C A L I F O R N I A
DEPARTMENT OF JUSTICE

Rob Bonta
Attorney General

1300 I STREET, SUITE 125
SACRAMENTO, CA 95814
Public: (916) 445-9555
Telephone: (916) 210-7777
E-Mail: Melissa.Hamill@doj.ca.gov

May 29, 2026

Jeffrey B. Pape, Esq.
Wanger Jones Helsley PC
265 E. River Park Circle, Suite 310
Fresno, CA 93720
jpape@wjhattorneys.com

Deidre A. Schonfeldt, Esq.
Jennifer Berland, Esq.
Paul Gordon, Esq.
Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105
dschonfeldt@hansonbridgett.com
jberland@hansonbridgett.com
pgordon@hansonbridgett.com

Sent via Email

RE: Proposed Sale and Transfer of Control and Governance of Bethel Lutheran Home, Inc.

Dear Mr.Pape, Ms. Schonfeldt, Ms. Berland and Mr. Gordon,

Pursuant to Corporations Code section 5914 *et seq.*, the Attorney General hereby conditionally consents to the proposed sale and transfer of control and governance of Bethel Lutheran Home, Inc., a California nonprofit religious corporation, to Bayshire Central Valley LLC, doing business as Jericho Care Group, a California limited liability company, and its affiliates, pursuant to the terms of the "Purchase and Sale Agreement," made and entered on May 12, 2025, including the First Amendment to the Purchase and Sale Agreement effective June 10, 2025, the Assignment and Assumption of Purchase and Sale Agreement made and entered on June 16, 2025, and the Second Amendment to Purchase and Sale Agreement made and entered on July 8, 2025 (attached hereto as Exhibit 1 to the Attorney General Conditions).

Corporations Code section 5914 and California Code of Regulations, title 11, section 999.5, subdivision (f) set forth factors that the Attorney General shall consider in determining whether to consent to a proposed transaction between a nonprofit corporation and a for-profit entity. The Attorney General has considered such factors and consents to the proposed transaction subject to the attached conditions that are incorporated by reference herein.

Thank you for your cooperation throughout the review process.

Sincerely,

/s/ Melissa A. Hamill

MELISSA A. HAMILL
Deputy Attorney General

For ROB BONTA
Attorney General

Attachments
(1) Summary List of Conditions
(2) Attorney General Conditions
(3) Exhibit 1 to Attorney General Conditions

Summary List of Conditions

Condition I: Identifies the parties, entities, and facilities that are legally bound by the conditions: Bethel Lutheran Home, Inc., a California nonprofit religious corporation; Bayshire Central Valley LLC, a California limited liability company, d/b/a Jericho Care Group; 2280 Dockery Holdings LLC, a California limited liability company; Bethel Skilled Care LLC, a California limited liability company; Bethel Assisted Living LLC, a California limited liability company; Bethel Independent Living LLC, a California limited liability company; Bayshire LLC, a California limited liability company.

Condition II: Identifies the transaction documents and requires the Parties to fulfill their terms, as well as provide ninety (90) days' advance notice of and prior to any modifications or rescissions, and at least sixty (60) days' advance notice of ordinary course and non-material modifications or rescissions to allow for Attorney General review.

Condition III: For seven (7) years requires sixty (60) days' notice of either sale or transfer of control and governance of Bethel Lutheran Home, Inc.'s skilled nursing facility (SNF), residential care facility for the elderly (RCFE), assisted living facility (ALF) and senior independent living (IL) facilities, as well as all real properties any of the facilities are located on, and that each and every one of the conditions shall continue to be binding upon any transferees, the facilities and the real properties for the full length of time remaining for the duration of the Conditions.

Condition IV: Requires the skilled nursing facility (SNF) to continuously operate and be maintained for seven (7) years at the same types and levels of skilled nursing services and requires reporting to an appointed Monitor to evaluate compliance with the condition.

Condition V: Requires the ALF and RCFE and IL facilities to continuously operate and be maintained for seven (7) years at the same types and levels of services and requires reporting to an appointed Monitor to evaluate compliance with the condition.

Condition VI: Requires the continuation of Medicare and Medi-Cal participation at each of the facilities and requires minimum of sixty (60) percent skilled nursing beds to be maintained for Medi-Cal beneficiaries with ten (10) percent variance allowed, for ten (10) years.

Condition VII: Requires the entities listed in Condition I to abide by all resident agreements in place on the closing date of the Agreement, for seven (7) years.

Condition VIII: Requires the entities listed in Condition I to offer continued employment of all staff in good standing as of the applicable closing date of the Agreement, for seven (7) years. Requires the entities listed in Condition I to create a quality advisory committee comprised of specific categories of staff, to meet and consult with the management of the facility and governing body quarterly regarding staffing and quality issues for seven (7) years.

Condition IX: Prohibits discrimination on the basis of protected personal characteristics.

Condition X: For seven (7) years requires the entities listed in Condition I to create, maintain, and consult with a Community Advisory Board at each facility, to provide copies of annual compliance reports to the Attorney General to members of the Community Advisory Board, and for the entities listed in Condition I to advise the Community Advisory Board that they may comment on those compliance reports to the Attorney General.

Condition XI: For ten (10) years requires a fair market rent determination by an independent appraiser. As an alternative to the fair market rent determination, allows the parties to set rent as long as it does not exceed $113,100/month for all facilities, and does not exceed $900/month per SNF bed. Also requires the entities listed in Condition I to seek Attorney General approval for any annual rent increases in excess of three (3) percent.

Condition XII: For ten (10) years requires the entities to not incur or obligate Bethel Lutheran Home, Inc. with debts that would cause risk of financial instability or insolvency, or that would cause a reduction in direct care staffing.

Condition XIII: For seven (7) years requires the entities listed in Condition I to provide appropriate staffing of direct care and nursing staff required by state or federal law, and report and provide information to an appointed Monitor.

Condition XIV: Requires the appointment of a Monitor, selected by the Attorney General, to monitor compliance with all Attorney General Conditions for a period of ten (10) years, sets forth the powers and duties of the Monitor, and sets forth the obligations of the entities listed in Condition I to cooperate with and report and provide information to the Monitor and to the Attorney General.

Condition XV: Requires the entities listed in Condition I to report closing of the Agreement within five (5) days and to submit annual compliance reports to the Attorney General's Office for ten (10) years, throughout the duration of the Conditions. Requires the entities listed in Condition I to promptly and within thirty (30) days report to the Attorney General, and to the appointed Monitor, any known noncompliance with Conditions, and plans to correct or cure the noncompliance, for ten (10) years.

Condition XVI: Requires the entities listed in Condition I to submit any requested information necessary to monitor compliance to the Attorney General's Office.

Condition XVII: Upon any substantive change in state or federal law, regulation, or the interpretation of either, that affects compliance obligations under the Conditions, provides a process by which the Monitor shall review and recommend whether any of the obligations impacted by the change are waived or should be modified, a process for objection by the entities listed in Condition I regarding the determinations of the Monitor, and process for review and determination by the Attorney General, in their sole discretion, whether to adopt the findings of the Monitor.

Condition XVIII: Deems the entities listed in Condition I to have consented to and to have waived any right to seek judicial relief regarding these Conditions. The Attorney General

reserves the right to enforce each and every condition and to recover fees and costs associated with enforcement, and to seek and impose all available remedies, and further, to seek and impose tolling for material uncured noncompliance of each and every Condition.

Attorney General's Conditions to the Proposed Sale and Change in Control and Governance of Bethel Lutheran Home, Inc., a California nonprofit religious corporation, to Bayshire Central Valley LLC, a California limited liability company, doing business as (d/b/a) Jericho Care Group, and its Affiliates, 2280 Dockery Holdings, LLC, a California limited liability company, Bethel Skilled Care LLC, a California limited liability company, Bethel Assisted Living LLC, a California limited liability company, and Bethel Independent Living LLC, a California limited liability company

I.

These Conditions shall be legally binding on the following parties: Bethel Lutheran Home, Inc., a California nonprofit religious corporation[1]; Bayshire Central Valley LLC, a California limited liability company, d/b/a Jericho Care Group; 2280 Dockery Holdings LLC, a California limited liability company; Bethel Skilled Care LLC, a California limited liability company; Bethel Assisted Living LLC, a California limited liability company; Bethel Independent Living LLC, a California limited liability company; Bayshire LLC, a California limited liability company; and any other subsidiary, parent, general partner, limited partner, member, affiliate, successor, successor in interest, assignee, or person or entity serving in a similar capacity of said entities or any entity succeeding thereto as a result of consolidation, affiliation, merger, or acquisition of all or substantially all of the real properties or operating assets of the skilled nursing facility (SNF), the residential care facility for the elderly (RCFE), the assisted living facility (ALF), and senior independent living community and facilities (IL) of Bethel Lutheran Home, Inc., or the real properties on which the SNF, RCFE, ALF, and IL are located; any and all current and future owners, lessors or lessees,[2] licensees, or operators of the SNF, RCFE, ALF, and IL, and any and all current and future owners, lessors or lessees, licensees, or operators of the real properties on which these facilities are located. The facilities of Bethel Lutheran Home, Inc. are located at 2280 Dockery Avenue and 1250 Rorden Avenue, in Selma, California, 93662.

---

[1] Throughout this document, the term "Bethel Lutheran Home, Inc." shall refer to and include reference to those facilities known as, "Bethel Lutheran Home," and "The Village," or the "The Villages at, or by, Bethel Lutheran Home," and "Bethel Senior Living," located at 2280 Dockery Avenue, and at 1250 Rorden Avenue, in Selma, California, 93662, and shall include all the following: the 59-bed Skilled Nursing Facility, California Department of Public Health facility license number 040000077; the 33-suite Assisted Living Facility and Residential Care Facility for the Elderly, California Department of Social Services facility license number 100400043; and 36 independent living cottages.

[2] Throughout this document, the terms "lessor" and "lessee" shall refer, but not be limited to, any "lessor" or "lessee" of Bethel Lutheran Home, Inc.'s SNF, RCFE, ALF, or IL, or the real properties on which these facilities are located, or the "lessor," or "lessee" of any "leaseback" agreement or arrangement for which all or part of the assets or operations of the SNF, RCFE, ALF, or IL, or the real properties on which these facilities are located are leased or leased back to any party, entity or person listed in Condition I, or to any affiliates, representatives, employees, agents, managers or operators of any party, entity or person listed in Condition I, including but not limited to, any arrangement or agreement for a triple-net lease for the SNF, RCFE, ALF, or IL, or for the real properties of which these facilities are located and including, but not limited to, those agreements or arrangements referred to in Condition XI.

II.

The transaction conditionally approved by the Attorney General consists of the Purchase and Sale Agreement made and entered on May 12, 2025, by and between Bethel Lutheran Home, Inc. and Bayshire Central Valley LLC d/b/a Jericho Care Group, and its affiliates, including 2280 Dockery Holdings LLC, Bethel Skilled Care LLC, Bethel Assisted Living LLC, and Bethel Independent Living LLC, and any and all amendments and assignments (including the First Amendment to the Purchase and Sale Agreement effective June 10, 2025, the Assignment and Assumption of Purchase and Sale Agreement made and entered on June 16, 2025, and the Second Amendment to Purchase and Sale Agreement made and entered on July 8, 2025), all agreements or documents referenced in, or attached as, an exhibit or schedule to any of the foregoing agreements and assignments (collectively, "Agreement," attached hereto as Exhibit 1).

The entities listed in Condition I shall fulfill the terms of the Agreement including, but not limited to, any exhibits or schedules to the Agreement, and shall notify the Attorney General in writing of any proposed modifications or rescissions. Such notifications shall be provided ninety (90) days prior to their proposed effective date, unless waived by the Attorney General in their sole discretion after a sufficient showing that exigent circumstances require a shorter period of notice, to allow the Attorney General to consider whether the proposed modifications or rescissions affect the factors set forth in Corporations Code section 5917 requiring the Attorney General's approval. Ordinary course, non-material modifications or rescissions to the Agreement may become effective (60) days after the entities in Condition I provide the written notice to the Attorney General of the ordinary course, non-material modifications or rescissions to the Agreement.

Other than for ordinary course, non-material modifications or rescissions to the Agreement that the entities in Condition I have provided at minimum sixty (60) days advance written notice of to the Attorney General, the entities listed in Condition I shall not act to modify or rescind the Agreement in any circumstance without first notifying and receiving the Attorney General's approval, and in the event any modifications or rescissions are undertaken by the entities listed in Condition I, without such prior notification and approval, the Attorney General may seek all legal remedies available including penalties, and may enforce both procedural and substantive compliance with this and all other Conditions, including seeking an extension of the term for this and all other Conditions to ensure the objectives of the Conditions are met in the public interest.

This Condition shall not affect the obligation of the entities listed in Condition I to follow the amendment process set forth in California Code of Regulations, title 11, section 999.5, subdivision (h), as necessary, unless the Attorney General in their sole discretion grants a waiver upon a sufficient showing of good cause.

III.

For seven (7) years from the closing date of the agreement, the entities listed in Condition I shall provide sixty (60) days advance written notice to the Attorney General prior to entering into any agreement or transaction to do any of the following:

(a) Sell, transfer, lease, exchange, option, convey, or otherwise dispose of the real properties or operating assets of the SNF, RCFE, ALF, IL, or the real properties on which the SNF, RCFE, ALF, and IL are located, or any portion thereof.

(b) Transfer control, responsibility, or governance of a material amount of the assets or operations of the SNF, RCFE, ALF or IL, or any portion thereof. The substitution, merger, or addition of a new member, general partner, or limited partner of any of the entities listed in Condition I that transfers the control of, responsibility for, or governance of the SNF, RCFE, ALF, or IL, or any portion thereof, shall be deemed a transfer for purposes of this Condition. The substitution, merger or addition of one or more members, general partners, or limited partners of any of the entities in Condition I, or any arrangement, written or oral, that would transfer voting control of the members, general partners, or limited partners of any of the entities listed in Condition I shall also be deemed a transfer for purposes of this Condition. The merger of the entities listed in Condition I into another corporation, or the consolidation of two or more corporations resulting in the creation of a new corporation shall be deemed a transfer for purposes of this Condition. The lease of all or part of the assets or operations of the SNF, RCFE, ALF, or IL, or all or any portion of the real properties on which these facilities are located shall be deemed a transfer for purposes of this Condition.

Notwithstanding the closing of any agreement or transaction described in subdivision (a) or (b) of this Condition which occurs prior to the expiration of any time period for which Conditions I through XVIII are in effect, each and every one of the Conditions shall continue to be binding upon any transferees, the SNF, RCFE, ALF and IL of Bethel Lutheran, Inc., and the real properties on which these facilities are located, for the full length of time remaining for the duration of the Conditions.

IV.

For seven (7) years from the closing date of the Agreement, the entities listed in Condition I shall continuously operate and maintain a SNF at Bethel Lutheran Home, Inc., with 59 licensed skilled nursing beds, and shall continuously maintain and provide the same licensure, types, and levels of services for residents under its current health facility licensure by the California Department of Public Health, including physical therapy, occupational therapy and speech therapy, and shall continuously and safely operate the SNF in full compliance with all state licensing and federal certification requirements and regulations, including but not limited to, continuously maintaining and providing all required staff, services, space, equipment and supplies to safely care for all residents and their individualized acuity levels and health care needs.

