation.

18. **REPRESENTATIONS AND WARRANTIES OF NEW OPERATOR.** AS AN INDUCEMENT TO OLD OPERATOR TO ENTER INTO THIS AGREEMENT, NEW OPERATOR COVENANTS AND MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES SET FORTH BELOW, WHICH ARE TRUE AND CORRECT AS OF THE EFFECTIVE DATE AND WHICH SHALL BE TRUE AND CORRECT ON THE CLOSING DATE:

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

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

v. violate any provision of its Operating Agreement; or

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

c. Lease. New Operator has entered into a lease agreement with Buyer as to the Facility that will become effective upon at Closing ("**Lease**").

d. No Consent Required. No consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by New Operator of this Agreement, or the performance by New Operator of this Agreement, prior to, or as of or at the Closing Date, or as a consequence thereof, or with the consummation by New Operator of transactions contemplated hereby to be consummated prior to, as of or at the Closing Date.

e. New Operator has no reason to believe that its legal, good standing is in jeopardy, or that there are facts or circumstances known to New Operator that will or is likely to materially impair its ability to necessary secure permits or licensure to operate the Facility after Closing.

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

g. Survival of Representations and Warranties of New Operator. Each representation and warranty of New Operator hereunder shall be true, complete and correct as of the Closing Date with the same force and effect as though such representation or warranty was made on such date, and all representations and warranties shall survive the Closing Date for a period of three (3) years.

19. **REPRESENTATIONS AND WARRANTIES OF OLD OPERATOR.** AS AN INDUCEMENT TO NEW OPERATOR TO ENTER INTO THIS AGREEMENT, OLD OPERATOR COVENANTS AND MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES, WHICH ARE TRUE AND CORRECT AS OF THE EFFECTIVE DATE AND WHICH SHALL BE TRUE AND CORRECT AS OF THE CLOSING DATE:

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

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

vii. violate any provision of its operating or limited liability company agreement;

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

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

c. No Consent Required. No consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by Old Operator of this Agreement, or the performance by Old Operator of this Agreement, prior to, or as of or at the Closing Date, or as a consequence thereof, or with the consummation by Old Operator of transactions contemplated hereby to be consummated prior to, as of or at the Closing Date, except (i) such consents, certifications or licenses from the HFS, IDPH, CMS or any other governmental agency with jurisdiction over the Facility as necessary to permit New Operator to operate the Facility from and after the Closing Date for 190 skilled beds, (ii) if applicable, such other consents or licenses required to operate a skilled care nursing home facility in Dekalb, Illinois, and (iii) as otherwise required in this Agreement and the APA.

d. Litigation. Except as set forth on Schedule 19(d), there are no pending, nor, to Old Operator's Knowledge, threatened claims, lawsuits, governmental actions or other proceedings, including without limitation, any desk audit or full audit described in below, involving the Facility or the operation thereof before any court, agency or other judicial, administrative or other governmental body or arbitrator.

e. Overpayments. Except as set forth on Schedule 19(e), there are no pending, nor threatened claims, demands or other notices of or action alleging the overpayment of Medicaid, Medicare or other governmental or quasi-governmental reimbursements or demanding the return of such alleged overpayments by any third-party payor, nor is Old Operator aware of any grounds from such a claim or demand.

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

g. Status of Licensure and Certification. The Facility currently holds a license issued by IDPH to Old Operator for 190 bed skilled care nursing facility and said license is and shall through the Closing Date be unrestricted, unconditional, in good standing and in full force and effect and subject to no waivers or limitations. There are no pending actions or claims or any threatened actions or claims, which, if adversely determined, could materially and adversely affect such license. Old Operator has not received any written notice from IDPH, or any other governmental agency requiring the correction of any condition with respect to such license which has not been the subject of a plan of correction for which compliance has been affected and Old Operator has no reason to believe that the good standing of any such license is in jeopardy. Furthermore, Old Operator has not received any written notice from IDPH or any other governmental or quasi-governmental organization of any life safety code or similar violations, nor does Old Operator have any reason to believe that any condition exists at the Real Property that would violate any life safety codes or any similar regulations. The Facility is, and shall on the Closing Date be, certified for participation in the Medicaid and Medicare reimbursement