For seven (7) years from the closing date of the Agreement, the entities listed in Condition I shall quarterly provide to the appointed Monitor, as described and set forth in Condition XIV, all correspondence regarding compliance with state licensing or federal certification requirements for the SNF of Bethel Lutheran Home, Inc., received from or submitted to the California

Department of Public Health, and the Centers for Medicare and Medicaid Services (CMS), including but not limited to, the following:

(a) Statements of Deficiencies;
(b) Plans of Correction;
(c) Survey and Recertification reports (annual, bi-annual, and revisits);
(d) Citations (AA, A, and B);
(e) Civil monetary penalties;
(f) Financial penalties, fines, or imposition of remedies, including denial of payment for new admissions issued by the California Department of Public Health, CMS, of the California Department of Social Services;
(g) Suspensions or revocations of licenses for the SNF;
(h) Notices of, or petitions to terminate, revoke, or suspend the Medicare and Medi-Cal participation agreements; and
(i) Notices of, or petitions to appoint a Temporary Manager or Receiver, or Order for Temporary Suspension, issued by the California Department of Public Health.

V.

For seven (7) years from the closing date of the Agreement, the entities listed in Condition I shall continuously operate and maintain a licensed ALF and an RCFE at Bethel Lutheran Home, Inc, with 33 suites, and shall continuously maintain and provide the same licensure, types, and levels of services for residents under its facility licensure with the California Department of Social Services, and shall continuously and safely operate the ALF and the RCFE in full compliance with all state licensing requirements and regulations.

For seven (7) years from the closing date of the Agreement, the entities listed in Condition I shall quarterly provide to the appointed Monitor, as described and set forth in Condition XIV, all correspondence regarding compliance with state licensing requirements for the ALF and RCFE of Bethel Lutheran Home, Inc., received from or submitted to the California Department of Social Services, including but not limited to, the following:

(a) Statements of Deficiencies;
(b) Plans of Correction;
(c) Survey reports (annual, bi-annual, and revisits);
(d) Citations (A and B);
(e) Financial penalties, fines, or imposition of remedies by the California Department of Social Services;
(f) Notices of, or petitions to suspend or revoke the license of the ALF or RCFE by the California Department of Social Services;
(g) Notices of, or petitions to appoint a Receiver, by the California Department of Social Services.

VI.

For ten (10) years from the closing date of the Agreement, the entities listed in Condition I shall

continuously maintain certification and participation in CMS programs, and shall maintain Medi-Cal and Medicare Provider Numbers (or provider numbers for any successors to Medi-Cal or Medicare) to provide the same types and levels of skilled nursing services to Medi-Cal and Medicare beneficiaries (both Traditional and Managed Care) at Bethel Lutheran Home, Inc., as required in these Conditions.

For ten (10) years from the closing date of the Agreement, the entities listed in Condition I shall maintain a minimum sixty (60) percent of the licensed skilled nursing beds for Medi-Cal beneficiaries with an allowed variance of ten (10) percent. The percentage shall be calculated in terms of patient days at the SNF based on the type of payor (e.g., Medi-Cal, Medicare, commercial insurance, private pay). The entities listed in Condition I, on an annual basis, shall provide census data sufficient to calculate the payer mix percentages at the skilled nursing facility to the Monitor, appointed as described and set forth in Condition XIV, or any other information the Monitor determines, in their sole discretion, is necessary to carry out their duties in this Condition.

VII.

The entities listed in Condition I shall assume all admission agreements, leases and other agreements in place on the closing date of the Agreement with residents of the SNF, ALF, RCFE and IL at Bethel Lutheran Home, Inc., relating to the occupancy of the facilities.

VIII.

For seven (7) years from the closing date of the Agreement, the entities listed in Condition I, shall offer employment to staff at Bethel Lutheran Home, Inc. who are and remain in good standing. This condition is not intended to preclude staff changes as warranted for operational flexibility.

For seven (7) years and within thirty (30) days of the closing date of the Agreement, the entities listed in Condition I shall establish a Quality Committee composed of licensed clinical nurses and Certified Nurse Assistants (CNAs), housekeepers, and dietary staff employed at Bethel Lutheran Home, Inc., and shall meet and consult with the members of the Quality Committee on quality of care and staffing issues, on a quarterly basis.

IX.

The entities listed in Condition I shall prohibit discrimination in their services and programs at the facility on the basis of any protected personal characteristic identified in state and federal civil rights laws, including section 51 of the California Civil Code and title 42, section 18116 of the United States Code. Categories of protected personal characteristics include:

(a) Gender, including sex, gender, gender identity, and gender expression;
(b) Intimate relationships, including sexual orientation and marital status;
(c) Ethnicity, including race, color, ancestry, national origin, citizenship, primary language, and immigration status;

(d) Religion;
(e) Age; and
(f) Disability, including disability, protected medical condition, and protected genetic information.

X.

For seven (7) years and within thirty (30) days from the closing date of the Agreement, the entities listed in Condition I shall create and thereafter maintain a Community Advisory Board at Bethel Lutheran Home, Inc., and shall meet and consult with the Community Advisory Board quarterly thereafter. The Community Advisory Board shall consist of no fewer than five (5) to seven (7) volunteer residents chosen by the residents of the SNF, ALF/RCFE, and IL, and shall include at least one resident each from the SNF, ALF,/RCFE and IL. An existing resident advisory board will suffice if it meets the specifications in this Condition. The Community Advisory Board will provide feedback and comments to the entities listed in Condition I, regarding the quality of care and the quality of life of the residents of Bethel Lutheran Home, Inc. Within (30) days from the closing date of the Agreement, the entities listed in Condition I shall provide copies of these Attorney General Conditions to all members of the Community Advisory Board. The entities listed in Condition I, upon submission of the annual reports to the Attorney General described in Condition XV, shall concurrently notify each member of the Community Advisory Board, verbally and in writing, that they may provide written comments to the Attorney General regarding the annual report required by Condition XV, and shall concurrently provide copies of the annual reports required by Condition XV to each member of the Community Advisory Board.

XI.

If a lease or other agreement, or if the "Master Operating Lease Agreement" identified and previously submitted with the Notice materials to the Attorney General, is made and entered into by any entity listed in Condition I, for all or part of the assets or operations of the SNF, RCFE, ALF, or IL, or for the real properties on which these facilities are located, a copy of the final executed lease, other agreement, or "Master Operating Lease Agreement" shall be provided to the Attorney General no later than five (5) days after the execution of the lease, other agreement, or "Master Operating Lease Agreement." Within sixty (60) days from the appointment of the Monitor, as described and set forth in Condition XIV, the Monitor shall select an independent third-party appraiser who shall appraise Bethel Lutheran Home, Inc.'s SNF, RCFE, ALF, IL and the real properties on which these facilities are located. The appraiser shall determine a fair market rent for the lease, other agreement, or "Master Operating Lease Agreement." Within thirty (30) days of the notification of the appraisal determinations regarding fair market rent, the entities listed in Condition I shall prepare a proposed amendment to the lease, other agreement, or "Master Operating Lease Agreement," that incorporates the appraisal determinations of fair market rent and that revises rent amounts, accordingly, and shall also submit the proposed amendment to the Attorney General for review and approval.

Should the entities listed in Condition I dispute the fair market rent determination, they may, within thirty (30) days of the notification of the appraisal determination, propose a rent amount

and provide the basis for it. The Monitor shall review the proposed rent and make a recommendation to the Attorney General as to whether the rent reflects an amount that is commercially reasonable and that reflects best efforts to recognize the reliance interests of the residents that the rent charged does not place the continued survival of Bethel Lutheran Home, Inc.'s SNF, RCFE, ALF, or IL in jeopardy or lead to rent increases to the residents that are not affordable, gradual, and predictable over time. The entities listed in Condition I shall provide the Monitor with any information the Monitor requests for purposes of carrying out the duties in this Condition. The Attorney General shall have ninety (90) days from the submission of the proposed rent to make a decision. Upon thirty (30) days of the notification of the Attorney General's determination with respect to the proposed rent, the entities listed in Condition I shall prepare a proposed amendment to the lease, other agreement, or "Master Operating Lease Agreement," that incorporates the fair market rent determination and that revises rent amounts, accordingly, and shall also submit the proposed amendment to the Attorney General for review and approval.

Upon the approval of the proposed amendment, the amendment will become effective. Prospective rent payments shall then be immediately adjusted by the entities listed in Condition I, based on any amended rent amounts incorporated into the lease, other agreement, or "Master Operating Lease Agreement." The entities listed in Condition I shall provide a copy of a final executed amendment to the Monitor and to the Attorney General within five (5) days of the approval.

Alternatively, should the entities listed in Condition I choose to forgo the process for fair market rent determination outlined above, they must agree to an initial rent amount (subject to any future increases as outlined further below) that does not exceed $113,100 per month for Bethel Lutheran Home, Inc.'s SNF, RCFE, ALF, and IL, and that does not exceed $900 per SNF bed per month. If the parties proceed in this manner, they shall so inform the Attorney General of this decision when they provide the executed lease, other agreement, or "Master Operating Lease Agreement" as noted in the first paragraph of this Condition.

For ten (10) years from the closing date of the Agreement, the entities listed in Condition I shall not increase rent amounts for the lease, other agreement or "Master Operating Lease Agreement," by more than three (3) percent per year. Should the entities seek to increase rent amounts for the lease, other agreement or "Master Operating Lease Agreement" by more than three (3) percent for a given year, they must submit the request to the Monitor for the proposed increase. The Monitor shall review the proposed increase, and after retaining a third-party appraiser, make a recommendation to the Attorney General as to whether the increased rent is commercially reasonable and reflects best efforts to recognize the reliance interests of the residents that the rent charged does not place the continued survival of Bethel Lutheran Home, Inc.'s SNF, RCFE, ALF, or IL in jeopardy or lead to rent increases to the residents that are not affordable, gradual, and predictable over time. The Attorney General shall have ninety (90) days from the submission of the proposed rent increase to make a decision. The entities listed in Condition I shall provide the Monitor with any information the Monitor requests for purposes of carrying out the duties in this Condition.

XII.

For ten (10) years from the closing date of the Agreement, the entities listed in Condition I shall not encumber or obligate Bethel Lutheran Home, Inc. with debt, or otherwise incur any liability, to the extent that such an encumbrance or obligation would reasonably be likely to materially impair the short-term or long-term financial viability or operations of Bethel Lutheran Home, Inc.'s SNF, RCFE, ALF, or IL.

For ten (10) years from the closing date of the Agreement, the entities listed in Condition I shall not encumber or obligate Bethel Lutheran Home, Inc. with debt, or otherwise incur any liability, that leads in whole or in part to a reduction in staffing directly related to resident care that includes but is not limited to those direct caregivers in Health and Safety Code section 1276.65(a)(2).

XIII.

For seven (7) years from the closing date of the Agreement, the entities listed in Condition I shall continuously maintain and provide at the SNF of Bethel Lutheran Home, Inc. the minimum, staffing, training, and supervision of all direct care staff required by federal and state laws, whether current or later amended, including requirements under any state law that may be more restrictive than federal law, including, but not limited to, all the following:

(a) 3.5 hours per patient day of direct care (HPPD) pursuant to Health and Safety Code section 1276.65(c)(1)(B);
(b) 2.4 hours per patient day of care by Certified Nurse Assistants (CNA HPPD) pursuant Health and Safety Code section 1276.65(c)(1)(C);
(c) Minimum sufficient nursing staff pursuant to 42 C.F.R. section 483.35(a);
(d) A qualified person providing services pursuant to 42 U.S.C. sections 1395i-3(b)(B) and 1396r(b)(4)(B);
(e) 24-hour nursing service and a Registered Nurse (RN) onsite for eight consecutive hours a day, seven (7) days a week pursuant to 42 C.F.R. section 483.35(b) and 42 U.S.C. sections 1395i-3(b)(4)(C) and 1396r(b)(4)(C)(i);
(f) Competent nurse aides pursuant to 42 C.F.R. section 483.35(c) and 42 U.S.C. sections 1395i-3(b)(5) and 1396r(b)(5);
(g) Outside resources for services not provided pursuant to 42 C.F.R. section 483.70(f); and
(h) Training and supervision of all direct care staff on the individualized patient care plans of residents, pursuant to 22 C.C.R. sections 72311, 42 C.F.R. section 483.21, and 42 U.S.C. sections 1395i-3(b)(2) and 1396r(b)(2).

For seven (7) years from the closing date of the Agreement, the entities listed in Condition I, upon request from the Monitor, appointed and described in Condition XIV, shall provide any information that the Monitor determines is necessary to evaluate and determine compliance with this Condition, including but not limited to copies of any documents, records, materials, and staffing data maintained, utilized, or created by Bethel Lutheran Home, Inc., and shall further provide the Monitor with access to any systems of Bethel Lutheran Home, Inc. that store any of the requested information, whether in physical, electronic, or other format.

For seven (7) years from the closing date of the Agreement the entities listed in Condition I, on a quarterly basis, shall provide to the Monitor, appointed and described in Condition XIV, reports that detail the efforts to comply with this Condition. The quarterly reports to the Monitor shall include, but shall not be limited to, a description and explanation of the following for the preceding quarter: the projected and actual direct care patient hours, the total average census of residents, the average percentage of residents covered under Medicare and Medicare Managed-Care plans, and the average percentage of Medi-Cal recipients for the skilled nursing facility of Bethel Lutheran Home, Inc.; the number of facility-reported incidents and reports involving alleged abuse submitted to the California Department of Public Health or the California Department of Social Services; copies of the meeting minutes of the following: the quality assurance and performance improvement committee of the SNF, as defined under 42 C.F.R. section 483.75, and of the Quality Committee established under Condition VIII, of the Community Advisory Board established under Condition X, and of any resident council committees of the SNF and RCFE, as defined under Health and Safety Code sections 1418.2 and 1569.157; and a list and description of any facility-initiated resident transfers or discharges for the SNF and ALF of Bethel Lutheran Home, Inc.

XIV.

The Attorney General shall have the power to appoint and will promptly appoint a person as described in this Condition (the "Monitor") to monitor and evaluate compliance with all Attorney General Conditions. As used in this Condition, "Monitor" shall also mean the Monitor and the Monitor's staff.

For ten (10) years, from the execution of an Agreement with the Monitor as described and set forth in this Condition, the Monitor shall monitor compliance with all Attorney General Conditions.

(a) *Selection*: The Attorney General has the sole discretion to select the Monitor subject to consultation with the entities listed in Condition I. To be qualified to serve as a Monitor, a candidate must disclose to the Attorney General and to the entities listed in Condition I any potential conflict of interest, and must be experienced with the management and operations of SNFs, AFLs, RCFEs, and ILs, with competition and access concerns that can involve these types of facilities, with state and federal laws and regulations governing these types of facilities, how payors (whether operating in a managed care capacity or otherwise) contract with these facilities (to the extent they do so), with how providers and others refer patients and others to these facilities, and with compliance with federal certification and state licensing regulations for the operation of these facilities within the state of California. The entities listed in Condition I may propose candidates to serve as the Monitor to the Attorney General and the Attorney General will disclose to the entities listed in Condition I the candidates under consideration to serve as the Monitor. The Attorney General shall consider diversity, equity, and inclusion in selecting the Monitor. The Attorney General will give due consideration to any candidates proposed by the entities listed in Condition I or their input regarding candidates under consideration by the Attorney General. Within ninety (90) days from the closing date of the Agreement, the Attorney General will select the Monitor. Not later than thirty (30) days after the

Attorney General's selection of the Monitor, the entities listed in Condition I and the Attorney General shall execute an agreement with the Monitor that, subject to the prior approval of the Attorney General, confers on the Monitor those rights, powers, and authorities necessary to permit the Monitor to perform his/her duties and responsibilities described in the Conditions. The entities listed in Condition I may require the Monitor, and each of the Monitor's staff and experts, to sign a customary confidentiality agreement; provided however, that such agreement shall not restrict the Monitor from providing any information to the Attorney General.

(b) *Payment:* The entities listed in Condition I will be solely responsible for the actual, reasonable and direct expenses and costs of the selected Monitor, including staff and experts retained by the Monitor, in performing the services described in the Conditions, including the costs for the independent appraisal as described in Condition XI, and in monitoring ongoing compliance with the terms and conditions of transaction, as mandated by Corporations Code section 5919, subdivision (d)(3).

(c) *Powers*: The Monitor shall have the following powers to the extent necessary to monitor compliance with all Attorney General Conditions by the entities listed in Condition I:

i. to investigate compliance with all Attorney General Conditions, and to take complaints from individuals, payors, and providers;
ii. to access all physical, electronic, or digital records created, stored, or maintained at the SNF, ALF, RCFE and IL of Bethel Lutheran Home, Inc., and their related entities, including, but not limited to any electronic data management system that houses real-time or historical staffing data, and the general ledger;
iii. to inspect records and compel disclosure of confidential documents subject to any demonstrated legally recognized privilege and appropriate confidentiality protections;
iv. to visit facilities, including on an unannounced basis to ensure ongoing compliance with the Attorney General Conditions;
v. to have reasonable access and ability to confidentially meet with Bethel Lutheran Home, Inc.'s residents and residents' representatives;
vi. to interview witnesses, including employees of Bethel Lutheran Home, Inc., and if interviews are conducted with employees, those interviews will be subject to reasonable prior notice and the opportunity for the entities listed in Condition I to have counsel present;
vii. to interview employees and officers of the entities subject to Condition I and if interviews are conducted with employees and officers, those interviews will be subject to reasonable prior notice and the opportunity for the entities listed in Condition I to have counsel present;
viii. to interview payors who contract with any of the entities subject to Condition I or any providers or others who make references to Bethel Lutheran Home, Inc.;
ix. to hire staff and experts; and to make recommendations concerning enforcement, oversight, and surveillance to the Attorney General.

(d) *Duty to Cooperate*: The entities listed in Condition I shall cooperate with the Monitor in the performance of the Monitor's work and shall take no action to interfere with or impede the Monitor's ability to monitor compliance with these Conditions.

(e) *Reporting*: The entities listed in Condition I shall submit annual reports to the Monitor and describing, in detail, efforts to comply with all Conditions. The annual reports shall be submitted to the Monitor every year on the anniversary of the closing date for the duration of the Conditions.

The entities listed in Condition I shall submit the quarterly reports and information to the Monitor, as described in Conditions IV, V, and XIII, by the 15th day of the calendar month following each quarter.

Within a reasonable time from the date the Monitor receives any quarterly or annual report, the Monitor shall report in writing to the Attorney General all concerns, findings and recommendations regarding the Monitor's evaluation of the performance of the respective obligations of, and compliance by the entities listed in Condition I.

XV.

The entities listed in Condition I shall notify the Attorney General of the respective closing dates of the Agreement within five (5) days of the closing. For ten (10) years from the closing date of the Agreement, the entities listed in Condition I shall annually submit to the Attorney General a report describing, in detail, efforts to comply with all Conditions. The annual reports shall be submitted to the Attorney General every year on the anniversary of the closing date for the duration of the Conditions. The Members of Bayshire Central Valley LLC dba Jericho Care Group, shall certify that the report is true, accurate, and complete.

For ten (10) years from the closing date of the Agreement, the entities listed in Condition I shall promptly and within thirty (30) days report in writing to the Attorney General, and to the Monitor appointed and described in Condition XIV, any known occurrence or event, whether planned or unplanned, that has resulted, or that is reasonably foreseeable to result, in a deviation or failure by the entities listed in Condition I to comply with any of the Conditions. The report shall include, but not be limited to, a description of the occurrence or event, the timing of the occurrence or event, the reasons for any noncompliance, documents and records supporting any facts or reasons set forth in the report, efforts taken to mitigate the noncompliance, and any information regarding any plan or timeline for restoring compliance with the Conditions. This report shall be supplemented with updates to the Monitor as they become available.

This Condition shall not affect the obligation of the entities listed in Condition I to follow the amendment process set forth in California Code of Regulations, title 11, section 999.5, subdivision (h), as necessary, unless the Attorney General in their sole discretion grants a waiver upon a sufficient showing of good cause.

XVI.

At the request of the Attorney General, the entities listed in Condition I shall provide such information the Attorney General determines reasonably necessary to monitor compliance with these Conditions and the terms of the Agreement as set forth herein. The entities listed in Conditions I may request and shall have the sole burden of designating, at the time of its submission of information to the Attorney General, any specific information that the entities in Condition I believe should be treated as confidential and the reasons therefor. Information and materials submitted to the Attorney General under this Condition are deemed official records of investigation of the Attorney General. The Attorney General is not restricted by this Condition from using the information for any law enforcement purpose, including but not limited to sharing the information with the Monitor, pursuant to Condition XIV. Further, the Attorney General may use the information for and in any subsequent matter or proceeding to enforce the conditions as described in Condition XVIII, subject to any demonstrated legally recognized privileges invoked by the entities listed in Condition I, or a protective order.

XVII.

In the event of a substantive change in state or federal law, regulation, or the interpretation of either, that affects compliance obligations under the Conditions, the Monitor shall review such change(s) and issue a report and recommendation with all deliberate speed on whether any of the obligations are waived or should be modified. The entities listed in Condition I may submit an objection to the Monitor's report and recommendation within thirty (30) days of receiving it. Upon receipt of the Monitor's report and recommendation, or objection (if any), the Attorney General shall have ninety (90) days to review it and in their sole discretion, determine whether to adopt the Monitor's report and recommendation in whole, in part, or as modified. The entities listed in Condition I may request a waiver or shortening of the timelines in this Condition, upon request to the Attorney General, who in their sole discretion shall review the waiver and grant it upon a sufficient showing of the exigent circumstances.

XVIII.

Upon the closing date of the Agreement, the entities listed in Condition I are deemed to have explicitly and implicitly consented to the applicability of and compliance with each and every Condition set forth herein and to have waived any right to seek judicial relief with respect to each and every Condition.

The Attorney General reserves the right to enforce each and every Condition set forth herein to the fullest extent provided by law, including but not limited to all remedies available under Corporation Code section 5926. In addition to any legal remedies the Attorney General may have, the Attorney General shall be entitled to specific performance, injunctive relief, and such other equitable remedies, including tolling of the Conditions for each and every period of noncompliance, as a court may deem appropriate for noncompliance with any of the Conditions. Pursuant to Government Code section 12598, the Attorney General shall also be entitled to recover its attorney fees and costs incurred in remedying each and every violation. Material, uncured noncompliance of these Conditions shall toll the term of the relevant Condition(s), such that the term of the relevant Condition(s) shall be extended beyond the expiration date by the period of the material, uncured noncompliance.

EXHIBIT 1

AGREEMENT FOR PURCHASE AND SALE

This Agreement for Purchase and Sale (the "**Agreement**") is made and entered into as of May 12, 2025 (the "**Effective Date**") by and between Bayshire Central Valley LLC, a California limited liability company d/b/a Jericho Care Group ("**Buyer**") and its permitted assignees and designees, and Bethel Lutheran Home, Inc., a California non-profit corporation ("**Seller**").

NOW, THEREFORE, for good and valuable consideration, including the payment of One Hundred Dollars ($100.00) by Buyer to Seller (the "**Nonrefundable Consideration**"), which is independent nonrefundable consideration to Seller with respect to the rights provided to Buyer under this Agreement, the receipt and adequacy of which are acknowledged, Buyer and Seller agree as follows:

ARTICLE I

PURCHASE AND SALE

1.1 Purchase and Sale. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and subject to the terms, provisions, covenants and conditions herein contained, Seller agrees to sell, and Buyer agrees to buy, the adult congregate living business (the "**Business**") conducted at that certain independent living, residential care facility for the elderly ("**RCFE**") and skilled nursing facility ("**SNF**") commonly known as Bethel Lutheran Home and located at 2280 Dockery and 1250 Rorden Avenue, Selma, California, (APNs 389-320-29 and 389-320-33) (the "**Community**").

1.2 Description of Assets. Buyer agrees to purchase and Seller agrees to sell all of the assets ("**Assets**") of the Community. The Assets consist of the following:

1.2.1 All of Seller's right, title and interest to the real property having the legal descriptions set forth on Schedule 1.2.1 to this Agreement, and in the Community, including without limitation, all improvements, fixtures, leases, rights, privileges, easements, development rights, land use entitlements, licenses, permits, approvals, certificates, utilities, air rights, water rights, rights of way, warranties and guarantees existing or obtained in connection with the Community, and all other appurtenances of any kind in connection with the beneficial use and enjoyment of the real property thereon (the "**Property**").

1.2.2 All of Seller's right, title and interest in any intangible property rights pertaining to the Community, including proprietary architectural and building plans, operational materials and methods, trade secrets, trade names, the service mark "Bethel Home," any associated logos, any and all attendant state and/or federal service mark registrations, web sites, telephone numbers, facsimile numbers, and the goodwill and going concern of the Business (collectively, the "**Intangible Property**").

1.2.3 All of Seller's personal property at the Community, including without limitation, furniture and furnishings, equipment, vehicles (free and clear of any financing or leasing arrangements), and inventory used at the Community (collectively, the "**Personal Property**").

1.2.4 All architectural, engineering and other plans and specifications for the Community, and all soils studies, engineering reports, environmental reports, surveys, title reports and other similar material relating to or otherwise pertaining to the Community and the Property (collectively, the "**Project Materials**").

1.3 Excluded Assets. As of the Closing Date (as defined below), the following assets are excluded from this sale (the **"Excluded Assets"**):

1.3.1 All account balances at banks or other financial institutions, cash, cash equivalents, securities, prepaid expenses, deferred charges, prepaid accounts, advance payments, utility deposits, prepaid insurance premiums, all insurance policies, tax refunds, financial books and records of Seller, and corporate books and records of Seller are expressly excluded from this sale.

1.3.2 All rights, claims and credits of Seller to the extent relating to any liability.

1.3.3 All legal, equitable, and administrative claims that Seller may have against third parties.

1.3.4 The personal property described on Schedule 1.3.4 hereto.

1.4 Allocation of Liabilities. Seller shall be responsible for all claims and liabilities of Seller and/or the Community existing as of the Closing Date including any pre-Closing accrued vacation, bonuses or other benefits as provided in Section 7.2 below, except that Buyer shall pay, perform, and discharge when due all of the following liabilities, obligations and commitments of Seller as of the Closing Date (the **"Assumed Obligations"**): all obligations, if any, with respect to Security deposits held by Seller (subject to rights of credit and/or set-off on the Closing Statements (as defined below) as provided for in Section 6.2.3 hereof). Buyer is not assuming and shall not be deemed to have assumed any such claims and liabilities relating to periods prior to the Closing (except for the Assumed Obligations).

ARTICLE II

PURCHASE PRICE

2.1 Amount; Allocation. The total purchase price ("**Purchase Price**") to be paid by Buyer to Seller for the Assets shall be the sum of Eight Million Dollars ($8,000,000.00) less the amount of the Assumed Obligations, subject to any additional proration adjustment contemplated in Section 6.2.3 hereof. Buyer and Seller agree to allocate the Purchase Price as follows: Property: $6,000,000, Goodwill: $1,750,000 and Personal Property: $250,000. Neither Buyer nor Seller will take any position that is inconsistent with such mutually agreed to allocations without the prior consent of the other party. The parties shall in good faith exercise reasonable efforts to support such reported allocations in any audit initiated by any taxing authority. The provisions of this Section 2.1 shall survive the Closing.

2.2 Deposit. All Deposits shall be held by Title Company in an interest bearing account with all accrued interest for the benefit of Buyer. Within three (3) business days after the Effective Date, Buyer will deposit into an escrow ("**Escrow**") opened with Old Republic Title Company ("**Escrow Holder**" or "**Title Company**"), the amount of Seventy-Five Thousand Dollars ($75,000.00) (the "**Initial Deposit**"). On the expiration of the **Initial Due Diligence Contingency Period** (as defined below), the **Initial Deposit** plus accrued interest shall become non-refundable and shall be remitted to Seller and applied toward payment of the **Purchase Price**. Within three (3) business days after the expiration of the **Initial Due Diligence Contingency Period** (as defined below), Buyer will deposit into escrow the additional amount of Seventy-Five Thousand Dollars ($75,000.00) (the "**Second Deposit**") which is non-refundable and shall be remitted to Seller and applied toward payment of the Purchase Price. Within three (3) business days after the expiration of the **Second Due Diligence Contingency Period** (as defined below), Buyer will deposit into escrow the additional amount of Seventy-Five Thousand Dollars ($75,000.00) (the "**Third Deposit**") which is non-refundable and shall be remitted to Seller and applied toward payment of the Purchase Price.

2.3 Payment of Balance. The balance of the Purchase Price shall be paid by Buyer to Seller in immediately available funds at the Closing.

2.4 Sales and Transfer Taxes; Premiums; Closing Costs. Seller shall be responsible for paying (i) all state documentary stamp taxes, and other state, county, or local transfer taxes attributable to the transfer of the Community and the Property pursuant to this Agreement, (ii) for the standard premium cost for the California Land Title Association owner's policy of title insurance in the full amount of the Purchase Price insuring Buyer's title to the Property and the Community ("**Title Policy**"), subject only to the Permitted Exceptions (as defined below), and (iii) any sales or use taxes attributable to the transfer of the Intangible Property being acquired pursuant to this Agreement. Buyer shall be responsible for (i) any premium for the mortgagee's title insurance policy(ies), the additional premium for an ALTA owner's title insurance policy if elected by Buyer, and all title policy endorsements. The parties shall be equally responsible for the escrow fee charged by Title Company. All other closing costs shall be allocated in accordance with custom in Fresno County, California. Seller shall pay any unpaid quality assurance fees ("**QA Fees**") owed for the SNF portion of the Community on or prior to the Closing Date (including any estimated amounts not yet billed by the applicable governmental entity with respect to periods of operations prior to the Closing Date, and Seller shall provide proof of same to Buyer prior to the Closing Date. In the event any portion of the QA Fees remain unpaid as of the Closing Date, Seller shall escrow 100% of the amount owed which amount may be used by Buyer to pay any QA Fees due as of the Closing Date.

2.5 Seller Breach. In the event Buyer has the right to terminate this Agreement hereunder due to a breach of this Agreement by Seller, Buyer shall have the right either to (i) waive the condition or covenant or breach at issue and proceed with the transaction on the terms contemplated herein, or (ii) seek specific performance of Seller's obligations hereunder, or (iii) terminate this Agreement and secure the return of the Deposit and any accrued interest thereon.

2.6 Liquidated Damages. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, IF AT ANY TIME BUYER MATERIALLY BREACHES THIS AGREEMENT, AND BUYER HAS NOT CURED SUCH BREACH WITHIN TEN (10) BUSINESS DAYS FOLLOWING BUYER'S RECEIPT OF NOTICE FROM SELLER, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES UPON SELLER'S TERMINATION OF THE AGREEMENT DUE TO SUCH BREACH IN THE AMOUNT OF $150,000 AS SELLER'S SOLE AND EXCLUSIVE REMEDY. UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES OR OTHER TITLE COMPANY CHARGES SHALL BE PAID EQUALLY BY THE PARTIES.