program and such certification is in full force and effect and in good standing and subject to no restrictions or limitations. There are no pending actions or claims or, to the best of Old Operator's knowledge, any threatened actions or claims, which, if adversely determined, could materially and adversely affect such certification. Old Operator has not received any notice from HFS, IDPH, CMS or any other governmental agency requiring the correction of any condition with respect to such certification which has not been the subject of a plan of correction for which compliance has been affected and Old Operator has no reason to believe that the good standing of such certification is in jeopardy. Old Operator shall promptly comply with any violation notices concerning the Facility received after the Effective Date and before the Closing Date to the extent that any such notice requires compliance activities. In addition to, and not in any manner limiting the generality of, the foregoing, during the three-year period prior to the Closing Date, except as set forth in Schedule 19(g), Old Operator has not received any of the following with respect to the Facility:

- i. A notice of violations with a scope and severity level of "F" or higher;
- ii. A notice of termination of the license issued by IDPH to operate the Facility as a 190-bed skilled care nursing facility;
- iii. A notice of termination of the certification issued by HFS or CMS of the Facility to participate in the Medicare and/or Medicaid reimbursement programs;
- iv. A notice that the Facility is not in substantial compliance with the requirements for participation in the Medicare and/or Medicaid reimbursement programs;
- v. A notice of a material Life Safety Code deficiency cited by CMS, IDPH or state or local building, fire safety or health authorities that have not been corrected as of the Effective Date; and
- vi. A notice of imposition of civil monetary penalties or other intermediate sanctions in accordance with 42 CFR § 488.430 et seq.

h. Cost Reports; Audits. Old Operator has filed, or will file, within the appropriate reporting period and with the appropriate authority, all cost reports required to be filed pursuant to Titles XVIII and XIX of the Social Security Act prior to the Effective Date with respect to the Facility. All such reports have been or will be prepared in all material respects in accordance with all applicable laws, rules and regulations. [Old Operator has been audited by the Medicaid program for all fiscal periods through [INSERT]. The status of the pending Medicare and Medicaid audits are attached as Schedule 19(h).]

i. Compliance with applicable laws. To the best of Old Operator's knowledge:

- i. Old Operator is in compliance (without waivers) and as of the Closing Date will be in compliance (without waivers) with all applicable municipal, county, state and federal laws, regulations, ordinances, standards and

orders, including without limitation, all health, building, fire and zoning ordinances and life safety codes and the Americans with Disabilities Act, as the same may be amended.

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

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

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

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

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

l. Personal Needs Allowance. To the best of Old Operator's knowledge, Old Operator is currently in material compliance with all state and federal regulations relating to maintaining and accounting for the personal needs allowance ("PNA") for residents who request the establishment of a PNA account. Except as set forth in Schedule 19(l), Old Operator has no knowledge of and has not received any notice from any governmental authority citing or alleging any violation by Old Operator or the Facility of any state or federal PNA regulations.

m. Furniture. There are at the Facility a number of beds equal to the maximum bed capacity as permitted under the Facility license. To the best of Old Operator's knowledge, each bed is in good repair and conforms with the minimum standards set forth under the regulations adopted by IDPH. For each such bed, there also exists the minimum furnishings, fixtures and

other accessories required by IDPH and all state, local or federal laws or regulations applicable to the Facility.

n. Supplies. Each and every item constituting the Supplies has been purchased by Old Operator and is owned by Old Operator free and clear of claims of all other parties. Old Operator will cooperate with New Operator in New Operator's diligence with regards to New Operator's determinations as to the sufficiency of such supplies and linens for the proper conduct and operation of the Facility as a skilled care nursing home facility for at least that number of residents residing at the Facility as of the Closing Date, and compliance with all applicable laws, including, without limitation, the minimum standards of IDPH, HFS or CMS and the sufficiency of the Supplies as to amount including, specifically but without limitation, Supplies which constitute personal protective equipment for the Facility, and which shall be conveyed to New Operator via a Bill of Sale, the form of which is attached hereto as Exhibit B.