BUYER: _____ (initial) SELLER: DS _____ (initial)

ARTICLE III

BUYER'S INSPECTIONS

3.1 Due Diligence Contingency Period. The "**Initial Due Diligence Contingency Period**" as used herein means the period commencing on the Effective Date of this Agreement, and expiring on the Initial Due Diligence Deadline. The "**Initial Due Diligence Deadline**" as used herein shall mean the date which is twenty-one (21) days after the Effective Date. Buyer shall conduct its due diligence investigation of the Assets during the Initial Due Diligence Contingency Period. The "**Second Due Diligence Contingency Period**" as used herein means the period commencing on the Initial Due Diligence Deadline, and expiring on the Second Due Diligence Deadline. The "**Second Due Diligence Deadline**" as used herein shall mean the date which is twenty-one (21) days after the Initial Due Diligence Deadline. Buyer shall endeavor to obtain a loan commitment and appraisal during the Second Due Diligence Contingency Period. Seller and Buyer agree that prior to the Second Due Diligence Deadline, Seller will not solicit, offer, discuss, accept or permit any representative or agent to solicit, offer, discuss or accept from any person or entity the sale of all or any portion of the Assets. In the event Buyer elects to proceed to Closing on or before the Second Due Diligence Deadline, Seller shall continue to provide Buyer will reasonable access to the Property through the Closing Date.

3.2 Due Diligence. During the Initial Due Diligence Contingency Period, Buyer shall have the opportunity, at reasonable times and following receipt by Seller of reasonable written notice from Buyer, to conduct any and all necessary and appropriate due diligence related to the Business, the Community, the Property and the Assets, and Seller shall reasonably cooperate with Buyer in this effort as further provided below.

3.3 Due Diligence Materials. To the extent not previously delivered to Buyer, Seller shall deliver to Buyer the due diligence materials specified in Schedule 3.3 within five (5) business days of the Effective Date, and shall also deliver to Buyer within five (5) days of Buyer's request therefor all other information and materials in Seller's possession regarding the Property as reasonably requested by Buyer.

(a) **Condition of Title.** As of the Closing, Seller shall be able to deliver good, marketable and insurable fee simple title to the Property and Community, free and clear of all liens and encumbrances except for: (a) real property taxes not yet due; (b) the lien of supplementary taxes; (c) any existing leases approved by Buyer in writing, if any; (d) easements, restrictions and rights of way and other exceptions shown in the preliminary title reports approved in writing by Buyer; and (e) exceptions shown by a survey approved by Buyer (collectively, "**Permitted Exceptions**"). Seller shall arrange for and obtain from Title Company a preliminary title report (and copies of underlying exceptions referenced in such reports) ("**Title Report**") for each parcel of the Property. Buyer shall have from the Effective Date until the date that is seven (7) days prior to the Initial Due Diligence Deadline to approve or disapprove in writing the Title Report and any survey ("**Survey**") with respect to the Property, with any such notice of disapproval specifying the exception documents or other matters to which the Buyer objects. The failure of Buyer to disapprove any lien or other matter reflected in the Title Report prior to the Initial Due Diligence Deadline shall be deemed approved by the Buyer. All monetary liens on the Property (other than for taxes not yet due and payable) shall be removed by Seller, at its sole cost and expense, at or prior to the Closing. If Buyer disapproves any lien or other matter reflected in the Title Report, Seller shall have three (3) business days from the date of such disapproval in which to advise Buyer whether or not it is prepared to cure the same prior to the Closing (which cure may be effected by payment and discharge of the objectionable item or by causing the Title Company to remove the same as an exception or affirmatively insure over such item) and in the event Seller shall fail or refuse to do so within said three (3) business day period, Buyer shall have three (3) business days thereafter in which to advise Seller in writing of Buyer's election (x) to waive the matters to which Buyer objected and which Seller is not prepared to cure and to proceed to Closing, or (y) terminate this Agreement in full, in which event the Deposit, plus all accrued interest thereon, shall be returned to Buyer.

If, after the Title Review Period, the Title Company issues any amendment, supplement or modification to the Title Report (each a, "**Supplemental Commitment**") with respect to the Property showing a new lien or encumbrance against such Property that (a) was not listed in the Title Report or any prior Supplemental Commitment, and (b) was not created, directly or indirectly, by the actions of Buyer (each a "**New Title Matter**"), then Buyer may object to such New Title Matter by delivering written notice to Seller within five (5) days after Buyer's receipt of such Supplemental Commitment. If Buyer fails to so notify Seller in writing, then the New Title Matter shall be deemed a Permitted Exception. Seller shall have until five (5) days from receipt of Buyer's notice to notify Buyer whether Seller will, in Seller's sole discretion (except for any voluntary monetary liens securing financings created by Seller, which Seller covenants to cause to be removed at the Closing), cause the New Title Matter to be removed at or before the Closing. If Seller fails to so notify the Buyer, Seller shall be deemed to have declined to remove the New Title Matter. If Seller declines or is deemed to have declined to remove a New Title Matter, then Buyer shall have five (5) days following the date that Seller declines, or is deemed to have declined, to remove the New Title Matter ("**Termination Deadline**") in which to advise in

writing of Buyer's election (x) to waive the matters to which Buyer objected and which Property Seller is not prepared to cure and to proceed to Closing or (y) terminate this Agreement in full, in which event the Deposit, plus all accrued interest thereon, shall be returned to Buyer. If Buyer does not terminate this Agreement pursuant to the preceding sentence on or before the Termination Deadline, then the New Title Matter shall be deemed a Permitted Exception. The Closing Date shall be extended, if necessary, to accommodate the foregoing time periods.

3.4 Buyer's Investigation. At any time during the Initial Due Diligence Contingency Period, Buyer, and its agents and representatives, shall have the right at reasonable times and following receipt by Seller of reasonable notice from Buyer, to enter upon the Community for purposes of conducting its due diligence investigation of the Business, the Property, the Assets and the Community, including commercially reasonable and customary inspections and tests of the Community and the Property. All such inspections and tests and any other work conducted or materials furnished with respect to the Property and the Assets by or for Buyer shall be conducted in a commercially reasonable manner with minimal disruption to the operations of the Community or the quiet enjoyment thereof by its residents, and shall be paid for by Buyer as and when due. Buyer shall indemnify, defend, protect and hold Seller harmless from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or to the Property, arising out of or relating to Buyer's due diligence activities (except for any pre-existing conditions). Prior to undertaking any inspections of the Property, Buyer will obtain commercial general liability insurance in an amount of not less than One Million Dollars ($1,000,000.00) each occurrence and Two Million Dollars ($2,000,000.00) aggregate limit, in each case which names Seller as an additional insured thereunder. Buyer shall indemnify, defend and hold Seller harmless of and from any and all losses, liabilities, costs, expenses arising from or relating to Buyer entering on the Property to test, study, investigate or inspect the same or any part thereof (except for the discovery of any pre-existing conditions). The foregoing obligations and agreements of Buyer under this Section 3.4 (including its indemnification obligations) shall expressly survive Closing or the earlier termination of this Agreement. Seller agrees to provide Buyer with access to meet all supervisory employees during Initial Due Diligence Contingency Period. Such meetings shall be conducted with prior notice to and upon Seller's election, in the presence of Seller. After the Initial Due Diligence Contingency Period through the Closing Date Buyer shall have access to all other employees of the Community.

3.5 Termination of Agreement. If, based upon its review, Buyer decides, in its sole discretion, not to proceed to purchase the Assets during the Initial Due Diligence Contingency Period, then Buyer shall give written notice of termination to Seller and the Escrow Holder prior to the Initial Due Diligence Deadline, in which case this Agreement shall terminate. Neither party shall have any further rights or obligations pursuant to this Agreement, except those that survive the termination of this Agreement as expressly stated herein. In the event Buyer fails to provide notice of such election, Buyer shall be deemed to have elected to terminate this Agreement. In the event Buyer elects in writing to proceed with the Second Due Diligence Contingency Period, then Buyer shall be deemed to have waived its due diligence investigation of the Property. In the event Buyer decides, in its sole discretion, not to proceed to purchase the Assets during the Second Due Diligence Contingency Period, then Buyer shall give written notice of termination to Seller and the Escrow Holder prior to the Second Due Diligence Deadline, in which case this Agreement shall terminate. Neither party shall have any further rights or obligations pursuant to this Agreement, except those that survive the termination of this Agreement as expressly stated herein.

In the event Buyer fails to provide notice of such election, Buyer shall be deemed to have elected to terminate this Agreement. If this Agreement is terminated pursuant to this Section 3.5, the cost for cancellation of Escrow and all Title Company costs shall be split equally by the parties.

ARTICLE IV

REPRESENTATIONS OF SELLER

4.1 General Matters. The representations and warranties set forth in this Article IV are made for the benefit of Buyer and its permitted successors and assigns as of the Effective Date and shall be true in all material respects as of the Closing Date and shall be subject to the provisions of this Section 4.1. Such representations and warranties shall survive the Closing for a period of one (1) year ("**Survival Period**"). Seller acknowledges that all of the representations and warranties are material and have been relied upon by Buyer in all respects in entering into this Agreement.

4.2 Organization. Seller is a duly organized and validly existing non-profit corporation that is in good standing under the laws of the State of California. The performance under this Agreement by Seller: is within its corporate powers; has been fully authorized by all requisite action; and will not conflict with, or result in a breach of, any terms, covenants and provisions of its articles of incorporation or bylaws as any of the same may have been amended, any agreement or instrument to which it is a party or by which it is bound, or any permit or any governmental regulation, order, judgment, writ, injunction or decree of any court or governmental authority. The person(s) executing this Agreement on behalf of Seller has the authority to do so, without any further required approval from any other person or entity.

4.3 Ownership. Seller is the sole owner of the Assets and all rights appurtenant thereto of the Community, and the signature of no other party is required to convey any of such interests and rights, and Seller knows of no right, claim or interest of any other person or entity in the Community or the Assets. No other person owns an option or right of first refusal to purchase the Assets.

4.4 Financial Statements. Attached hereto as Schedule 4.4 are the following financial statements (collectively, the "**Financial Statements**"):

(a) Seller's unaudited annual financial statements, including balance sheets and the related statements of income and cash flow as of December 31, 2022, December 31, 2023, and December 31, 2024;

(b) Seller's unaudited financial statements, including balance sheets and the related statements of income and cash flow balance sheet of Seller as of the last day of the last full month prior to the Effective Date; and

(c) Seller's unaudited balance sheet as of the Effective Date.

Seller's Financial Statements are true, correct and complete and fairly present the financial condition and results of operations of Seller with respect to the Community as of the dates and for the periods indicated and have been prepared on a consistent basis with prior practices. There is

no material liability or obligation of Seller, whether absolute, contingent or otherwise as of the respective dates of the Financial Statements that is not reflected therein. Seller will continue to provide monthly Financial Statements to Buyer during the term of this Agreement, to be provided within fifteen (15) days after the end of a month for the prior month.

4.5 Absence of Certain Changes. Except as set forth on Schedule 4.5 attached hereto, since the date of the Financial Statements provided for in Section 4.4 hereof, Seller has not suffered any material adverse effect in its financial condition, assets, liabilities or business.

4.6 Title; Leased Assets. Except for leased items and other matters set forth in Schedule 4.6 hereto, including, without limitation, real estate taxes not yet due and payable, Seller owns the Assets, free and clear of all liens, liabilities, claims, and encumbrances. Schedule 4.6 also contains a listing of which Assets are leased.

4.7 Operating Contracts. A true and correct list of the Operating Contracts (as defined below) for the Property is attached hereto as Schedule 4.7, and copies of all written operating contracts and equipment leases to which Seller is a party in connection with the ownership and/or operation of the Community (collectively, the "**Operating Contracts**") have been or will be provided to Buyer by Seller. Each of the Operating Contracts is in full force and effect and none of the Operating Contracts has been modified or amended. Seller has no notice or knowledge that it or the Community is in default of any obligations under the Operating Contracts nor is Seller aware of any default or any action which, with the passage of time or the giving of notice or both would constitute a default, under the Operating Contracts by any other party thereto.

4.8 Taxes. All tax returns and reports required by law to be filed by Seller relating to the ownership and operation of the Community prior to the Closing Date (collectively, "**Tax Returns**") have been or will be properly and timely filed (subject to the right to extend or delay the filing thereof) and do, or at the time of the filing thereof will, correctly reflect the tax position of Seller and all taxes due under such Tax Returns have been or will be timely objected to, disputed and/or paid.

4.9 Consents; Binding Agreement. Without regard to licensing consents or approvals that may be required by Buyer to operate the Business after Closing, no authorization, consent, approval, permit or license of, or filing with, any governmental or public body or authority, any lender or lessor or any other person or entity is required (i) to authorize, or is required in connection with, the execution, delivery and performance of this Agreement or the agreements contemplated hereby on the part of Seller or (ii) in connection with the transfer of any purchased Assets from Seller to Buyer. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable in accordance with its terms.

4.10 Claims and Proceedings. Schedule 4.10 is a complete and accurate list and description of all claims, actions, suits, proceedings and investigations currently pending or, to Seller's knowledge, threatened against or affecting Seller or the Assets (including without limitation any claims, actions, suits, etc. involving Seller's licensure to operate its Community), at law or in equity, or before or by any court, municipal or other governmental department, commission, board, agency or instrumentality. Except as set forth in Schedule 4.10, Seller has not been, and is not now, subject to any order, judgment, decree, stipulation or consent of any court,

governmental body or agency that has any effect on the continuing operation of the Community. No inquiry, action or proceeding has been asserted, instituted or, to Seller's knowledge, threatened to restrain or prohibit the carrying out of the transactions contemplated by this Agreement or to challenge the validity of such transactions or any part thereof or seeking damages on account thereof. To Seller's knowledge, there is no basis for any claim or action related to the Assets or the Community. Seller will immediately disclose any new claims, actions, suits, proceedings and investigations to Buyer prior to Closing.

4.11 Employees.

4.11.1 Set forth in Schedule 4.11 hereto is a complete, accurate and current list of all employees of Seller who work at the Community, together with their dates of hire, positions and their annual salaries and other compensation. Except as set forth in Schedule 4.11, Seller has not granted or become obligated to grant any increases in the wages or salary of, or paid or become obligated to pay any bonus or made or become obligated to make any similar payment to or grant any benefit to or on behalf of, any officer, employee or agent of Seller and for which Buyer would be liable. Seller has no direct or indirect, express or implied, obligation to pay severance or termination pay to any officer or employee of Seller.

4.11.2 Except as set forth in Schedule 4.11 hereto, no currently effective written employment manual or written employment policy and/or procedures has been provided to or for employees, and no written or verbal employment, consultant or independent contractor agreement exists to which Seller may be bound and for which Buyer may be liable. Seller has delivered to Buyer accurate and complete copies of all such employment agreements, consulting agreements, confidentiality agreements and all other agreements, plans and other instruments to which Seller is a party and under which its employees or consultants are entitled to receive benefits of any nature. To Seller's knowledge or as may otherwise arise pursuant to the federal Worker Adjustment and Retraining Notification (WARN) Act ("**WARN Act**"), Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours and is not engaged in, nor has it committed, any unfair labor practice as defined in the National Labor Relations Act of 1947, as amended.

4.11.3 No present or former employee of Seller has any claim against Seller (whether under federal, state or local law, any employment agreement, or otherwise) on account of or for (a) overtime pay, other than overtime pay for the then current payroll period, (b) wages or salary for any period other than the current payroll period, (c) vacation, time off or pay in lieu of vacation or time off, other than that earned in respect of the current fiscal year or accrued on Seller's books and records, or (d) any violation of any statute, ordinance or regulation relating to minimum wages or maximum hours of work.

4.11.4 To Seller's knowledge, no person or party (including, but not limited to, governmental agencies of any kind) has any claim, or basis for any action or proceeding, against Seller arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices or occupational safety and health standards, including without limitation any workers compensation claim or any claim under Title VII, ADEA or FMLA.

4.11.5 There are no unions or collective bargaining agreements in effect with respect to any employees of the Community, and no unionization or collective bargaining arrangement has been noticed or is pending.

4.12 ADA. Seller has not received notice from any individual, entity or federal, state, local governmental agency or official notifying it that Seller or any property or asset of Seller is in violation of, or in noncompliance with, the Americans with Disabilities Act (the "**ADA**").

4.13 Permits. Set forth in Schedule 4.13 hereto is a list of all material certifications, governmental licenses, permits, regulatory agreements or other agreements and approvals, including certificates of operation, completion and occupancy, and state residential care facility or skilled nursing licenses or other licenses required by Health Care Authorities (as defined below) for the legal use, occupancy and operation of the Community (collectively, the "**Permits**"). The Permits have been obtained by Seller, and are in full force and effect. Seller has not taken any action to rescind, withdraw, revoke, amend, modify, supplement or otherwise alter the nature, tenor or scope of any Permit or applicable provider payment program participation. Seller has not received written notice of any violation of any applicable provisions of the applicable laws, standards, policies, restrictions or rules of any Health Care Authority having jurisdiction over the ownership, use, occupancy or operation of the Community. For purposes of this Agreement, "Health Care Authority/ies" shall mean any governmental entity or quasi-governmental entity or any agency, intermediary, board, authority or entity with lawful jurisdiction over Seller. Seller is in compliance with the requirements for participation in the Medicare and Medi-Cal programs with respect to the SNF that currently participates in such programs and Seller has a current provider agreement under Title XVIII and/or XIX of the Social Security Act which is in full force and effect. Seller has not had any deficiencies with respect to the Community on its most recent surveys (standard or complaint) that is reasonably expected to result in a denial of payment for new admissions. The Community has not been designated as a Special Focus Facility or a candidate for Special Focus Facility (as such term is defined by the Centers for Medicare and Medicaid Services Special Focus Facility Program). Seller is not a participant in, or subject to any action, proceeding, suit, audit, investigation or sanction, nor to Seller's knowledge is Seller a target of any of the foregoing, by any Health Care Authority or any other administrative or investigative body or entity or any other third party payor or any resident (including whistleblower suits, or suits brought pursuant to federal or state False Claims Acts, and Medicare/Medi-Cal/State fraud/abuse laws) which may result, directly or indirectly or with the passage of time, in the imposition of a fine, penalty, alternative, interim or final sanction, a lower rate certification, recoupment, recovery, suspension or discontinuance of all or part of reimbursement from any Health Care Authority, third-party payor, insurance carrier or private payor, a lower reimbursement rate for services rendered to eligible residents, or any other civil or criminal remedy, nor has any such action, proceeding, suit, investigation or audit been threatened. There is no pending, or to Seller's knowledge, threatened revocation, suspension, termination, probation, restriction, limitation, or non-renewal affecting Seller, any contract or provider agreement with any third-party payor, Medicare or Medi-Cal. All Medicare, Medi-Cal, and private insurance cost reports and financial reports submitted by or on behalf of the Community are accurate and complete and have not been misleading. There are no current, outstanding, or to Seller's knowledge pending Medicare, Medi-Cal or other third-party payor programs reimbursement audits or appeals, (ii) there are no cost report years that are subject to audits, (iii) no cost reports remain "open" or unsettled, and (iv)

there are no current or pending Medicare, Medi-Cal or other third-party payor programs recoupment efforts, in each case with respect to the Community.

4.14 Compliance with Law. Seller has received no written notice that the Community and its operation and use are not now in compliance with all applicable municipal, county, state and federal laws, regulations, statutes, ordinances, standards and orders and all administrative rulings and with all health, building, land use, environmental and zoning laws and regulations, including, the rules and regulations of any governmental authority governing the licensure of RCFE and SNF facilities. Seller is the licensed operator of the RCFE and SNF. True and correct copies of the current RCFE and SNF licenses to operate the Community, the form of Resident Agreement in use at the Community and rent roll for the Community (the "**Rent Roll**") have been or will be provided to Buyer by Seller. The Rent Roll and any other financial information reasonably requested by Buyer shall be updated by Seller monthly, and immediately prior to the Closing Date.

4.15 Environmental Disclosure. The following terms shall have the following meanings:

4.15.1 "Applicable Environmental Laws" means all federal, state and local or municipal, statutory, regulatory and common law requirements relating to the protection of human health and safety or the environment, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substance Control Act (15 U.S.C. § 2601 et seq.), Federal Insecticide Fungicide Rodenticide Act (7 U.S.C. § 136 et seq.), Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and all applicable judicial, administrative, and regulatory decrees, judgments, and orders.

4.15.2 "**Hazardous Materials**" means any chemical substances, pollutants, contaminants, materials, industrial solid wastes or other wastes, or combinations thereof, whether solid, liquid or gaseous in nature which poses or may pose a hazard to the health or safety of persons or the environment or the presence of which may require investigation or remediation under any Applicable Environmental Laws, including, without limitation, material which is or becomes defined as a "**hazardous waste**" or "**hazardous substance**" under the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.) or which contains gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, urea formaldehyde foam insulation, or radon gas.

4.15.3 Seller is and has been in compliance in all material respects with all Applicable Environmental Laws.

4.15.4 There has been no past or present spill, discharge, disposal or release of Hazardous Materials onto or from the Property, nor are any Hazardous Materials presently deposited, stored, or otherwise located on, under, in or about the Property or such other property (except in strict compliance with applicable laws), nor have any Hazardous Materials migrated from the Property.

4.15.5 Seller has not received any notice or other communication concerning any alleged violation of any Applicable Environmental Law, whether or not corrected to the satisfaction of the appropriate authority, or notice or other communication concerning alleged liability for any response costs or remedial action in connection with the Property. There exists no writ, injunction, decree, order, judgment, or lien outstanding, nor any lawsuit, claim, proceeding, citation, directive, summons or investigation, pending or, to Seller's knowledge, threatened, relating to: (i) any alleged violation of Applicable Environmental Law by Seller or (ii) the suspected presence of Hazardous Materials on the Property (other than those stored or utilized by Seller in the conduct of the business which storage and usage has been and is in conformity with applicable laws including but not limited to Applicable Environmental Laws).

4.15.6 No underground storage tanks are or have previously been located on the Property.

4.15.7 No Hazardous Materials, including, without limitation, asbestos-containing materials or PCB-containing materials, are installed, contained in building material, contained in transformers or other electrical equipment, or are otherwise present on the Property (other than those stored or utilized on the Property by Seller in the conduct of the Community which storage and usage has been and is in conformity with Applicable Environmental Laws).

4.15.8 Seller has provided Buyer with all environmental studies and reports in its possession or control by whomsoever conducted, all environmental records of Seller, and all documents of Seller concerning environmental conditions of the Property or other property occupied by Seller, or which identify underground tanks, or otherwise relate to actual or potential contamination of the soil or groundwater.

4.16 Business Relations with Suppliers. Seller has not received notice that any supplier of goods or services to Seller with respect to operation of the Community will cease or refuse to do business with Buyer after the consummation of the transactions contemplated hereby.

4.17 No Condemnation. The Community is not presently the subject of any condemnation or similar proceeding, and no such condemnation or similar proceeding is currently threatened or pending.

4.18 Foreign Status. Seller is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1986.

4.19 Bankruptcy. Seller (a) is not in receivership or dissolution; (b) has not made any assignment for the benefit of creditors; (c) has not admitted in writing its inability to pay its debts as they mature; (d) has not been adjudicated to bankruptcy; (e) has not filed a petition of voluntary bankruptcy, petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state; or (f) does not have any such petition described in subparagraph (e) above filed against Seller.

4.20 Broker. Other than RC Commercial Ltd., Seller has not authorized any other broker or finder to act on its behalf in connection with the sale and purchase hereunder. Seller shall be solely responsible for payment to RC Commercial Ltd. of the brokerage fee payable at

Closing in the form of certified funds, bank check or wire transfer, plus any and all other brokerage fees owed in connection with this transaction.

4.21 Possessory Rights. Other than tenants occupying the Community in accordance with a valid lease with respect thereto, no one will have any rights to possession or operation of the Community at the Closing other than Buyer and, unless otherwise agreed in writing, Seller shall deliver possession of the Community and all keys thereto at the Closing.

4.22 Resident Admission Agreements and Records. The resident admission agreements made available to Buyer are and shall be true and correct copies of such documents as kept in the ordinary course of Seller's business, and to Seller's knowledge all such admission agreements are in full force and effect. Except as shown on the rent roll as kept in the ordinary course of Seller's business and except as shown on the resident admission agreements, to Seller's knowledge there are no free rent, operating expense abatements, incomplete tenant improvements, rebates, allowances, or other unexpired concessions or any termination, extension, cancellation or expansion rights under the resident admission agreements. Except as shown on the rent roll or other documents made available to or delivered to Buyer, no resident or resident representative has indicated to Seller either orally or in writing its intent to terminate his/her residency at the Community.

ARTICLE V

REPRESENTATIONS OF BUYER

5.1 Representations. Buyer represents to Seller the matters set forth below and states that these representations are true as of the Effective Date and shall be true, in all material respects, as of the Closing Date.

5.2 Organization. Buyer is a duly organized and validly existing limited liability company that is in good standing under the laws of the State of California. The performance under this Agreement by Buyer: is within its corporate powers; has been fully authorized by all requisite action; and will not conflict with, or result in a breach of, any terms, covenants and provisions of its articles of organization or operating agreement as any of the same may have been amended, any agreement or instrument to which it is a party or by which it is bound, or any permit or any governmental regulation, order, judgment, writ, injunction or decree of any court or governmental authority. The person(s) executing this Agreement on behalf of Buyer has the authority to do so, without any further required approval from any other person or entity.

5.3 Binding Obligation. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

5.4 Bankruptcy. Buyer (a) is not in receivership or dissolution; (b) has not made any assignment for the benefit of creditors; (c) has not admitted in writing its inability to pay its debts as they mature; (d) has not been adjudicated a bankrupt; (e) has not filed a petition of voluntary bankruptcy, petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state; or (f) does not have any such petition described in subparagraph (e) above filed against Buyer.

5.5 No Broker. Buyer has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder.

5.6 "AS IS" Sale. Buyer acknowledges that it is acquiring the Property "AS IS" and "WITH ALL FAULTS", without representation by Seller or its representatives as to any matter, except for the specific written representations, warranties and covenants set forth in this Agreement. Buyer disclaims any express or implied warranties other than specific written representations, warranties and covenants set forth in this Agreement, including without limitation the implied warranties of merchantability or fitness for a particular purpose.

ARTICLE VI

ESCROW; CLOSING

6.1 Escrow. An executed copy of this Agreement shall be deposited in the Escrow and the provisions hereof shall constitute joint primary escrow instructions to the Escrow Holder; provided, however, that the parties shall execute such additional instructions as requested by the Escrow Holder not inconsistent with the provisions hereof. Upon request of either or all of the parties hereto, Escrow Holder shall deliver written confirmation of the date of the opening of Escrow to the parties to this Agreement.

6.2 Documents and Funds Delivered at Closing. The following shall be delivered at Closing:

6.2.1 Seller's Delivery. On or prior to the Closing Date, Seller shall deliver to Buyer or the Title Company, as applicable:

(i) a duly executed grant deed (the "**Grant Deed**"), with any necessary documentary state stamps affixed thereto, conveying marketable, insurable fee simple title to the Community to Buyer free and clear of all liens and encumbrances other than the Permitted Exceptions;

(ii) a bill of sale assigning to Buyer Seller's entire interest in the Intangible Property, Personal Property and Project Materials;

(iii) an assignment and assumption agreement duly executed by Seller with respect to the Assumed Operating Contracts (as defined below) and the residency agreements ("**Assignment and Assumption Agreement**");

(iv) an Escrow Holdback Agreement (as defined below) executed by Seller;

(v) a Management and Operations Transfer Agreement (the "**MOTA**") and all exhibits thereto, and in the event Buyer has not obtained the CHOW approval for the RCFE portion of the Community, the Leaseback Documents (as defined below) for the RCFE portion of the Community, executed by Seller in the forms to be agreed upon by the Parties prior to the Initial Due Diligence Deadline;

(vi) an Operations Transfer Agreement (the "**OTA**") for the SNF (as defined below) and all exhibits thereto executed by Seller, in the forms to be agreed upon by the parties prior to the Initial Due Diligence Deadline;

(vii) a Foreign Investment in Real Property Tax Act affidavit duly executed by Seller;

(viii) a Form 1099-S identifying Seller's gross proceeds and tax identification number, if required by the Escrow Agent;

(ix) such title affidavits and indemnities as may be reasonably required by the Title Company in connection with the issuance of the Title Policy;

(x) appropriate authorizing documents evidencing that Seller has the authority to enter into this Agreement, carry out the terms of this Agreement and sell the Community and evidencing that the individual or individuals executing this Agreement and any other documents contemplated hereunder or related hereto have the authority to so execute such documents;

(xi) a then-current census by payor type certified by Seller as of the applicable Closing Date as true, complete and accurate in all material respects, which shall include such information for the residents of the applicable portion of the Community as is reasonably acceptable to Buyer;

(xii) a certificate of Seller to the effect that all of the representations and warranties set forth in Article IV remain true and correct in all material respects as of the Closing Date; and

(xiii) such other instruments and documents as may be reasonably requested by Title Company and/or Buyer relating to Seller, to the Assets or the Business and as otherwise required to effectuate the transactions which are the subject of this Agreement, including, without limitation, certified charter and good standing certificates, certified copies of relevant corporate bylaws, agreements of limited partnership, operating agreement, and related incumbency certificates.

6.2.2 Buyer's Delivery. On or prior to the Closing Date, Buyer shall deliver to Seller or the Title Company, as applicable:

(i) a certified or cashiers' check or a wire transfer of immediately available funds in an amount sufficient to close the purchase of the Assets as detailed in Buyer's Closing Statement to be prepared by Title Company as provided in Section 6.2.3 below;

(ii) an Assignment and Assumption Agreement duly executed by Buyer;

(iii) a MOTA and, in the event Buyer has not obtained the CHOW approval for the RCFE portion of the Community, the Leaseback Documents executed by Buyer for the RCFE portion of the Community;

(iv) an OTA executed by Buyer for the SNF portion of the Community;

(v) an Escrow Holdback Agreement executed by Buyer;

(vi) appropriate authorizing documents certified by a secretary or assistant secretary evidencing that Buyer has the authority to enter into this Agreement, carry out the terms of this Agreement and purchase the Community and evidencing that the individual or individuals executing this Agreement and any other documents contemplated hereunder or related hereto have the authority to so execute such documents; and

(vii) such other instruments and documents as may be reasonably requested by Title Company or Seller relating to Buyer, to the Community and/or as otherwise required to transfer the Assets to Buyer pursuant to the terms and conditions of this Agreement, including, without limitation, certified charter and good standing certificates, certified copies of relevant corporate bylaws, agreements of limited partnership, operating agreement, and related incumbency certificates.

6.2.3 Delivery by Escrow. At least five (5) business days prior to the Closing Date, Title Company shall deliver to Buyer and Seller pro forma closing statements which set forth, in a manner and substance satisfactory to Buyer and Seller, the prorations and other credits and debits contemplated by this Agreement (collectively, "**Closing Statements**").

6.3 Conditions to Close. The Closing shall not occur unless and until the following conditions precedent and contingencies have been satisfied or waived in writing by the party for whose benefit the conditions have been included, it being expressly understood that the obligation of the parties to close this transaction is contingent upon the satisfaction or waiver of the conditions set forth below.

6.3.1 Buyer's Conditions.

(i) Approvals. All consents, approvals and other authorizations of any governmental agencies and third parties required for the Buyer's intended use of the Assets have been obtained, without the imposition of conditions unsatisfactory to Buyer in its sole discretion.

(ii) Representations and Warranties. Each representation and warranty of Seller in Article IV shall be true and correct in all material respects as of the Closing Date.