o. Old Operator's Vacation and Holiday Pay Expenses. Schedule 11(d) is a complete and accurate list of Old Operator's Vacation and Holiday Pay Expenses, and except as provided in Schedule 19(o), as of the Closing Date, Old Operator has no outstanding obligations with respect to vacation and holiday pay to any of the Retained Employees.

p. Labor Unions. Except as set forth in Schedule 19(p), Old Operator is not party to any collective bargaining agreement with any labor union or similar organization, nor does Old Operator know of any such organization which represents or claims to represent any of Old Operator's employees or intends to organize any of Old Operator's employees.

q. Multi-Employer Plans. Except as set forth in Schedule 19(q), Old Operator does not, and is not required to, contribute (and has not ever contributed or been required to contribute) to any multi-employer plan, as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to the Current Employees. To the extent Old Operator has been required to, contribute (and/or has ever contributed or been required to contribute) to any multi-employer plan, Old Operator expressly covenants that no such requirement shall be required of, and no liability shall become a liability of New Operator following Closing and agrees that any liability that shall or may arise in connection with such contributions remain the liability of Old Operator. THE PROVISIONS OF THIS SECTION 19(q) SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT BE DEEMED TO HAVE MERGED INTO ANY OF THE DOCUMENTS EXECUTED OR DELIVERED AT THE CLOSING.

r. Employee Benefit Plans. Except as provided in Schedule 19(r):

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

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

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

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

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

vi. To the extent Old Operator sets forth any items on Schedule 19(r) pursuant to this Schedule 19(r), Old Operator expressly covenants that no liabilities shall become the liability of New Operator following Closing and agrees that any liability that shall or may arise in connection with the items set forth on Schedule 19(r) remain the liability of Old Operator. THE PROVISIONS OF THIS SECTION 19.r SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT BE DEEMED TO HAVE MERGED INTO ANY OF THE DOCUMENTS EXECUTED OR DELIVERED AT THE CLOSING.

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

t. Status of Residents. All of the residents at the Facility have full legal status as citizens of the United States of America.

u. Taxes. Old Operator has timely filed all tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges due and payable with respect to such returns.

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

w. Special Assessments. There are no (i) pending or threatened special assessments affecting the Property or (ii) any contemplated improvements affecting the Property that may result in special assessments affecting the Property. There are no tax abatements, phase-ins or exemptions affecting the Property.

x. Personal Property; Liens. All of the Personal Property is located at or on the Property. The Personal Property is sufficient to operate the Facility in the manner conducted by Old Operator as of the date hereof and as of the Closing Date. All of the assets necessary to operate the Facility are owned by the Old Operator and shall be conveyed to New Operator pursuant to this Agreement. The Property is free and clear of all liens, claims and encumbrances caused or created by Old Operator or its employees or agents.

y. Leases. There are not currently, and as of the Closing Date there shall not be, any occupancy rights (written or oral), leases or tenancies presently affecting the Facility and the portion of the Real Property on which it is located, and any occupancy rights of any residents of any Facility.

z. Permits. Old Operator currently maintains in good standing and full force all of the material certificates, licenses and permits from all applicable governmental authorities in connection with the ownership, use, occupancy, operation and maintenance of the Real Property and the Facility as necessary in connection with the current ownership, use, occupancy, operation and maintenance thereof.

aa. Old Operator has provided to New Operator true and correct copies of the Financial Statements (as hereinafter defined). The Financial Statements (i) have been prepared in strict accordance with the books and records of Old Operator, (ii) present fairly and accurately, and do not in any respect distort, the financial condition of the Seller, Old Operator or Facility as of the date of the balance sheet, (iii) present fairly and accurately, and do not in any respect distort, the results of operations of the Facility for the period covered by such statement, and (iv) have been prepared on the same basis as the Facility's prior financial statements. Except as disclosed in Schedule 19(aa) or in the Financial Statements, there are no liabilities, debts, claims or obligations related to the operation of the Facility by Seller or Old Operator prior to the Closing Date, whether accrued, absolute, contingent or otherwise, whether due or to become due, that would reasonably be expected to be asserted against New Operator, and/or the Facility following the Closing Date. For purposes hereof, the "**Financial Statements**" shall mean financial statements with respect to the Facility for the calendar years ended December 31, 2019, 2020, 2021 and through the Closing Date. In addition to the Financial Statements, Old Operator has delivered, or caused to be delivered, to New Operator true, correct and complete in all material respects resident census information for the Facility's last two (2) fiscal years and current year-to-date broken out by month.