(iii) Destruction, Damage or Loss. There shall not have occurred prior to Closing, a destruction of, or damage or loss to, the Community from any cause whatsoever (other than ordinary wear and tear) relative to its condition as of the Effective Date, which would cost more than $250,000 to repair or cure. Buyer shall have the option, within thirty (30) days after receipt of written notice of any loss or losses in excess of the thresholds set forth above, to either terminate this Agreement or to purchase the Assets notwithstanding such loss, without deduction or offset against the Purchase Price. If the cost to repair or cure is in excess of the

thresholds set forth above and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any of Seller's insurance proceeds applicable to any such loss.

(iv) Seller Performance. Seller shall have performed, observed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, observed and/or complied with by Seller prior to, or as of, the Closing.

(v) Title Insurance. Title Company has issued an irrevocable commitment to issue to Buyer the Title Policy together with all endorsements required by Buyer in the amount of the Purchase Price, subject only to the Permitted Exceptions.

(vi) RCFE CHOM/CHOW Approval. Buyer shall have either (i) received CHOM approval from DSS (as defined below) and entered into the Leaseback Arrangement (as defined below), or (ii) received the RCFE CHOW approval.

(vii) SNF CHOW Approval. Buyer shall have received the SNF CHOW approval from CDPH (as defined below).

(viii) RCFE MOTA. The closing of the transactions contemplated under the RCFE MOTA shall occur simultaneously with the Closing Date.

(ix) SNF OTA. The closing of the transactions contemplated under the SNF OTA shall occur simultaneously with the Closing Date.

(x) Delivery of Instruments. All instruments and other documents required to be delivered by Seller and described in Section 6.2.1 have been delivered to the Title Company.

(xi) Termination of Lease/Management Agreement. Seller agrees to terminate any existing lease and/or management agreement related to the existing operation and management of the Community effective as of the applicable Closing Date, and to provide such documentation as may be requested by Buyer and the Title Company to confirm that such lease and/or management agreement has been terminated as of said date.

(xii) Attorney General Approval. Seller shall have (i) provided notice of the transaction contemplated by this Agreement to the Attorney General, and either (a) obtained the Attorney General approval of the transaction and such approval does not impose any unreasonable and material conditions on the approval that are unacceptable to Buyer (in its sole discretion) or (b) Seller shall have provided evidence satisfactory to Buyer (in its sole discretion) that the Attorney General has elected not to object to the transaction contemplated by this Agreement ("**Attorney General Approval**"). The Parties acknowledge and agree that if the Attorney General objects to the transaction, the Closing Date shall be extended for up to ninety (90) days until the Attorney General has approved the transaction or waived its objection thereto.

6.3.2 Seller's Conditions.

(i) All funds, instruments and other documents required to be delivered by Buyer and described in Section 6.2.2 have been delivered to the Title Company.

(ii) Buyer shall have performed, observed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, observed and/or complied with by Buyer prior to, or as of, the Closing.

(iii) Each representation and warranty of Buyer in Article V herein shall be true and correct in all material respects as of the Closing Date.

6.4 Recordation and Transfer. Upon satisfaction of the conditions set forth in Section 6.3 above, the Title Company shall:

(i) Cause the Grant Deed to be recorded in the Official Records of the County Recorder in the County in which the Community is located;

(ii) Deliver to Buyer one fully executed original of the Section 1445 Affidavit, any state law counterpart and one conformed copy of the recorded Grant Deed;

(iii) Deliver to Seller one conformed copy of the recorded Grant Deed;

(iv) Deliver to the parties entitled thereto any other Closing documents;

(v) Disburse to Seller all funds deposited with Title Company by Buyer in payment of the Purchase Price for the Community as provided herein; and

(vi) Pay to itself and third parties all agreed upon costs, expenses and disbursements as detailed in the Closing Statements to be prepared and approved by the parties as provided in Section 6.2.3 above.

6.5 Prorations. All income and expenses of the Community including rental income, utilities, general real estate taxes for the then current year, and the Assumed Obligations relating to the Community and all bonds, special taxes or assessments assessed prior to the Closing Date shall be prorated or otherwise reflected as debits and credits (i.e. setoffs) as of the Closing Date on the Closing Statements. Buyer and Seller shall cooperate with each other and shall provide all information to the other necessary to fully inform each of the rents and other income and all items of expenses existing as of the Closing Date. If the Closing shall occur before the real property actual taxes for the then current year are known, the apportionment of taxes shall be upon the basis of taxes for the Property for the immediately preceding year, provided that, if the taxes for the current year are thereafter determined to be more or less than the taxes for the preceding year (after any appeal of the assessed valuation thereof is concluded), Seller and Buyer promptly shall adjust the proration of such taxes and Seller or Buyer, as the case may be, shall pay to the other any amount required as a result of such adjustment. Buyer and Seller shall make a good faith effort to estimate the proration of income and expenses as of the Closing on or before the Closing. Buyer and Seller shall make a good faith effort to settle reconciliation of income and expenses within ninety (90) days after the Closing Date. Any balance owing from one party to the other shall be paid within fifteen (15) days of the rendering of the reconciliation. For the avoidance of doubt, any market rate fees due to any resident referral/placement agencies shall be the responsibility of Seller to the extent the applicable resident commenced occupancy at the Community at any time prior to any Closing Date. Prior to the Closing Date, Seller shall arrange for a final statement with respect to all utilities serving the Property as of the Closing Date and shall pay all fees identified thereon

and Buyer shall arrange for all such utilities to be billed in its name from and after the Closing Date and shall pay all fees due therefor after the Closing Date. The provisions of this Section 6.5 shall survive the Closing Date.

6.6 Close of Escrow. The Closing shall occur on the date that Buyer receives (i) either the CHOM or CHOW approval from DSS for the RCFE portion of the Community, and (ii) the CHOW approval for the SNF portion of the Community, or at such other place or on such other date as the parties may agree on in writing ("**Close of Escrow**" or "**Closing Date**").

6.7 Delivery of Possession. Except as otherwise agreed upon by the parties, Seller shall deliver possession of the Community to Buyer at the Closing.

ARTICLE VII

CERTAIN PRE-CLOSING AND POST-CLOSING COVENANTS

7.1 Condition of Community. From the Effective Date to Closing, Seller shall (i) operate the Property prudently as it has been operated customarily in the past, (ii) continue to maintain all insurance in force, and (iii) maintain the same level of inventory at the Community that existed as of the Effective Date. As of the Closing Date, the plumbing, electrical, HVAC and other major mechanical systems at the Community shall be in the same operating order and condition as such systems were existing as of the Effective Date, ordinary wear and tear excepted. As of the Closing Date, Seller shall be current in the payment of its accounts payable, expenses (including, without limitation, all employment taxes and withholding obligations), accrued vacation and other employee benefit obligations, and contractual obligations.

7.2 Employees. Effective immediately as of the Closing, Seller shall terminate all of its employees who work at the Community, and, effective immediately as of the Closing, Buyer may hire any or all of such employees on terms and conditions satisfactory to Buyer in its sole discretion; provided the parties hereto agree that, notwithstanding anything to the contrary contained in this Agreement, Buyer shall hire that number or percentage of employees and upon such terms so as to avoid applicability of the WARN Act and any other applicable laws or regulations requiring notice prior to plant or facility closings or a mass layoff, due to the transaction contemplated hereby and by this Agreement. Seller shall be responsible for and pay (by offset to the Purchase Price or otherwise) any unpaid vacation, bonuses, sick time and PTO and any other benefits accruing to Seller's employees prior to the Closing, and shall indemnify, defend and hold harmless Buyer (with counsel reasonably acceptable to Buyer) from and against any and all claims arising from Seller's employment-related matters prior to the Closing Date. Further, Seller shall indemnify Buyer for all obligations arising under the WARN Act (and its California equivalent) due to conduct or events occurring prior to the Closing, and Buyer shall indemnify Seller from all obligations arising under the WARN Act (and its California equivalent) due to conduct or events occurring on and after the Closing.

7.3 Records Retention. Buyer shall retain all records received from Seller for the periods required by law. Seller shall have access to such records and the right to make copies of such records for all legitimate purposes.

7.4 Accounts Receivable. The parties acknowledge and agree that Buyer is purchasing Seller's accounts receivable. At least ten (10) days prior to the Closing Date, Seller shall provide Buyer with a detailed listing of Seller's accounts receivable which arose from the provision of goods or services prior to the Closing Date. From and after the Closing Date, Buyer, or its management agent shall assume responsibility for the billing for and collection of payments on account of services rendered or goods sold by Seller or Buyer at the Community before or after the Closing Date. If any payments are received after the Closing Date by either party, they shall either be retained by Buyer if received by Buyer, or if they have been received by Seller, they shall be remitted to Buyer promptly, but in no event more than five (5) business days, after receipt thereof.

7.5 Licenses. Prior to the Second Due Diligence Deadline, Buyer or Buyer's manager shall submit (i) a CHOW application with the California Department of Social Services ("**DSS**") for the RCFE portion of the Community, and (ii) a CHOW application with the California Department of Public Health ("**CDPH**") for the SNF portion of the Community. The parties acknowledge that (i) either the CHOM (as defined below) or CHOW application for the RCFE portion of the Community must be approved by DSS prior to the Closing Date, and (ii) the CHOW application for the SNF portion of the Community must be approved by CDPH prior to the Closing Date. In the event Buyer determines that the CHOW approval for the RCFE portion of the Community cannot be obtained by the time the CHOW approval for the SNF portion of the Community is ready to be issued, Buyer will submit a CHOM application with DSS pursuant to which Buyer or Buyer's manager will be named as the new manager of the RCFE portion of the Community on Seller's existing RCFE license. Buyer will take and/or cause its manager or designee to take such actions as are a necessary to obtain the CHOW approvals, and CHOM approval if necessary, in a timely manner, including, without limitation, submitting any missing information required for Buyer's licensing applications reasonably promptly following receipt thereof by Buyer. In the event Buyer has not received the CHOW approval for the RCFE portion of the Community prior to the Closing Date and the parties will be closing on the basis of a CHOM approval, Seller, Buyer and/or Buyer's manager will need to enter into an interim arrangement (the "**Leaseback Arrangement**") for the RCFE portion of the Community to allow Buyer to manage the RCFE portion of the Community under Seller's existing RCFE license until the CHOW for the RCFE portion of the Community is approved. In the event the Leaseback Arrangement is necessary, as of the Closing Date, Seller, Buyer and/or Buyer's manager shall enter into an Interim Lease ("**Interim Lease**") and Interim Management Agreement ("**Interim Management Agreement**"), to be negotiated and agreed upon in good faith prior to the Initial Due Diligence Deadline. Upon Buyer's request, Seller shall execute any documentation in connection with the CHOM and/or CHOW applications ("**License Applications**") and shall reasonably cooperate in connection with such License Applications and Buyer or its assignee or designee's efforts to obtain the CHOM and CHOW approvals. Seller is required to provide written notice to (i) DSS and to Seller's RCFE residents (or their legal representatives) at least thirty (30) days prior of a change in management of the RCFE portion of the Community (the "**CHOM Notice**"), and (ii) to CDPH and to Seller's SNF residents (and their representatives) at least ninety (90) days prior to the change of operations of the SNF portion of the Community ("**CHOW Notice**"). Buyer and Seller shall jointly approve the CHOM Notice and CHOW Notice and Buyer and Seller shall distribute such CHOM Notice and CHOW Notice to Seller's residents and their representatives within the required applicable timeframes. In conjunction with providing the CHOM Notice and CHOW Notice to residents, Seller and Buyer shall together hold separate meetings with residents/families

and employees ("**Town Halls**") at the Community to announce that the Community will be transferred to Buyer. The Town Halls shall be scheduled at a date and time mutually convenient for Seller and Buyer.

7.6 Operating Contracts. Prior to the Second Due Diligence Deadline, Buyer shall review the Operating Contracts and inform Seller which of such Operating Contracts Buyer desires to assume effective as of the applicable Closing Date (the "**Designated Operating Contracts**"). Seller shall use commercially reasonable efforts to obtain any third party approvals required in connection with the assignment to Buyer of the Designated Operating Contracts. Effective as of the Closing Date, the Designated Operating Contracts that may be assigned hereunder shall be referred to herein as the "Assumed Operating Contracts." As of the Closing Date, Seller shall (i) assign the Assumed Operating Contracts to Buyer, and (ii) terminate any Operating Contracts which are not Assumed Operating Contracts hereunder.

7.7 Tail Coverage. On or prior to the Closing Date, Seller shall have delivered to Buyer, and Buyer shall have approved in its commercially reasonable discretion, the terms of two (2) year tail or extended reporting coverage insurance policies for Seller's professional and general liability insurance claims-made insurance coverage, which tail coverage Seller shall purchase at Seller's sole cost and expense to be effective as of the Closing Date ("**Tail Coverage**"). Concurrently with the Closing, Seller shall pay (or cause to be paid) all premiums for Seller's Tail Coverage and such coverage.

7.8 Non-Compete Agreement. Seller acknowledges that a fair return to Buyer on and protection of its investment in the Community is dependent, in part, on the concentration of similar businesses of Seller and its affiliates in the geographical area of the Community. Seller further acknowledges that the diversion of staff, residents, or patient care activities from the Community to other facilities owned or operated by Seller or any of its respective affiliates will have a material adverse effect on the value and utility of the Community. Therefore, Seller agrees that for a period of two (2) years after the Closing, neither Seller nor any of its respective affiliates shall, without the prior written consent of Buyer (which may be granted or withheld in Buyer's sole and absolute discretion): (a) operate, own, develop, lease, manage, control, invest in, participate in or otherwise receive revenues from a Competing Facility, (b) permit his, her or its name to be used by, or in connection with, any Competing Facility, or (c) except as is necessary to provide residents or patients with an alternative level of care, recommend or solicit the removal or transfer of any resident or patient from the Community to any other nursing, health care, senior housing, or retirement housing facility or divert actual or potential residents, patients or care activities of the Community to any other facilities owned or operated by Seller or any of its respective affiliates or from which they receive any type of referral fees or other compensation for transfers. In addition to the foregoing, during the two (2) year period following Closing, neither Seller nor any of its affiliates shall directly or indirectly, engage or participate in any effort to induce employees working on or in connection with the Community or the operations thereof to accept employment at any other nursing, health care, senior housing, or retirement housing facility that is operated, owned, developed, leased, managed, controlled, or invested in by Seller or any of its affiliates or in which Seller or its affiliates otherwise participates in or receives revenues from. The foregoing shall not be violated by Seller making any general advertisement for employment not directed to any particular employee who voluntarily contacts Seller regarding employment or who voluntarily chooses not to accept an offer of employment by Buyer. As used in this Agreement, "**Competing**

Facility" means a skilled nursing facility, assisted living facility, memory care facility, independent living facility or other health care facility providing services similar to those of the Community, licensed or unlicensed, existing or to be constructed that (i) competes in any direct or indirect way with, or is comparable in any way to, the Community and (ii) is located within a five (5)-mile radius of the Community. If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this section are deemed to exceed the time, geographic or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, permitted by applicable laws and regulations. The terms of this Section 7.8 shall survive the Closing Date.

7.9 Pastoral Services. Buyer agrees to continue to provide pastoral services similar to those currently provided by Seller to the residents of the Community post-Closing.

ARTICLE VIII

INDEMNIFICATION

8.1 Seller's Indemnity. Seller hereby agrees to indemnify, defend (with counsel reasonably acceptable to Buyer) and hold Buyer and its members, officers, directors, employees, agents and affiliates harmless from and against all losses, claims, obligations, demands, assessments, penalties, liabilities, costs, damages, reasonable attorneys' fees and expenses (collectively, "**Damages**"), incurred by any or all of them or assessed against the purchased Assets by reason of or resulting from or based upon:

(a) The inaccuracy of any representation or breach or default of or under any warranty, covenant or agreement made by Seller in this Agreement, (including any other document delivered by Seller at the Closing, such as the Exhibit and Schedules or in any certificate, document or other written instrument delivered in connection with the transfer of Assets contemplated by this Agreement);

(b) Any claims arising out of or relating to occurrences of any nature relating to the ownership, operation or use of the Community or the conduct thereof prior to the Closing, whether any such claims are asserted prior to or after the Closing; and/or

(c) Any obligation under any of the Operating Contracts arising prior to the Closing.

8.2 Buyer's Indemnity. Buyer hereby agrees to indemnify, defend (with counsel reasonably acceptable to Seller) and hold Seller, and its members, officers, directors, employees, agents and affiliates harmless from and against all Damages asserted against or incurred by any or all of them by reason of or resulting from or based on:

(a) The inaccuracy of any representation or breach or default of or under any warranty, covenant or agreement made by Buyer in this Agreement (including any other document

delivered by Buyer at the Closing, such as the Exhibit and Schedules or in any certificate, document or other written instrument delivered in connection with the transfer of Assets contemplated by this Agreement);

(b) Any claims arising out of or relating to occurrences of any nature relating to Buyer's ownership, operation or use of the Community or the conduct thereof after the Closing; and/or

(c) Any obligation under any of the Operating Contracts (to the extent assumed by Buyer at Closing) arising after the Closing.

8.3 Defense of Claims. If a claim for Damages is to be made by a party seeking indemnification hereunder against the indemnifying party, the party seeking indemnification shall give written notice to the indemnifying party as soon as practicable after the party seeking indemnification becomes aware of any fact, condition or event which may give rise to Damages for which indemnification may be sought under this Agreement. If any lawsuit or enforcement action is filed against any party entitled to the benefit of indemnity hereunder, written notice hereof shall be given to the indemnifying party as promptly as practicable (and in any event within fifteen (15) days after the service of the citation or summons). After such notice, if the indemnifying party shall acknowledge in writing to the indemnified party that the indemnifying party shall be obligated under the terms of its indemnity hereunder in connection with such lawsuit or action, then the indemnifying party shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice (that do not have a legal conflict in representing the indemnified parties) to handle and defend the same, at the indemnifying party's cost, risk and expense, provided that the indemnifying party and its counsel shall proceed with diligence and in good faith with respect thereto and shall not settle such lawsuit or enforcement action without twenty (20) days' prior notice to the indemnified party and shall not settle any claim without the consent of the indemnified party (which consent shall not be unreasonably withheld). The indemnified party shall cooperate in all reasonable respects with the indemnifying party and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the indemnified party may, at its own cost, participate in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom.

8.4 Escrow Holdback. At Closing, Seller, Buyer and Title Company shall execute and deliver an escrow holdback agreement (the "**Escrow Holdback Agreement**"), the form of which shall be agreed upon by the parties prior to the Closing Date, under which Seller shall deposit with Escrow Holder, out of the Purchase Price, a sum equal to One Hundred Seventy Five Thousand and no/Dollars ($175,000.00) (with any interest thereon, the "**Escrow Holdback**"), to secure payment of any claim for Damages made in writing by Buyer to Seller in good faith prior to the expiration of the Survival Period, or (b) any amount owing from Seller following reconciliation of the prorations pursuant to this Agreement ("**Seller's Prorations**"). Seller and Buyer shall authorize Title Company to release funds from the Escrow Holdback to Buyer to pay any uncontested claim for Damages or Seller's Prorations. As of the expiration of the Survival Period, Title Company shall immediately release the Escrow Holdback (or the remainder thereof) to Seller, minus the reasonable estimated amount (a "**Specific Claim Amount**") necessary to satisfy any then-existing, good faith, unresolved claim for previously made in writing by Buyer to Seller and

Escrow Holder, less any amounts thereof for which an insurance company has, in writing, accepted the obligation to pay or defend. Upon satisfaction of all claims for Damages made in good faith in writing by Buyer to Seller prior to the expiration of the Survival Period or any Seller's Prorations, any previous Specific Claim Amount withheld by Escrow Holder but not required to be paid to Buyer shall be paid to Seller.

8.5 Survival. The indemnities provided for under this Section 8 shall survive the Closing.

ARTICLE IX

GENERAL PROVISIONS

9.1 Schedules Generally. The parties expressly acknowledge that, as of the Effective Date, no Schedules are attached to this Agreement. Notwithstanding anything contained hereto to the contrary, Seller shall have ten (10) days from and following the Effective Date to provide such Schedules to Buyer which Schedules, once delivered, shall become a part hereof and be considered delivered as of the Effective Date.

9.2 Real Estate Commissions. Each party hereto agrees to indemnify and hold harmless the other party from and against any and all losses, liens, claims, judgments, liabilities, costs, expenses or damages (including reasonable attorneys' fees and court costs) of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by such party or on its behalf with any other broker or finder in connection with this Agreement or the transaction contemplated hereby. The provisions of this Section 9.2 shall survive the Closing.

9.3 Notices. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery delivered by a representative of the party giving such notice, or (b) overnight delivery by recognized overnight courier, or (c) United States mail, postage prepaid, registered or certified mail, or (d) email addressed as follows:

If to Seller to:
Bethel Lutheran Home, Inc.
2877 23rd Ct.
Kingsburg, CA 93631
Attention: Laurel Jacobsen, CEO
Email: lolli707@comcast.net

With a copy to:
Wanger Jones Helsley PC
265 E. River Park Cir., Suite 310
Fresno, CA 93720
Attention: Jeffrey B. Pape, Esq.
Email: jpape@wjhattorneys.com

If to Buyer to: Bayshire Central Valley LLC
c/o Jericho Care Group, LLC
111 Barstow Avenue
Clovis, CA 93612
Attention: Benjamin Carter
Email: benjamin.carter@JerichoCare.com

With a copy to: Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, California 94105
Attention: Jennifer Berland
Email: jberland@hansonbridgett.com

or to such other address or to the attention of such other person as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been delivered either at the time of personal delivery actually received by the addressee or a representative of the addressee at the address provided above or, if delivered on a business day in the case of delivery service or certified or registered mail, as of the earlier of the date delivered or the date 72 hours following the date deposited in the United States or Canadian mail to the address provided herein. Any notices sent pursuant to the provisions of Section 9.3 above may be sent by electronic mail only and shall be deemed given when transmission is complete if no bounce back or error message is sent back in reply to the sender. Buyer and Seller hereby agree that notices may be given hereunder by the parties' respective counsel and that, if any communication is to be given hereunder by Buyer's or Seller's counsel, such counsel may communicate directly with all principals as required to comply with the provisions of this Section.

9.4 Assignment. The parties acknowledge that Buyer may assign its rights to purchase the Community and the Assets under this Agreement to one or more third parties. Without the prior consent of Seller, Buyer shall have the right to assign its interest in this Agreement to any entity owned in whole or in part or managed by Buyer, or to an affiliate of Buyer (a "**Buyer Party**"). Any assignment by Buyer to any entity other than a Buyer Party shall require Seller's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed. Upon any such assignment, the Buyer shall be relieved of all liability hereunder, provided that any deposits made by Buyer shall become the deposits of the assignee.

9.5 Confidentiality. The parties hereto hereby agree that the information, documents and instruments delivered to Seller by Buyer or Buyer's agents and the information, documents and instruments delivered to Buyer by Seller or Seller's agents, including, without limitation, this Agreement and all documents delivered hereunder are of a confidential and proprietary nature (the "**Confidential Information**"). Each of the parties hereto agrees that both prior and subsequent to the Closing it will maintain the confidentiality of all such Confidential Information delivered to it by each of the other parties hereto or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions and covenants hereof and only disclose such Confidential Information to its duly authorized officers, directors, representatives and agents unless (i) compelled to disclose by judicial or administrative process (including, without limitation, in connection with obtaining the necessary governmental approvals for the transactions contemplated hereby) or by other requirements of law or (ii) disclosed in an action or proceeding

brought by a party hereto in pursuit of its rights or in the exercise of its remedies hereunder; provided, however, that the parties hereto shall not disclose any Confidential Information not required to be disclosed as part of such permitted disclosure. Each of the parties hereto further agrees that if the transactions contemplated hereby are not consummated, it will return promptly the Confidential Information and all copies thereof in its possession to the other party to this Agreement. Except as required by law, each of the parties hereto agree that any release to the public with respect to the matters set forth herein will be made only in the form and manner approved by the parties and their respective counsel. Each of the parties hereto recognizes that any breach of this Section would result in irreparable harm to the other parties to this Agreement and that therefore either Buyer or Seller shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash or otherwise, in addition to all of their other legal and equitable remedies. Nothing in this Section, however, shall prohibit the use of such Confidential Information for such governmental filings as in the mutual opinion of Seller's counsel and Buyer's counsel are (i) required by law or governmental regulations or (ii) otherwise appropriate. Neither party shall issue any press release regarding the entering into this Agreement or the consummation of the transactions contemplated hereby without the consent of the other party as to the wording of any such press release, which consent shall not be unreasonably withheld or delayed. Without limitation of the foregoing, Buyer shall comply with all applicable laws concerning confidentiality of information regarding residents at the Community.

9.6 Attorney's Fees and Legal Expenses. Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of any alleged breach of any provision of this Agreement or for any other remedy, the party that is successful in any action shall be entitled to receive from the losing party all of its costs and expenses, including, without limitation, reasonable attorneys' fees and all court and/or arbitration costs, costs of appeal and disbursements actually and reasonably incurred in connection with said proceeding.

9.7 Section Headings. The Section headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several Sections hereof.

9.8 Entire Agreement. This Agreement embodies the entire agreement between the parties hereto and supersedes any prior understandings or written or oral agreements between the parties concerning the Community. Each party to this Agreement has substantial experience with the subject matter of this Agreement and has each fully participated in the negotiation and drafting of this Agreement and has been advised by counsel of its choice with respect to the subject matter hereof. Accordingly, this Agreement shall be construed without regard to the rule that ambiguities in a document are to be construed against the drafter, and each party shall be deemed to have participated in the negotiation and preparation of this Agreement.

9.9 Costs and Expenses. Except as otherwise specifically set forth herein, each party shall bear its own expenses in connection with the transactions contemplated by this Agreement, including, without limitation, the costs and expenses of all attorneys, engineers, brokers and agents employed by such party.

9.10 Applicability. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns, except as expressly set forth herein.

9.11 Gender and Number. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

9.12 Counterpart Execution. This Agreement may be executed by facsimile in multiple counterparts, each of which shall be deemed to be an original and all of which together shall constitute one document.

9.13 Applicable Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

9.14 Time Calculations. Should the calculation of any of the various time periods provided for herein result in an obligation becoming due on a Saturday, Sunday or legal holiday, then the due date of such obligation or scheduled time of occurrence of such event shall be delayed until the next business day. For purposes of this Agreement, a "**business day**" shall mean any day of the month excluding Saturdays, Sundays and any holiday which is a national banking holiday.

9.15 Severability. If any portion of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

9.16 Amendments. This Agreement may be amended only by written agreement signed by both of the parties hereto.

9.17 Further Assurances. Whether prior to or after Closing, Seller and Buyer shall provide to the other such further assurances as may reasonably be required hereunder to effectuate the purposes of this Agreement and, without limiting the foregoing, shall execute and deliver such affidavits, certificates and other instruments as may be so required hereunder so long as the same shall not materially increase the liability of the Party so executing and delivering said instrument.

9.18 Authorship. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set forth above.

SELLER:

Bethel Lutheran Home, Inc.,
a California non-profit corporation

DocuSigned by:

By: LAUREL JACOBSEN
3F6760F9944E4C3...
Name: Laurel Jacobsen
Its: CEO

BUYER:

Bayshire Central Valley LLC,
a California limited liability company

By: Adam Salow
Name: Adam Salow
Its: Co-owner

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 1.2.1

Legal Description of the Community

[TO COME]

Schedule 1.3.4

Personal Property to be Excluded from the Sale

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 3.3

Due Diligence Materials

I. ORGANIZATIONAL DOCUMENTS

A. Certificate of Good Standing in California for Seller.

II. PROPERTY AND ENVIRONMENTAL MATERIALS

A. Copies of all deeds, title reports, title policies and easements pertaining to the Property.

B. Copies of all surveys, building and occupancy permits, approvals, licenses, land use entitlements and construction and/or other warranties pertaining to the Community and the Property. Buyer shall be permitted to view all architectural drawings, engineering and construction drawings, floor plans, and construction specifications for the Property at Seller's offices from and after the Effective Date, and Seller shall deliver to Buyer all such materials and information as of the Closing.

C. All environmental assessments, surveys, inspection and test reports, including any Phase II testing results of the Property.

D. Any citations and notices of violations or other correspondence received from any federal, state or local authority pertaining to the physical condition of the Property including environmental matters.

III. BUSINESS RELATED MATTERS

A. Financial statements for the past three fiscal years, and for the last completed fiscal quarterly including a balance sheet and a profit loss statement for each period requested.

B. Any operating and capital budgets for the past three fiscal years and the current fiscal year and any actual/budgeted comparisons.

C. List of actual capital expenditures for each of the past three (3) fiscal years.

D. Year ending rent rolls for the past three (3) fiscal years if required by Buyer's lender.

E. Tax Returns for past three (3) fiscal years if required by Buyer's lender.

F. All vendor, payor, and other contracts, leases, management agreements.

G. Upon Buyer's request, inventories of furniture, fixtures, equipment.

H. Personnel lists and job descriptions.

I. All employment contracts, collective bargaining agreements.

J. All employment manuals, personnel policies and procedures.

K. Copies of all state or federal service mark registrations for the Community, any associated logos and any other proprietary or other intellectual property owned by Seller of by one of Seller's affiliates for the benefit of Seller.

L. Web Site service contracts.

IV. RISK MANAGEMENT MATTERS

A. List of any and all pending or threatened litigation or claims of any kind, including but not limited to, claims arising under Title VII, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Family and Medical Leave Act, worker compensation claims, other employment claims, retaliation claims, racial discrimination and bias claims, Fair Housing Act complaints, tort claims, etc.

B. Any correspondence, report, inquiry, or notice of investigation by the Office for Civil Rights, U.S. Department of Justice, U.S. Department of Labor, Fair Employment and Housing Commission, the Equal Employment Opportunity Commission, or any other federal, state, or local agency regarding any alleged discrimination by Seller.

C. All complaints filed by or on behalf of residents or their families with respect to the Community.

D. Copies of any and all statements of deficiency, complaints, or other allegations of regulatory violations by the DPH, Long-Term Care Ombudsman, CDPH or any other agency.

E. Copies of any and all insurance policies covering the Community and its operations.

F. Complete insurance claims history since the opening of the Community.

V. REGULATORY MATTERS

A. All licenses and waivers for the Community, and licenses for each of the Community's administrators.

B. All admissions contracts and forms including all appendices and exhibits and including any prior versions of agreements that are still in effect with respect to at least one resident. (One sample agreement from the Community is insufficient if older versions are in use).

C. All admissions questionnaires, including health, personal and financial screening forms.

D. All advertising copy for the Community, including brochures, newsletters and print advertising.

E. All medical provider and professional service agreements, including subleases and other agreements with home health agencies, therapists, allied health professionals, laboratories, etc.

F. All policies procedures and manuals in effect, including policies governing:

1. admissions criteria and procedures;

2. theft and loss;

3. grievance and complaint resolution;

4. bedholds, transfers and discharge planning;

5. visitors;

6. safekeeping of valuables;

7. the use of motorized carts, wheelchairs, canes, or walkers, or limitations on residents' access to the Community or any part of the Community based on use of these aids or non-ambulatory status;

8. the use of private duty aides and attendants; and

9. care of persons with dementia.