bb. AS-IS, WHERE-IS TRANSFER. Except as otherwise specifically provided in this Agreement, Old Operator's transfers, sales, assignments, deliveries and conveyances to New operator pursuant to this Agreement is and shall be on an "AS IS" and "WHERE IS" basis, with no representations or warranties as to merchantability, fitness or use.

i. IT IS UNDERSTOOD AND AGREED THAT, UNLESS EXPRESSLY STATED HEREIN, OLD OPERATOR IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRANSFERS, SALES, ASSIGNMENTS, DELIVERIES AND CONVEYANCES TO NEW OPERATOR PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ii. NEW OPERATOR ACKNOWLEDGES AND AGREES THAT UPON THE CLOSING, OLD OPERATOR SHALL TRANSFER, SELL, ASSIGN, DELIVER AND CONVEY TO NEW OPERATOR AND NEW OPERATOR SHALL ACCEPT THE TRANSFERS, SALES, ASSIGNMENTS, DELIVERIES AND CONVEYANCES "AS IS, WHERE IS, WITH ALL FAULTS." NEW OPERATOR HAS NOT RELIED UPON AND WILL NOT RELY ON, AND OLD OPERATOR IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE

TRANSFERS, SALES, ASSIGNMENTS, DELIVERIES AND CONVEYANCES OR RELATING THERETO MADE OR FURNISHED BY OLD OPERATOR OR ITS REPRESENTATIVES TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, EXCEPT AS EXPRESSLY STATED HEREIN. NEW OPERATOR ALSO ACKNOWLEDGES THAT THE BUYER'S PURCHASE PRICE AND THE LEASE AGREEMENT REFLECT AND TAKE INTO ACCOUNT THAT THE TRANSFERS, SALES, ASSIGNMENTS, DELIVERIES AND CONVEYANCES ARE BEING SOLD "AS IS, WHERE IS, WITH ALL FAULTS" EXCEPT AS EXPRESSLY STATED HEREIN.

iii. NEW OPERATOR ACKNOWLEDGES TO OLD OPERATOR THAT NEW OPERATOR HAS HAD THE OPPORTUNITY TO CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE TRANSFERS, SALES, ASSIGNMENTS, DELIVERIES AND CONVEYANCES AS NEW OPERATOR DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE TRANSFERS, SALES, ASSIGNMENTS, DELIVERIES AND CONVEYANCES AND NEW OPERATOR'S ACCEPTANCE THEREOF. NEW OPERATOR FURTHER WARRANTS AND REPRESENTS TO OLD OPERATOR THAT NEW OPERATOR WILL RELY SOLELY ON ITS OWN REVIEW AND OTHER INSPECTIONS AND INVESTIGATIONS IN THIS TRANSACTION AND NOT UPON THE INFORMATION PROVIDED BY OR ON BEHALF OF OLD OPERATOR, OR ITS AGENTS, EMPLOYEES OR REPRESENTATIVES WITH RESPECT THERETO. NEW OPERATOR HEREBY ASSUMES THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, LATENT OR PATENT DEFECTS, ADVERSE PHYSICAL OR OTHER ADVERSE MATTERS, MAY NOT HAVE BEEN REVEALED BY NEW OPERATOR'S REVIEW AND INSPECTIONS AND INVESTIGATIONS.

iv. THE PROVISIONS OF THIS SECTION 19.bb SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT BE DEEMED TO HAVE MERGED INTO ANY OF THE DOCUMENTS EXECUTED OR DELIVERED AT THE CLOSING.

cc. No Advanced Medicare Funds. There are no Medicare Advance Payments received by Old Operator and outstanding on the Effective Date or at Closing.

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

ee. Survival of Representations and Warranties of Old Operator. Each representation and warranty of Old Operator hereunder shall be true, complete and correct as of the Closing Date with the same force and effect as though such representation or warranty was made on such date. All representations and warranties shall survive the Closing Date for a period of three (3) years.

20. **NON-COMPETE AND NON-SOLICITATION.**

a. Neither Old Operator nor any of its or their affiliates or principals shall knowingly and solicit the Facility or any residents thereof, each for a period of eighteen (18) months following the Closing. Old Operator acknowledges that if there is a violation of any provision of this Section 20, then Old Operator shall pay to New Operator an amount equal to Fifty Thousand Dollars (\$50,000.00) as liquidated damages, for each such resident. The parties agree and acknowledge that actual damages with respect to the foregoing would be difficult to ascertain and that Fifty Thousand Dollars (\$50,000.00) is a fair and reasonable approximation of such actual damages. This provision shall not in any way limit such other remedies as may be available to New Operator at law or in equity. Old Operator further acknowledges that the scope and duration of the provisions of this Section 20 are reasonable.

b. Neither Old Operator nor any of its or their affiliates or principals, for a period of two (2) years after the Closing Date, will own, operate, develop, manage, or consult an intermediate or skilled nursing facility or otherwise operate, own, develop, manage or consult with an entity or business involved with skilled nursing care within a ten (10) mile radius of the Facility. Old Operator acknowledges that a violation of any provision of this Section 20(b) will result in substantial and irreparable damage to the New Operator for which the New Operator will not have an adequate remedy at law and for which money damages would not be a sufficient remedy, and Old Operator agrees that, in addition to all other remedies, in the event of any violation or alleged or threatened violation of any of the provisions of this Section 20(b), New Operator shall be entitled to equitable relief, including temporary or permanent injunctive relief and specific performance, in each case without being required to prove irreparable harm or damages, post a bond or otherwise provide security. This provision shall not in any way limit such other remedies as may be available to New Operator at law or in equity. Old Operator further acknowledges that the scope and duration of the provisions of this Section 20 are reasonable.

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

22. **EXHIBITS AND SCHEDULES.** If any exhibits or schedules are not attached hereto, the parties hereto agree to attach such exhibits and schedules as soon as reasonably practicable but in any event prior to ten (10) days after the Effective Date. The parties hereto agree that the party charged with providing an exhibit or schedule to this Agreement shall, to the extent necessary after delivery thereof, amend or supplement all exhibits and schedules in order for the same to be current, true and correct as of the closing date. The inclusion of all supplements to the exhibits and schedules pursuant to this Section shall be subject to New Operator approving, in its reasonable judgment, all such exhibits and schedules within seven (7) days of submission thereof to New Operator.

23. **EVENTS OF DEFAULT; REMEDIES.** Except as to those specific notices and cure periods, if any, particularly set forth elsewhere herein, the breach by either party (“Defaulting Party”) hereto of any term, provision, condition, promise, covenant, agreement, representation, warranty, guaranty, indemnity, duty or obligation if not cured within five (5) business days of the earlier of said Defaulting Party’s receipt or refusal of written notice of the same from the other party (“Non-Defaulting Party”) hereto shall automatically and without

further notice hereunder be an immediate event of default (“Event of Default”) entitling the Non-Defaulting party to exercise any and all remedies available to it hereunder or in law or equity, provided, however, that if a non-monetary breach is not reasonably capable of being cured within the aforesaid five (5) business days but the Defaulting Party promptly commences to cure within said period, within said period notifies the non-defaulting party in writing of the commencement of said cure, and thereafter diligently pursues the same to conclusion and successfully completes said cure within thirty (30) calendar days of its first receipt of notice of said breach or violation, it shall not be an event of default hereunder. Subject to the provisions of section 24, to the extent permitted under governing law, the Non-Defaulting party’s rights and remedies hereunder shall be cumulative and not mutually exclusive and to the extent permitted under governing law and subject to section 24 the exercise by the Non-Defaulting party of one or more rights or remedies granted it hereunder or in law or equity shall not be deemed, interpreted or construed as an election of the same or to bar, prevent or preclude the simultaneous or consecutive exercise of any other right or remedy granted to the Non-Defaulting party hereunder or in law or equity, including but not limited to the simultaneous or successive pursuit of money damages and injunctive relief. The Non-Defaulting party shall not be required to post any bond, surety or security of any nature whatsoever to pursue injunctive relief, the necessity or requirement for the same being hereby waived by the Defaulting Party.

24. **CHOICE OF LAW.** This Agreement and the other transaction documents shall be governed and controlled by the internal laws of the state of Illinois as to interpretation, enforcement, validity, construction, effect, and in all other respects.

25. **DISPUTE RESOLUTION.** The parties hereto agree that with respect to all disputes, problems or claims arising out of or in connection with this agreement and all other agreements or other instruments executed in connection herewith (collectively “disputes”), the parties hereto shall, in good faith, use their reasonable best efforts to resolve the dispute. If after such efforts the parties hereto are unable within ten (10) days of the arising of the dispute to resolve the dispute in good faith, either party may submit to final and binding arbitration before the American Arbitration Association (“AAA”), with an office located in DeKalb County, Illinois, or its successor, pursuant to the federal arbitration act, 9 U.S.C. sec. 1 et seq. The parties hereto agree that the rules of the AAA applicable to commercial arbitrations shall apply to any such arbitration and that the expedited procedures under the commercial arbitration rules shall apply. Either party may commence the arbitration process called for in this agreement by filing a written demand for arbitration with AAA, with a copy to the other party. The arbitration will be conducted in DeKalb county, Illinois, in accordance with the provisions of AAA streamlined arbitration rules and procedures in effect at the time of filing of the demand for arbitration. The parties will cooperate with AAA and with one another in selecting an arbitrator from AAA panel of neutrals, and in scheduling the arbitration proceedings. Unless waived by all of the parties to the dispute, the arbitrator(s) in any arbitration shall be an attorney admitted to the bar of the state of Illinois having at least ten (10) years’ experience practicing in health care law with experience on such matters relevant to the matter at issue under the claim. The provisions of this section 25 with respect to the arbitration before AAA may be enforced by any court of competent jurisdiction, and the parties seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys’ fees, to be paid by the parties against whom enforcement is ordered. The fees and expenses of such arbitration shall be borne by the non-prevailing party, as determined by such arbitration. Upon the mutual agreement of the parties involved in the

dispute, the parties may submit to final and binding arbitration before any other recognized alternative dispute resolution company or organization with offices located in DeKalb county, Illinois. The parties hereto agree that this section 25 has been included to rapidly and inexpensively resolve any disputes between them with respect to the matters described above, and that this paragraph shall be grounds for dismissal of any court action commenced by any party with respect to a dispute arising out of such matters.

26. **JURISDICTION; VENUE.** Any enforcement action for any arbitration award (if necessary) may be brought before any court having situs in DeKalb County, Illinois. Each of the parties hereto hereby consents and submits to the jurisdiction of any local, state, or federal courts located within said city and state. To the extent legally waivable, each of the parties hereto hereby waives personal service of any and all process and agrees that all such service of process may be made upon such parties by certified or registered mail, return receipt requested, addressed to such party, at the address set forth for notice in this agreement and service so made shall be complete ten (10) days after the same has been posted. The parties hereto hereby waive any right they may have to transfer or change the venue of any litigation brought against such party in accordance with this section.

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

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

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

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

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

d. "*Hazardous Substances*" shall mean any toxic or hazardous waste or pollutants, or substances, including, without limitation, asbestos, PCB's, petroleum products and by products, substances defined or listed as: "Hazardous Substances" or "Toxic Substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. § 9601, et seq., "Hazardous Materials" in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, et seq., "Hazardous Waste" in The Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2061, et seq., any "Toxic

Pollutant” under the Clean Water Act, 33 U.S.C. §1251, et seq., as amended, any “Hazardous Air Pollutant” under the Clean Air Act, 42 U.S.C. § 7401, et seq., and any hazardous or toxic substance or pollutant regulated under any other applicable federal, state or local Environmental Laws.

e. “*OIG*” shall mean the United States Department of Health and Human Services, Office of Inspector General.

f. “*Supplies*” shall mean the food, central supplies, linens and housekeeping supplies, personal protective equipment and other consumable and non-consumable inventory present at the Facility as of the Closing Date and any other property of Old Operator used in connection with the operation of the Facility.

29. **COVID-19 PAYMENTS.** New Operator acknowledges that Old Operator or their affiliates have received, and may continue to receive after the Closing Date funds made available to Old Operator pursuant to the Coronavirus Aid, Relief and Economic Security Act (“CARES Act Payments”), and/or certain other stimulus funds, grants, rebates, and/or special programs providing additional funding, related to COVID-19 which are not CARES Act Payments (“Other COVID-19 Funds”).

a. Old Operator or their Affiliates shall be entitled to retain any CARES Act Payments or Other COVID-19 Funds received prior to the Closing Date; provided, however, that Old Operator shall use or return such CARES Act Payments and Other Covid-19 Funds in full compliance with applicable law. To the extent Old Operator has any CARES Act Payments or Other Covid-19 Funds remaining as of the Effective Date of this Agreement, it will purchase supplies and equipment for use at the Facility, which will remain at the Facility after the Closing Date.

b. New Operator shall be entitled to retain any CARES Act Payments or Other COVID-19 Funds applied for and/or received by New Operator on or following the Closing Date regardless of which dates such CARES Act Payments and/or Other COVID-19 Funds relate to.

c. To the extent that any CARES Act Payments or Other Covid-19 Funds are received by Old Operator after the Closing Date, Old Operator shall, if permitted by law, remit such funds to New Operator within five (5) business days, or if not permitted to pay such funds directly to New Operator, shall work in good faith with New Operator to enable New Operator to receive such funds, including promptly returning funds received to the appropriate governmental agency if required.

d. Old Operator shall be responsible for the repayment of any advanced payments received by Old Operator from CMS pursuant to the CMS Accelerated and Advance Payment Program related to COVID-19 (“Medicare Advance Payments”) prior to the Closing Date. Upon receipt of notice from New Operator that Medicare has deducted or recouped the amount of any Medicare Advance Payments from amounts otherwise due to New Operator, Old Operator shall promptly within three (3) business days remit payment to New Operator to account for such recoupment. Old Operator’s obligations under this Section 29(d) shall be secured by the Medicare Advance Escrow.

e. Except as provided for in Schedule 29(e) attached hereto, Old Operator has not received any funds from the Paycheck Protection Program (“PPP”) which have not been forgiven.

f. The Parties shall comply with all applicable laws related to the CARES Act Payments, Other COVID-19 Funds, PPP, and Medicare Advance Payments (collectively, the “COVID Funds”) described herein. The Parties will reasonably cooperate with any information requests related to the COVID Funds in order to comply with regulatory and reporting requirements.

30. **GENERAL PROVISIONS.**

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

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

if to Old Operator: Brian Gregory
DeKalb County Administrator
200 N. Main St., Sycamore, IL
Phone: 815.895.1638
E-Mail: bgregory@dekalbcounty.org

with a copy to: _____

if to New Operator: _____

with a copy to: Gulko Schwed LLP
525 Chestnut Street, Suite 207
Cedarhurst, NY 11516
Attn: Steven Gitelis, Esq.
Email: steven@gulkoschwed.com

Notice shall be considered delivered at the earliest of the following to occur: (i) when actually received, (ii) three (3) Business Days after being so sent by U. S. Mail, (iii) one (1) Business Day after being so sent by Federal Express or another nationally-recognized overnight courier service (and as to the foregoing clauses (ii) and (iii), delivery shall be deemed to have occurred

independent of the date of actual delivery or whether delivery is ever in fact made, as the case may be, provided the giver of notice can establish the fact that notice was sent or tendered as provided herein), or (iv) if given by electronic mail, effective upon transmission if before 11:59 p.m. (Central Standard Time) (otherwise effective the next business day). If notice is tendered pursuant to the provisions of this Section and is refused by the intended recipient thereof, the notice, nevertheless, shall be considered to have been given and shall be effective as of the date herein provided. Notices from counsel for Old Operator to counsel for New Operator shall for all purposes hereunder constitute notice from Old Operator to New Operator. Notices from counsel for New Operator to counsel for Old Operator shall for all purposes hereunder constitute notice from New Operator to Old Operator.

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

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

e. This Agreement may not be modified or amended except in writing signed by the parties hereto.

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

g. This Agreement shall bind and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and permitted assigns of the parties hereto.

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

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

j. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement.

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

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

if fully set forth herein.

m. All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, or “any” shall mean “any and all”; “or” shall mean “and/or” and “including” shall mean “including without limitation”.

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

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

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the day and year first above written.

OLD OPERATOR:

THE COUNTY OF DEKALB, ILLINOIS
a public body corporate and politic of the
State of Illinois

By: John Frieders
Name: John Frieders
Its: Chairman, County Board

NEW OPERATOR:

**DEKALB HEALTHCARE HOLDINGS
LLC**
a Delaware limited liability company

By: Avi Zuckerman
Name: Avi Zuckerman
Its: Authorized Signatory

EXHIBITS

Exhibit A General Assignment

Exhibit B Bill of Sale

Exhibit A

FORM OF GENERAL ASSIGNMENT

GENERAL ASSIGNMENT

THIS ASSIGNMENT, is made as of the ___ day of _____ 2022, by **THE COUNTY OF DEKALB, ILLINOIS**, a public body corporate and politic of the State of Illinois (“Assignor”), to **DEKALB SNF OPERATIONS LLC**, an Illinois limited liability company (“Assignee”).

WITNESSETH:

WHEREAS, by Operations Transfer Agreement (the “OTA”), dated as of _____, 2022, by and among Assignor and Assignee, Assignor agreed to sell to Assignee certain personal property and such other assets, as more fully described in the OTA (the “Transferred Assets”) (capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA); and

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

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

1. **Transfer of Permits**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor’s right, title and interest in, to and under the Permits.
2. **Transfer of Warranties**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor’s right, title and interest in, to and under the Warranties.
3. **Transfer of Patient Trust Funds and Property**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor’s right, title and interest in, to and under the Patient Trust Funds and Property.
4. **Contracts**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor’s right, title and interest in, to the Assigned Contracts, as well as all contracts and agreements with residents of the Facility.
5. **Assumption**. Assignee hereby accepts the foregoing assignments set forth in Sections 1, 2, 3, and 4 hereof, provided, that said assignment and assumption shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties hereto

with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

5. **Miscellaneous**. This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the OTA shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of New York and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

(Signatures on following page)

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

ASSIGNOR:

ASSIGNEE:

THE COUNTY OF DEKALB, ILLINOIS
a public body corporate and politic of the
State of Illinois

DEKALB SNF REALTY LLC
an Illinois limited liability company

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT B
FORM OF BILL OF SALE
BILL OF SALE

THE COUNTY OF DEKALB, ILLINOIS, a public body corporate and politic of the State of Illinois (“Old Operator”), in consideration of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over to **DEKALB SNF OPERATIONS LLC**, an Illinois limited liability company (“New Operator”), all of its right, title and interest in and to the following described personal property, to-wit:

All of the “Supplies”, as defined in that certain Operations Transfer Agreement (“OTA”), dated as of _____, 2022, by and between Old Operator and New Operator.

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

(Signatures on following page)

IN WITNESS WHEREOF, Old Operator has caused this Bill of Sale to be signed and sealed in its name by its officer thereunto duly authorized this ____ day of _____, 2022.

OLD OPERATOR:

THE COUNTY OF DEKALB, ILLINOIS

a public body corporate and politic of the
State of Illinois

By: _____

Name: _____

Its: _____

SCHEDULES

Schedule 5(a)	<u>Patient Trust Funds and Patient Property</u>
Schedule 7(a)	Contracts
Schedule 7(b)	Assumed Contracts
Schedule 11(a)	Current Employees
Schedule 11(d)	Old Operator's Vacation and Holiday Pay Expenses
Schedule 19(d)	Litigation
Schedule 19(e)	Overpayments
Schedule 19(g)	Licensure Notices
Schedule 19(h)	Pending Medicare and Medicaid Audits
Schedule 19(l)	Regulatory Violations
Schedule 19(p)	Collective Bargaining Agreements
Schedule 19(q)	Multi-Employer Plans
Schedule 19(r)	Employee Benefit Plans
Schedule 19(aa)	Pre-Closing Liabilities, Debts, Claims or Obligations
Schedule 29(e)	Paycheck Protection Program Funds

SCHEDULES TO BE ADDED