G. All bedhold and transfer agreements.

H. Elder abuse reporting acknowledgements and information forms given to Seller's employees.

I. Copies of all fire clearances, including all restrictions on ambulatory and non-ambulatory occupancy of specific units, an itemization of residents who are ambulatory and non-ambulatory, and an indication as to whether residents reside in appropriately certified units.

J. Evidence of criminal record and health clearances for appropriate personnel to the extent permitted by law.

K. All correspondence, application forms and other documents pertaining to applicants who were denied admission to the Community.

L. All reports prepared by consultants dealing with admissions, quality assurance, utilization review, reimbursement, regulatory compliance, fire safety, financial matters, physical plant, or other material subjects.

M. All managed care and third-party payor agreements.

N. All Patient Self-Determination Act notices and policies (addressing the right to execute powers of attorney for health care and "living wills").

O. All waivers or special clearances obtained at the Community with respect to the care of persons with dementia, and all related correspondence and reports.

P. All patients' or residents' rights forms furnished by the Community's residents.

Q. All releases, waivers, and "negotiated risk agreements" entered into by Seller and any resident, family member, or other representative.

R. All forms authorizing the release of residents' medical information.

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 4.4

Financial Statements

[TO COME]

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 4.5

Absence of Certain Changes

[TO COME]

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 4.6

Title; Leased Assets

[TO COME]

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 4.7

Operating Contracts

[TO COME]

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 4.10

Claims and Proceedings

[TO COME]

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 4.11

Employee Information

[TO COME]

Docusign Envelope ID: DAAF79B8-C832-4A65-AA2D-42DEE8A0D027

Schedule 4.13

Permits

[TO COME]

FIRST AMENDMENT
TO
AGREEMENT FOR PURCHASE AND SALE

This First Amendment to Agreement for Purchase and Sale ("**First Amendment**") is effective as of June 10, 2025 (the "**Effective Date**") and is entered into by and between BETHEL LUTHERAN HOME, INC., a California non-profit corporation ("**Seller**") and BAYSHIRE CENTRAL VALLY LLC, a California limited liability company d/b/a Jericho Care Group, or its assignee ("**Buyer**").

RECITALS

A Seller and Buyer entered into that certain Agreement for Purchase and Sale dated as of May 12, 2025 (the "**Agreement**") providing for the purchase by Buyer from Seller of certain real property and all improvements thereon located at 2280 Dockery and 1250 Rorden Avenue, in the City of Selma, County of Fresno, State of California, and as more particularly described in the Agreement (the "**Property**").

B. The parties now desire to amend the terms of the Agreement in certain limited respects as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, the parties agree to amend the Agreement as follows:

1. **Definitions**. All capitalized terms used but not otherwise defined in this First Amendment will have the meaning ascribed to them in the Agreement.

2. **Definition of the Community**. The Community, as used in the Agreement, shall collectively mean the independent living facility ("**ILF**"), assisted living facility licensed as a residential care facility for the elderly ("**ALF**" or "**RCFE**"), and skilled nursing facility ("**SNF**"), commonly known as Bethel Lutheran Home and located at 2280 Dockery and 1250 Rorden Avenue, in the City of Selma, County of Fresno, State of California (APNs 389-320-29 and 389-320-33).

3. **Purchase Price**. The Purchase Price of the ILF is One Hundred and 00/100 Dollars ($100.00). The Purchase Price for the ALF and SNF, collectively, is Seven Million Nine Hundred Ninety-Nine Thousand Nine Hundred and 00/100 Dollars ($7,999,900.00).

4. **Allocation of Purchase Price**. Buyer and Seller agree to allocate the Purchase Price as follows:

Facility	Total Purchase Price	Real Property	Personal Property	Goodwill
ILF	$100.00	$100.00	$0.00	$0.00
ALF & SNF	$7,999,900.00	$7,999,900.00	$0.00	$0.00

5. **Effect**. The parties confirm that in all other respects, the Agreement will remain in full force and effect, unmodified, except to the extent set forth in this First Amendment. In the event of any inconsistency between this First Amendment and the Agreement, the terms and conditions of this First Amendment will control.

6. **Miscellaneous**.

a. This First Amendment will be governed by and construed under the laws of the State of California without regard to California conflict of law provisions.

b. This First Amendment may be executed by the parties hereto in counterparts, each of which will be deemed to be an original, but all such counterparts will constitute one and the same instrument, and all signatures need not appear on any one counterpart. A copy of this First Amendment executed and delivered by facsimile, electronic mail in ".pdf" format, or any electronic signature complying with the California Uniform Electronic Transactions Act and the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com) will be deemed to have the same legal effect as delivery of an original signed copy of this First Amendment.

c. This First Amendment represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each of the parties hereto covenants that it has not entered into this First Amendment as a result of any representation, agreement, inducement or coercion, except to the extent specifically provided herein. Each party hereto further covenants that the consideration recited herein is the only consideration for entering into this First Amendment, and that no promises or representations of other or further consideration have been made by any person.

d. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, representatives, successors and assigns.

e. The individuals executing this First Amendment represent and warrant that each possesses all necessary authority and power to execute this First Amendment on behalf of the party on for whom he or she signs.

f. Should it become necessary to take steps to enforce the terms of this First Amendment, then the prevailing party shall be entitled to recover its attorney fees and costs related to the enforcement of this First Amendment.

IN WITNESS WHEREOF, the parties have entered into this First Amendment as of the Effective Date set forth above with the intent to be legally bound.

SELLER:

BETHEL LUTHERAN HOME, INC.,
a California non-profit corporation

DocuSigned by:
By: LAUREL JACOBSEN 6/10/2025
3F6760F9944E4C3...
Name: Laurel Jacobsen

Title: Chief Executive Officer

BUYER:

BAYSHIRE CENTRAL VALLEY LLC,
a California limited liability company

Signed by:
By:
1087AE5E7308400...
Name: Adam Salow

Title: Co-Owner

ASSIGNMENT AND ASSUMPTION
OF AGREEMENT FOR PURCHASE AND SALE

THIS ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR PURCHASE AND SALE (this "**Assignment**"), is made and entered into as of June 16, 2025 ("**Effective Date**"), by and between BAYSHIRE CENTRAL VALLEY LLC, a California limited liability company, d/b/a Jericho Care Group ("**Assignor**"), and 2280 DOCKERY HOLDINGS LLC, a California limited liability company ("**Assignee**"), with reference to the following:

RECITALS:

A. WHEREAS, pursuant to that certain Agreement for Purchase and Sale dated May 12, 2025, as amended by that certain First Amendment to Agreement for Purchase and Sale dated as of June 10, 2025 (collectively, the "**Purchase Agreement**"), by and between Assignor, as buyer, and Bethel Lutheran Home, Inc., a California non-profit corporation, as seller, Assignor agreed to purchase the real property and improvements commonly known as Bethel Lutheran Home, located at 2280 Dockery Avenue and 1250 Rorden Avenue in the City of Selma, County of Fresno, State of California (the "**Property**");

B. WHEREAS, Assignor now desires to assign all of its rights, title, interests and obligations in and to the Purchase Agreement and Assignee desires to accept such assignment of the Purchase Agreement along with all rights, title, and interests conferred thereby and to assume all of Assignor's obligations under the Purchase Agreement; and

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

1. Assignor hereby assigns to Assignee all of such Assignor's rights, title and interests in and to the Purchase Agreement, including without limitation the assignment of any and all deposits deposited into escrow by Assignor pursuant to the Purchase Agreement, and Assignor hereby delegates to Assignee all of Assignor's duties, liabilities and obligations whether accrued, contingent, or otherwise, arising from the Purchase Agreement.

2. Assignee hereby expressly accepts such assignment of the Purchase Agreement as if Assignee was the original purchaser under the Purchase Agreement, agrees to assume all of Assignor's obligations under the Purchase Agreement, and shall execute all documents and perform all obligations of Assignor accordingly.

3. All words appearing in this Assignment in initial capital letters shall have the same meanings given to such words in the Purchase Agreement, unless otherwise defined herein.

4. Notwithstanding anything herein to the contrary, pursuant to the Purchase Agreement, Assignor shall not be released from any of its duties, covenants, obligations or representations and warranties under the Purchase Agreement and, from and after this Assignment, Assignor and Assignee shall be jointly and severally liable under the Purchase Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Agreement for Purchase and Sale as of the day and year first above written.

ASSIGNOR:

BAYSHIRE CENTRAL VALLEY LLC,
a California limited liability company

By: Signed by: 1087AE5E7308400...

Name: Adam Salow

Title: Co-Owner

ASSIGNEE:

2280 DOCKERY HOLDINGS LLC,
a California limited liability company

By: Signed by: 1087AE5E7308400...

Name: Adam Salow

Title: Manager

SECOND AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE

THIS SECOND AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE (this "**Second Amendment**") is made and entered as of July 8, 2025 ("**Execution Date**"), by and between 2280 Dockery Holdings LLC, a California limited liability company ("**Buyer**"), and Bethel Lutheran Home, Inc., a California non-profit corporation ("**Seller**").

RECITALS:

A. Seller and Buyer's predecessor in interest entered into that certain Agreement for Purchase and Sale dated as of May 12, 2025, as amended by that certain First Amendment to Agreement for Purchase and Sale dated June 10, 2025 (collectively, the "**Agreement**") providing for the purchase by Buyer from Seller of certain real property and all improvements thereon located at 2280 Dockery and 1250 Rorden Avenue, in the City of Selma, County of Fresno, State of California, and as more particularly described in the Agreement (the "**Property**").

B. Buyer and Seller now desire to amend the Agreement upon the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, the parties agree to amend the Agreement as follows:

1. **Definitions**. All capitalized terms used but not otherwise defined in this Second Amendment will have the meaning ascribed to them in the Agreement.

2. **Assignment**. The parties acknowledge that Bayshire Central Valley LLC, a California limited liability company d/b/a Jericho Care Group assigned the Agreement to the Buyer pursuant to that certain Assignment and Assumption of Agreement for Purchase and Sale dated June 16, 2025.

3. **Employees**. Section 7.2 of the Agreement is hereby deleted in its entirety and is replaced with the following: "Effective immediately as of the Closing, Seller shall terminate all of its employees who work at the Community, and, effective immediately as of the Closing, Buyer will hire all of the employees for a period of no less than sixty (60) days on substantially similar terms and conditions; provided the parties hereto agree that, notwithstanding anything to the contrary contained in this Agreement, Buyer shall hire that number or percentage of employees and upon such terms so as to avoid applicability of the WARN Act and any other applicable laws or regulations requiring notice prior to plant or facility closings or a mass layoff, due to the transaction contemplated hereby and by this Agreement. Seller shall be responsible for and pay (by offset to the Purchase Price or otherwise) any unpaid vacation, bonuses, sick time and PTO and any other benefits accruing to Seller's employees prior to the Closing, and shall indemnify, defend and hold harmless Buyer (with counsel reasonably acceptable to Buyer) from and against any and all claims arising from Seller's employment-related matters prior to the Closing Date. Further, Seller shall indemnify Buyer for all obligations arising under the WARN Act (and its California equivalent) due to conduct or events occurring prior to the Closing, and Buyer shall indemnify Seller from all obligations arising under the WARN Act (and its California equivalent) due to conduct or events occurring on and after the Closing."

4. **Loan**. As of the Execution Date, Buyer agrees to loan up to Six Hundred Thousand and no/100 Dollars ($600,000.00) ("**Loan**") to Seller, at Seller's request, for use by Seller between the Execution Date and the Closing Date in order to: (a) fund operational needs; (b) fund investments in improvements to physical clinic infrastructure, quality and data systems, patient and community awareness, regulatory compliance, and any other needs required to achieve best practices at the Community, and (c)

any other costs or expenses related to the ownership and/or operation of the Community as approved by Buyer in its sole discretion, pursuant to the terms and conditions of that certain Senior Secured Superpriority Debtor-In-Possession Revolving Loan Agreement ("**Loan Agreement**") and Deed of Trust and Assignment of Rents ("**Deed of Trust**," and together with the Loan Agreement collectively referred to herein as the "**Loan Documents**") to be entered into by and between Seller and Buyer as of the Execution Date. Seller agrees to provide Buyer with satisfactory evidence, including a funds flow statement, invoices and any other information reasonably requested by Buyer, together with any request for disbursement of Loan Funds to Seller. Buyer shall endeavor to disburse Loan funds to Seller within three (3) Business Days of Seller's request therefor. The parties agree that Buyer shall be entitled to a credit against the Purchase Price in the amount of any Loan funds disbursed to Seller on the Closing Date. In the event the Agreement terminates for any reason, Seller shall repay to Buyer any Loan funds disbursed to Seller within thirty (30) days of said termination. **Administrator; Consulting Services**. On the Execution Date, Seller agrees to hire Benjamin Carter ("**BC**") as the licensed administrator for the Community. BC will serve as the licensed administrator until the earlier to occur of: (i) the Closing, (ii) the Agreement otherwise terminates by its terms, or (iii) BC provides notice to Seller that it will no longer serve in such capacity. Also on the Execution Date, the parties will enter into a consulting agreement ("**Consulting Agreement**") pursuant to which Buyer can make certain recommendations to Seller with respect to the Community operations.

5. **Effect of Second Amendment**. Except as amended and/or modified by this Second Amendment, the Agreement is hereby ratified and confirmed and all other terms of the Agreement shall remain in full force and effect, unaltered and unchanged by this Second Amendment. In the event of any conflict between the provisions of this Second Amendment and the provisions of the Agreement, the provisions of this Second Amendment shall prevail. Whether or not specifically amended by the provisions of this Second Amendment, all of the terms and provisions of the Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this Second Amendment.

6. **Miscellaneous**.

a. This Second Amendment will be governed by and construed under the laws of the State of California without regard to California conflict of law provisions.

b. This Second Amendment may be executed by the parties hereto in counterparts, each of which will be deemed to be an original, but all such counterparts will constitute one and the same instrument, and all signatures need not appear on any one counterpart. A copy of this Second Amendment executed and delivered by facsimile, electronic mail in ".pdf" format, or any electronic signature complying with the California Uniform Electronic Transactions Act and the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com) will be deemed to have the same legal effect as delivery of an original signed copy of this Second Amendment.

c. This Second Amendment represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each of the parties hereto covenants that it has not entered into this Second Amendment as a result of any representation, agreement, inducement or coercion, except to the extent specifically provided herein. Each party hereto further covenants that the consideration recited herein is the only consideration for entering into this Second Amendment, and that no promises or representations of other or further consideration have been made by any person.

d. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, representatives, successors and assigns.

e. The individuals executing this Second Amendment represent and warrant that each possesses all necessary authority and power to execute this Second Amendment on behalf of the party on for whom he or she signs.

f. Should it become necessary to take steps to enforce the terms of this Second Amendment, then the prevailing party shall be entitled to recover its attorney fees and costs related to the enforcement of this Second Amendment.

g. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation within thirty (30) days, the parties involved in the dispute agree to mediation with a mediator mutually selected by the parties. The mediator shall have sixty (60) days from the time of his or her appointment to meet with the parties and help them resolve the dispute, unless the parties mutually consent to an extension of the deadline. The costs of the mediation, including fees and expenses, shall be borne equally by the parties.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have entered into this Second Amendment as of the Execution Date set forth above with the intent to be legally bound.

SELLER:

Bethel Lutheran Home, Inc.,
a California non-profit corporation

By: Laurel Jacobsen
Name: Laurel Jacobsen
Title: CEO

BUYER:

2280 Dockery Holdings LLC,
a California limited liability company

By: BCA
Name: Adam Salow Benjamin Carter
Its: Co-Owner

[SIGNATURE PAGE TO SECOND AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE]