EXHIBIT 1

LEASE AGREEMENT BETWEEN TOLUCA WAY HEALTH HOLDINGS LLC AND WEST STAR HEALTHCARE LLC

FOURTH AMENDMENT TO MASTER LEASE
(POOL 7)

THIS **FOURTH AMENDMENT TO MASTER LEASE (POOL 7)** (this "**Agreement**") is executed this [ ] (the "**Effective Date**"), by and among the entities identified on the signature pages attached hereto as "Original Landlord" (collectively, "**Original Landlord**"), and **TOLUCA WAY HEALTH HOLDINGS LLC**, a Nevada limited liability company ("**New Landlord**"; and together with Original Landlord, individually and together, "**Landlord**"), and each of the entities identified on the signature pages hereto as "Original Tenant" (collectively, "**Original Tenant**"), and **WEST STAR HEALTHCARE LLC**, a Nevada limited liability company ("**New Tenant**"; and together with Original Tenant, individually and together, "**Tenant**"); and, for the limited purposes of certain provisions specifically identified herein, **THE ENSIGN GROUP, INC.**, a Delaware corporation ("**Guarantor**").

R E C I T A L S

A. Original Landlord and Original Tenant have entered into that certain Master Lease (Pool 7) dated as of March 1, 2025 (as amended, the "**Original Lease**" and as subsequently amended, the "**Lease**"), pursuant to which Original Tenant leases from Original Landlord certain healthcare facilities identified on Schedule 2 attached to the Lease. Initially capitalized terms used but not otherwise defined in this Amendment shall have the meanings given to them in the Lease.

B. Pursuant to that certain Guaranty of Master Lease dated as of March 1, 2025 (the "**Guaranty**"), Guarantor agreed, among other things, to guaranty the obligations of Original Tenant under the Lease, all on the terms and conditions set forth in the Guaranty.

C. As more particularly set forth herein, Landlord and Tenant have agreed that the Lease shall be amended, among other things, to add that certain skilled nursing facility commonly known as "Toluca Lake Transitional Care", identified on Schedule 2 attached to this Amendment (the "**Additional Facility**") to the Premises demised under the Lease, all on the terms and conditions set forth in the Lease and this Amendment.

A G R E E M E N T

NOW, THEREFORE, taking into account the foregoing Recitals, which by this reference are incorporated herein, and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord, Tenant and, for the specific provisions identified herein, Guarantor agree as follows:

1. **Addition of the Additional Facility**. The Additional Facility and associated Landlord Personal Property is hereby added to the Premises demised under the Lease, and the Additional Facility shall be considered a "**Facility**" under the Lease.

2. **Joinder of New Landlord**. New Landlord hereby joins the Lease as a landlord party thereto, and Original Landlord and Tenant hereby agree and consent to the same, and New Landlord shall be considered a "**Landlord**" under the Lease.

3. **Joinder of New Tenant**. New Tenant hereby joins the Lease as a tenant party thereto, and Original Tenant and Landlord hereby agree and consent to the same, and New Tenant shall be considered a "**Tenant**" under the Lease. The liability of each entity that comprises Tenant under the Lease shall be joint and several.

4. **Amendments to Lease**. The Lease is hereby amended as follows:

(a) Base Rent. Section 2.1 is hereby deleted in its entirety and is replaced with the following:

"2.1 **Base Rent**. During the Term, Tenant will pay to Landlord as base rent hereunder (the "**Base Rent**"), an annual amount equal to [ ] DOLLARS ($ [ ]). Notwithstanding the foregoing, on the date set forth on Schedule 2.1 with respect to each Facility (each an "**Escalator Trigger Date**"), and on each anniversary of such Escalator Trigger Date thereafter during the Term (including, without limitation, during any Extension Term), the portion of the Base Rent applicable to such Facility shall increase to an annual amount equal to the sum of (a) the portion of the Base Rent applicable to such Facility for the immediately trailing twelve month period, and (b) the portion of the Base Rent applicable to such Facility for the immediately trailing twelve month period multiplied by the Adjusted CPI Increase. The Base Rent shall be payable in advance in twelve (12) equal monthly installments on or before the first (1st) Business Day of each calendar month; provided, however, the Base Rent attributable to the first (1st) full calendar month of the Term and the calendar month in which the Commencement Date occurs, which may be a partial month, shall be payable on the Commencement Date. Notwithstanding anything herein to the contrary, Base Rent shall be adjusted pursuant to Section 6.7."

(b) Acceptance of Premises. Tenant hereby reaffirms Section 4.1 of the Lease, acknowledging that the Premises includes the Additional Facility.

(c) Exhibit B to this Amendment is hereby added to Exhibit B of the Lease, and the legal description of the Additional Facility shall be considered part of the legal description of the Facility and the Premises for all purposes under the Lease.

(d) Schedule 1 to the Lease is hereby amended, restated, replaced and superseded by Schedule 1 to this Amendment.

(e) Schedule 2 to the Lease is hereby amended, restated, replaced and superseded by Schedule 2 to this Amendment.

(f) Schedule 2.1 to the Lease is hereby amended, restated, replaced and superseded by Schedule 2.1 to this Amendment.

(g) Schedule 3 to the Lease is hereby amended, restated, replaced and superseded by Schedule 3 to this Amendment.

5. **Guaranty**. The parties, including Guarantor, agree that the "Lease" referred to in the Guaranty and the Lease shall mean the Original Lease, as amended, modified and revised by

this Amendment.

6. **Representations and Warranties**. Tenant represents and warrants as follows:

(a) New Tenant is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of Nevada. Tenant has not filed a voluntary petition in bankruptcy or made a general assignment for the benefit of creditors or filed a petition or an answer seeking arrangement with creditors or taking advantage of any bankruptcy or insolvency law, nor is any such action pending. No order, judgment or decree has been entered by a court of competent jurisdiction, on the application of a creditor, adjudicating Tenant bankrupt or insolvent or approving a petition seeking reorganization of Tenant or of all or a substantial part of its assets, nor is any such order, judgment or decree pending.

(b) This Amendment and all the documents and items to be executed and delivered by Tenant to Landlord pursuant to the terms hereof (i) have been or will be duly authorized, executed and delivered by Tenant; (ii) are or will be legal and binding obligations of Tenant as of the date of their respective executions; (iii) are or will be enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally); and (iv) do not, and will not at the Effective Date, violate any provision of any agreement to which Tenant is a party, any of Tenant's organizational documents or any existing obligation of or restriction on Tenant under any order, judgment or decree of any state or federal court or governmental authority binding on Tenant.

7. **Reaffirmation of Obligations**.

(a) Notwithstanding the modifications to the Lease contained herein, Tenant hereby acknowledges and reaffirms its obligations under the Lease, as amended hereby, and all other documents executed by Tenant in connection therewith.

(b) Notwithstanding the modifications to the Lease contained herein, Guarantor hereby acknowledges and reaffirms its obligations under the Guaranty, as amended hereby, and all documents executed by Guarantor in connection therewith.

8. **No Offsets or Defenses**. Through the date of this Amendment, and to Tenant's and Guarantor's knowledge, neither Tenant nor Guarantor has, nor claims, any offset, defense, claim, right of set-off or counterclaim against Landlord under, arising out of or in connection with this Amendment, the Lease, the Guaranty, or any of the other documents or agreements executed in connection therewith. In addition, Tenant and Guarantor each covenants and agrees with Landlord that if any offset, defense, claim, right of set-off or counterclaim exists of which Tenant or Guarantor has knowledge as of the date of this Amendment, Tenant hereby irrevocably and expressly waives the right to assert such matter.

9. **Interpretation; Governing Law**. This Amendment shall be construed as a whole and in accordance with its fair meaning. Headings are for convenience only and shall not be used

in construing meaning. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

10. **Further Instruments**. Each party will, whenever and as often as it shall be reasonably requested so to do by another party, cause to be executed, acknowledged or delivered, any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Amendment. Within thirty (30) days of request of Landlord, Tenant agrees to execute and enter into a completely amended and restated Lease of the Premises, restating and incorporating the terms and provisions of the Lease as amended to date.

11. **Counterparts**. This Amendment may be executed in counterparts, all of which executed counterparts shall together constitute a single document. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

12. **Effect of Amendment**. Except as specifically amended pursuant to the terms of this Amendment, the terms and conditions of the Lease and Guaranty shall remain unmodified and in full force and effect. In the event of any inconsistencies between the terms of this Amendment and any terms of the Lease or Guaranty, the terms of this Amendment shall govern and prevail. Nothing in this Amendment shall be construed or interpreted to, and Tenant is estopped from asserting that this Amendment should be construed or interpreted to, amend or modify the terms and provisions of Section 1.1 of the Original Lease, which terms and provisions are hereby reaffirmed.

13. **Indemnity**. Tenant agrees that its indemnification obligations under Article XIV of the Lease shall also cover Losses imposed upon or incurred by or asserted against Landlord or any Landlord Indemnified Parties by reason of any material misrepresentation under Section 6 of this Amendment.

14. **Master Lease; Intent of Parties**. Tenant and Landlord each hereby reaffirms their intent that the Lease, as amended by this Amendment, constitute a single, indivisible lease of the entire Premises, and the Premises constitute a single economic unit. The Base Rent, Additional Rent, other amounts payable under the Lease (as amended by this Amendment) and all other provisions contained in the Lease and this Amendment have been negotiated and agreed upon based on the intent to lease the entirety of the Premises as a single and inseparable transaction, and such Base Rent, Additional Rent, other amounts and other provisions would have been materially different had the parties intended to enter into separate leases or a divisible lease. Any Event of Default under the Lease shall constitute an Event of Default as to the entire Premises.

15. **Entire Agreement**. This Amendment contains the entire agreement between the parties relating to the subject matters contained herein. Any oral representations or statements concerning the subject matters herein shall be of no force or effect.

[Signature pages follow]

IN WITNESS WHEREOF, this Amendment has been executed and delivered as of the date first set forth above.

ORIGINAL LANDLORD:

LILAC CITY HEALTH HOLDINGS LLC,
SILVER FALLS HEALTH HOLDINGS LLC,
LYNX CANYON HEALTH HOLDINGS LLC,
STRONG CREEK HEALTH HOLDINGS LLC,
MERCHANT HEALTH HOLDINGS LLC,
SHILOH HEALTH HOLDINGS LLC,
SQUAK VALLEY HEALTH HOLDINGS LLC,
CRANE CREEK HEALTH HOLDINGS LLC,
NARROWS PEAK HEALTH HOLDINGS LLC,
MERRILL HEALTH HOLDINGS LLC,
each a Nevada limited liability company

By:_____
Name: Chad Keetch
Title: Manager

NEW LANDLORD:

TOLUCA WAY HEALTH HOLDINGS LLC,
a Nevada limited liability company

By: _____
Name: Chad Keetch
Title: Manager

[Signatures continue on next page]

ORIGINAL TENANT:

LAST EMPIRE HEALTHCARE LLC,
REX ROAD HEALTHCARE LLC,
KORSIN HEALTHCARE LLC,
ONE HOPE SENIOR LIVING LLC,
SALT CREEK HEALTHCARE LLC,
ONE HOPE HEALTHCARE LLC,
LUNA VEGA HEALTHCARE LLC,
RUSSET RIDGE HEALTHCARE LLC,
CANFIELD RIVER HEALTHCARE LLC,
JACK PINES HEALTHCARE LLC,
each a Nevada limited liability company

By:_____
Name: Soon Burnam
Title: Secretary

NEW TENANT:

WEST STAR HEALTHCARE LLC,
a Nevada limited liability company

By: _____
Name: Soon Burnam
Title: Secretary

[Signatures continue on next page]

AGREEMENT AND ACKNOWLEDGMENT

The undersigned hereby acknowledge and reaffirm its obligations under the Guaranty, and further agree that the "Guaranteed Obligations" under the Guaranty shall be deemed to include Tenant's obligations under this Amendment.

GUARANTOR:

THE ENSIGN GROUP, INC.,
a Delaware corporation

By: _____
Name: Chad Keetch
Title: EVP, CIO & Secretary

EXHIBIT B

On file with Landlord.

SCHEDULE 1

LANDLORD ENTITIES

LILAC CITY HEALTH HOLDINGS LLC,
SILVER FALLS HEALTH HOLDINGS LLC,
LYNX CANYON HEALTH HOLDINGS LLC,
STRONG CREEK HEALTH HOLDINGS LLC,
MERCHANT HEALTH HOLDINGS LLC,
SHILOH HEALTH HOLDINGS LLC,
SQUAK VALLEY HEALTH HOLDINGS LLC,
CRANE CREEK HEALTH HOLDINGS LLC,
NARROWS PEAK HEALTH HOLDINGS LLC,
MERRILL HEALTH HOLDINGS LLC,
TOLUCA WAY HEALTH HOLDINGS LLC,
each a Nevada limited liability company

SCHEDULE 2

TENANT ENTITIES; FACILITY INFORMATION

Landlord	Tenant	Facility Name	Facility Address	Primary Intended Use	No. of Beds/Units
Lilac City Health Holdings LLC	Last Empire Healthcare LLC	South Hill Rehabilitation and Care Center	17 East 8th Avenue, Spokane, WA 99202	SNF	113
Silver Falls Health Holdings LLC	Rex Road Healthcare LLC	Mt. Angel Rehabilitation and Care Center/ Mt. Angel Orchard House	540 South Main Street, Mount Angel, OR 97362/ 550 South Main Street, Mount Angel, OR 97362	Campus	98 SNF/54 ALF
Lynx Canyon Health Holdings LLC	Korsin Healthcare LLC	Polaris Transitional Care/ Polaris Extended Care	910 Compassion Circle, Anchorage, AK 99504/ 920 Compassion Circle, Anchorage, AK 99504	SNF	50/96
Strong Creek Health Holdings LLC	One Hope Senior Living LLC	Horizon House	4140 Folker Street, Anchorage, AK 99508	ALF	90
Merchant Health Holdings LLC	Salt Creek Healthcare LLC	Citrus Heights Respiratory and Rehabilitation	3130 East Broadway Road, Mesa, AZ 85204	SNF	204
Shiloh Health Holdings LLC	One Hope Healthcare LLC	Springdale Village Post Acute	7255 East Broadway Road, Mesa, AZ 85208	SNF	122
Squak Valley Health Holdings LLC	Luna Vega Healthcare LLC	Marianwood Health and Rehabilitation	3725 Providence Point Drive SE, Issaquah, WA 98029	SNF	117
Crane Creek Health Holdings LLC	Russet Ridge Healthcare LLC	Timber Springs Transitional Care	1140 N Allumbaugh St., Boise, ID 83704	SNF	120
Narrows Peak Health Holdings LLC	Canfield River Healthcare LLC	Crystal Heights Care Center	1514 High Ave. West, Oskaloosa, IA 52577	SNF	72
Merrill Health Holdings LLC	Jack Pines Healthcare LLC	Pine Crest Health and Memory Care	2100 E. 6th St., Merrill, WI 54452	SNF	120
Toluca Way Health Holdings LLC	West Star Healthcare LLC	Toluca Lake Transitional Care	10425 Magnolia Boulevard, North Hollywood, CA 91601	SNF	52

SCHEDULE 2.1

ESCALATOR TRIGGER DATE

Landlord	Tenant	Facility Name	Facility Address	Escalator Trigger Date
Lilac City Health Holdings LLC	Last Empire Healthcare LLC	South Hill Rehabilitation and Care Center	17 East 8th Avenue, Spokane, WA 99202	March 1, 2026
Silver Falls Health Holdings LLC	Rex Road Healthcare LLC	Mt. Angel Rehabilitation and Care Center/ Mt. Angel Orchard House	540 South Main Street, Mount Angel, OR 97362/ 550 South Main Street, Mount Angel, OR 97362	March 1, 2026
Lynx Canyon Health Holdings LLC	Korsin Healthcare LLC	Polaris Transitional Care/ Polaris Extended Care	910 Compassion Circle, Anchorage, AK 99504/ 920 Compassion Circle, Anchorage, AK 99504	March 1, 2026
Strong Creek Health Holdings LLC	One Hope Senior Living LLC	Horizon House	4140 Folker Street, Anchorage, AK 99508	March 1, 2026
Merchant Health Holdings LLC	Salt Creek Healthcare LLC	Citrus Heights Respiratory and Rehabilitation	3130 East Broadway Road, Mesa, AZ 85204	March 1, 2026
Shiloh Health Holdings LLC	One Hope Healthcare LLC	Springdale Village Post Acute	7255 East Broadway Road, Mesa, AZ 85208	March 1, 2026
Squak Valley Health Holdings LLC	Luna Vega Healthcare LLC	Marianwood Health and Rehabilitation	3725 Providence Point Drive SE, Issaquah, WA 98029	May 1, 2026
Crane Creek Health Holdings LLC	Russet Ridge Healthcare LLC	Timber Springs Transitional Care	1140 N Allumbaugh St., Boise, ID 83704	July 1, 2026
Narrows Peak Health Holdings LLC	Canfield River Healthcare LLC	Crystal Heights Care Center	1514 High Ave. West, Oskaloosa, IA 52577	August 1, 2026
Merrill Health Holdings LLC	Jack Pines Healthcare LLC	Pine Crest Health and Memory Care	2100 E. 6th St., Merrill, WI 54452	August 1, 2026
Toluca Way Health Holdings LLC	West Star Healthcare LLC	Toluca Lake Transitional Care	10425 Magnolia Boulevard, North Hollywood, CA 91601	[ ]

SCHEDULE 3

TENANT OWNERSHIP STRUCTURE

On file with Landlord.

EXHIBIT 2(A)

THE ENSIGN GROUP, INC.'S OFFICER'S CERTIFICATE

THE ENSIGN GROUP, INC.

OFFICER'S CERTIFICATE

March 9, 2026

Re: Ownership Structure of Ensign Services, Inc.

The undersigned, Craig Fitch, hereby certifies that he is the duly elected or appointed, qualified, and acting Secretary of The Ensign Group, Inc. (the "Parent"), a Delaware Corporation, and that he is authorized to execute this Certificate on behalf of the Parent.

The undersigned further certifies that:

1. **Ownership Status.** As of the date hereof, the Parent is the sole shareholder of all the issued and outstanding capital stock of Ensign Services, Inc. (the "Subsidiary").
2. **Wholly Owned.** The Parent is the sole owner of the Subsidiary.
3. **Accuracy.** To the best of my knowledge, the information set forth in this certificate does not misstate any material fact and does not omit to state any fact necessary to make the information not misleading.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate on this 9th day of March 2026.

By: _____
Name: Craig Fitch
Title: Secretary

EXHIBIT 2(B)

MANAGEMENT AGREEMENT BETWEEN ENSIGN SERVICES, INC. AND STANDARD BEARER HEALTHCARE REIT, INC.

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is entered into on January 1, 2022 (the "Effective Date"), by and between STANDARD BEARER HEALTHCARE REIT, INC., a Maryland corporation (the "Company") and ENSIGN SERVICES, INC., a Nevada corporation (together with its permitted assignees, the "Manager").

WHEREAS, the Company is a Maryland corporation that intends to elect and qualify to be taxed as a REIT for federal income tax purposes;

WHEREAS, the Company desires to retain the Manager to administer the business activities and day-to-day operations of the Company and to perform services for the Company in the manner and on the terms set forth in this Agreement, on behalf of, and subject to the supervision of the Board of Directors of the Company, all as provided in this Agreement;

WHEREAS, the Manager is willing to render such services, subject to the supervision of the Board of Directors of the Company, on the terms and conditions set forth in this Agreement;

WHEREAS, the Board of Directors has approved this Agreement.

NOW THEREFORE, in consideration of the mutual agreements herein set forth and such other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. The following terms have the following meanings assigned to them:

(a) "Agreement" means this Management Agreement, as amended, restated or supplemented from time to time.

(b) "Administrative Management Fee" means an annual fee, payable quarterly in arrears pursuant to Section 8(b), in an amount equal to five percent (5%) of the total revenue of any kind or nature whatsoever, collected from or related to the Assets.

(c) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified.

(d) "Assets" means the assets of the Company and the Subsidiaries.

(e) "Automatic Renewal Term" means each successive one year term of the Agreement after the end of the Initial Term.

(f) "Bankruptcy" means, with respect to any Person, (a) the filing by such Person of a voluntary petition seeking liquidation, reorganization, arrangement or readjustment, in any form, of its debts under Title 11 of the United States Code or any other federal, state or foreign insolvency law, or such Person's filing an answer consenting to or acquiescing in any such petition, (b) the making by such Person of any assignment for the benefit of its creditors, (c) the expiration of 60 days after the filing of an involuntary petition under Title 11 of the Unites States Code, an

application for the appointment of a receiver for a material portion of the assets of such Person, or an involuntary petition seeking liquidation, reorganization, arrangement or readjustment of its debts under any other federal, state or foreign insolvency law, *provided* that the same shall not have been vacated, set aside or stayed within such 60-day period or (d) the entry against it of a final and non-appealable order for relief under any bankruptcy, insolvency or similar law now or hereinafter in effect.

(g) "Board of Directors" means the Board of Directors of the Company.

(h) "Code" means the Internal Revenue Code of 1986, as amended.

(i) "Company" shall have the meaning set forth in the introductory paragraph of this Agreement.

(j) "Company Account" shall have the meaning set forth in Section 5 of this Agreement.

(k) "Company Common Stock" means the common stock, $0.01 par value per share, of the Company.

(l) "Company Indemnified Party" shall have the meaning set forth in Section 12(b) of this Agreement.

(m) "Excess Funds" shall have the meaning set forth in Section 2(i) of this Agreement.

(n) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(o) "Expenses" shall have the meaning set forth in Section 10 of this Agreement.

(p) "FFO" means "Funds from Operations" as more particularly defined in accordance with the definition used by the National Association of Real Estate Investment Trusts (NAREIT). FFO shall mean net income, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairment of depreciable real estate assets and depreciation and amortization related to real estate earnings.

(q) "GAAP" means generally accepted accounting principles, as applied in the United States.

(r) "Governing Instruments" means, with regard to any entity, the articles of incorporation and bylaws in the case of a corporation, certificate of limited partnership (if applicable) and the partnership agreement in the case of a general or limited partnership, the articles of formation and the operating or limited liability company agreement in the case of a limited liability company, the trust instrument in the case of a trust, or similar governing documents, in each case as amended from time to time.

(s) "Incentive Fee" means an annual fee, payable quarterly in arrears pursuant to Section 8(b), in an amount equal to 5% of FFO, resulted from or related to the Assets, with a cap of 1% of total revenue.

(t) "Indemnitee" shall have the meaning set forth in Section 12(b) of this Agreement.

(u) "Indemnitor" shall have the meaning set forth in Section 12(c) of this Agreement.

(v) "Initial Term" means the one (1) year period commencing as of the Effective Date and expiring on the first (1st) anniversary thereof.

(w) "Investment Committee" means the investment committee formed by the Manager, the members of which shall consist of employees of the Manager and its Affiliates and may change from time to time. The Investment Committee will oversee, advise and consult with respect to the Company's investment strategy, acquisition and origination of Assets, sourcing, financing and leveraging strategies. As of the Effective Date, the initial members of the Investment Committee shall be Christopher R. Christensen, Barry Port, Chad A. Keetch and Suzanne D. Snapper.

(x) "Investment Company Act" means the Investment Company Act of 1940, as amended.

(y) "Manager Change of Control" means that The Ensign Group, Inc. (i) ceases to be the direct or indirect beneficial owner of not less than a majority of (x) the combined voting power of the Manager's then outstanding equity interests or (y) the Manager's outstanding equity interests, or (ii) ceases to hold the exclusive power to direct or control the management policies of the Manager, whether through the ownership of beneficial equity interests, common directors or officers, by contract or otherwise. Manager Change of Control shall not include (i) any assignment of this Agreement by the Manager as permitted hereby and in accordance with the terms hereof; or (ii) a change of control of The Ensign Group, Inc.

(fi) "Manager" shall have the meaning set forth in the introductory paragraph of this Agreement.

(z) "Manager Indemnified Party" shall have the meaning set forth in Section 12(a) of this Agreement.

(aa) "Operating Partnership" means Standard Bearer Healthcare OP, LP, a Delaware limited partnership.

(bb) "OP Units" means units of partnership interest of the Operating Partnership.

(cc) "Person" means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

(dd) "Portfolio Management Services" shall have the meaning set forth in Section 2(b) of this Agreement.

(ee) "REIT" means a "real estate investment trust," as defined under the Code.

(ff) "Securities Act" means the Securities Act of 1933, as amended.

(gg) "Subsidiary" means any subsidiary of the Company; any partnership, the general partner of which is the Company or any subsidiary of the Company; any limited liability company, the managing member of which is the Company or any subsidiary of the Company; and any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by the Company or any subsidiary of the Company.

(hh) "Termination Fee" means a termination fee equal to one times the Incentive Fee earned by the Manager in respect of the last completed fiscal year of the Company immediately preceding the Effective Termination Date.

(ii) "Treasury Regulations" means the regulations promulgated under the Code as amended from time to time.

Section 2. Appointment and Duties of the Manager.

(a) The Company hereby appoints the Manager to manage the Assets and day-to-day operations of the Company and its Subsidiaries, subject to the terms and conditions set forth in this Agreement, and the Manager hereby agrees to perform each of the duties set forth herein. The appointment of the Manager shall be exclusive to the Manager subject to the terms and conditions set forth in this Agreement.

(b) The parties acknowledge that (i) the Manager is an affiliate of The Ensign Group, Inc.; (ii) the Manager performs its services for the Company and its Subsidiaries through the personnel and facilities of the Manager;

(c) The Manager, in its capacity as manager of the Assets and the day-to-day operations, business and affairs of the Company and the Subsidiaries, at all times will be subject to the direction and supervision of the Board of Directors and will have only such functions and authority as the Company may delegate to it herein, including, without limitation:

i. serving as the Company's and the Subsidiaries' consultant with respect to the periodic review of the investment criteria and other parameters for acquisitions and originations of Assets, financing activities and operations, and subject to other policies for approval by the Board of Directors;

ii. forming the Investment Committee, which shall, among other things, oversee, advise and consult with respect to the Company's investment strategy, acquisition and origination of Assets, sourcing, financing and leveraging strategies;

iii. investigating, analyzing and selecting possible investment opportunities and acquiring, originating, financing, retaining, selling, restructuring or disposing of Assets;

iv. advising on the terms of the Company's and the Subsidiaries' investments and transactions;

v. representing and making recommendations to the Company in connection with the purchase, origination and finance of, and commitment to purchase, originate and finance, assets consistent with the Company's investment guidelines, and the sale and commitment to sell assets;

vi. with respect to prospective purchases, originations, leases, sales or exchanges of Assets, conducting negotiations on behalf of the Company and the Subsidiaries with sellers, tenants, developers, construction agents, purchasers and brokers and, if applicable, their respective agents and representatives;

vii. advising the Company on and, negotiating and entering into, on behalf of the Company and the Subsidiaries, credit facilities (including term loans and revolving facilities), mortgage indebtedness, financing vehicles, agreements relating to borrowings under programs established by governmental agencies or programs, commercial paper programs, interest rate swap and cap agreements and other hedging instruments, and all other agreements and engagements required for the Company and the Subsidiaries to conduct their business, including (1) assisting the Company and the Subsidiaries in developing criteria for debt and equity financing that are specifically tailored to their investment objectives, and (2) advising the Company and the Subsidiaries with respect to obtaining appropriate financing for their investments;

viii. establishing and implementing networks for sourcing investments, conducting underwriting of tenants, markets and real properties and the execution of transactions;

ix. providing the Company with the Portfolio Management Services, as more fully described in the final paragraph of Section 2(c) below;

x. engaging and supervising, on behalf of the Company and the Subsidiaries and at the Company's expense, independent contractors which provide construction consulting, insurance brokers, real estate brokerage, investment banking, mortgage brokerage, securities brokerage (as defined below), other real estate and financial services, due diligence services, underwriting review services, legal and accounting services, and all other services as may be required relating to Assets;

xi. advising the Company on, preparing, negotiating and entering into, on behalf of the Company, applications and agreements relating to governmental programs;

xii. coordinating and managing operations of any co-investment interests or joint venture held by the Company and the Subsidiaries and conducting all matters with the co-investment partners or joint ventures;

xiii. arranging marketing materials, advertising, industry group activities (such as conference participations and industry organization memberships) and other promotional efforts designed to promote the Company's business;

xiv. providing executive and administrative personnel, office space and office services required in rendering services to the Company and the Subsidiaries;

xv. administering the day-to-day operations and performing and supervising the performance of such other administrative functions necessary to the management of the Company and the Subsidiaries as may be agreed upon by the Manager and the Board of Directors, including, without limitation, the collection of rents and interest payments, the payment of the debts and obligations of the Company and the Subsidiaries and maintenance of appropriate computer services to perform such administrative functions;

xvi. communicating on behalf of the Company and the Subsidiaries with the holders of any of their equity or debt securities and lenders as required to satisfy the reporting and other requirements of any governmental bodies or agencies or trading markets and to maintain effective relations with such holders and lenders;

xvii. counseling the Company in connection with policy decisions to be made by the Board of Directors;

xviii. evaluating and recommending to the Board of Directors hedging strategies and engaging in hedging activities on behalf of the Company and the Subsidiaries, consistent with such strategies as so modified from time to time, and with the Company's qualification as a REIT;

xix. counseling the Company regarding its qualification and maintenance of its qualification as a REIT and monitoring compliance with the various REIT qualification tests and other rules set out in the Code and Treasury Regulations thereunder and using commercially reasonable efforts to cause the Company to qualify and maintain its qualification as a REIT;

xx. counseling the Company and the Subsidiaries regarding the maintenance of their exemptions from the status of an investment company required to register under the Investment Company Act, monitoring compliance with the requirements for maintaining such exemptions and using commercially reasonable efforts to cause them to maintain such exemptions from such status;

xxi. furnishing reports to the Company and the Subsidiaries regarding their activities and services performed for the Company and the Subsidiaries by the Manager;

xxii. monitoring the performance of the Assets and providing periodic reports with respect thereto to the Board of Directors, including comparative information with respect to such operating performance and budgeted or projected operating results;

xxiii. investing and reinvesting any moneys and securities of the Company and the Subsidiaries (including investing in short-term Assets pending the acquisition or origination of other Assets, payment of fees, costs and expenses, or payments of dividends or distributions to stockholders and partners of the Company and the Subsidiaries) and advising the Company and the Subsidiaries as to their capital structure and capital raising;

xxiv. assisting the Company and the Subsidiaries in retaining qualified accountants and legal counsel, as applicable, to assist in developing appropriate accounting systems and procedures, internal controls and other compliance procedures and testing systems with respect to financial reporting obligations and compliance with the provisions of the Code applicable to REITs and applicable to a direct or indirect subsidiaries of publicly traded entities, and to conduct quarterly compliance reviews with respect thereto;

xxv. assisting the Company and the Subsidiaries to qualify to do business in all applicable jurisdictions and to obtain and maintain all appropriate licenses;

xxvi. assisting the Company and the Subsidiaries in complying with all regulatory requirements applicable to them in respect of their business activities, including preparing or causing to be prepared all financial statements required under applicable regulations and contractual undertakings and all reports and documents, if any, required under the Exchange Act, the Securities Act, or by stock exchange requirements;

xxvii. assisting the Company and the Subsidiaries in taking all necessary action to enable them to make required tax filings and reports, including soliciting stockholders for required information to the extent required by the provisions of the Code applicable to REITs;

xxviii. handling and resolving all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) on the Company's and/or the Subsidiaries' behalf in which the Company and/or the Subsidiaries may be involved or to which they may be subject arising out of their day-to-day operations (other than with the Manager or its Affiliates), subject to such limitations or parameters as may be imposed from time to time by the Board of Directors;

xxix. using commercially reasonable efforts to cause expenses incurred by the Company and the Subsidiaries or on their behalf to be commercially reasonable or commercially customary and within any budgeted parameters or expense guidelines set by the Board of Directors from time to time;

xxx. advising the Company and the Subsidiaries with respect to and structuring long term financing vehicles for the Assets, and offering and selling securities publicly or privately in connection with any such financing;

xxxi. performing such other services as may be required from time to time for management and other activities relating to the Assets and business of the Company and the Subsidiaries as the Board of Directors shall reasonably request or the Manager shall deem appropriate under the particular circumstances; and

xxxii. using commercially reasonable efforts to cause the Company and the Subsidiaries to comply with all applicable laws.

In addition to and without limiting the foregoing, the Manager will also perform portfolio management services (the "Portfolio Management Services") on behalf of the Company and the Subsidiaries with respect to the Assets. The Portfolio Management Services shall include, but not be limited to, (i) consulting with the Company and the Subsidiaries on the underwriting, purchase, origination and sale of, and other opportunities in connection with, the Company's portfolio of Assets; (ii) the collection of information and the submission of reports pertaining to the Company's Assets, tenants, market conditions, interest rates and general economic conditions; (iii) periodic review and evaluation of the performance of the Company's portfolio of Assets; (iv) acting as liaison between the Company and the Subsidiaries and real estate brokerage, tenant, banking, mortgage banking, (v) investment banking and other parties with respect to the purchase, origination, financing and disposition of Assets; and (vi) other customary functions related to portfolio management which are customarily provided by managers of similar portfolios of assets.

(d) For the period and on the terms and conditions set forth in this Agreement, the Company and each of the Subsidiaries hereby constitutes, appoints and authorizes the Manager as its true and lawful agent and attorney-in-fact, in its name, place and stead, to negotiate, execute, deliver and enter into such leases, purchase agreements, financing agreements, organizational documents, guaranties, joint venture agreements, brokerage agreements, hedging agreements, custodial agreements and such other agreements, instruments and authorizations on their behalf, on such terms and conditions as the Manager, acting in its sole and absolute discretion, deems necessary or appropriate. This power of attorney is deemed to be coupled with an interest.

(e) The Manager may enter into agreements with other parties, including its Affiliates, for the purpose of engaging one or more parties for and on behalf, and at the sole cost and expense, of the Company and the Subsidiaries to provide services to the Company and the Subsidiaries (including, without limitation, Portfolio Management Services) pursuant to agreements) with terms which are then customary for agreements regarding the provision of services to companies that have assets similar in type, quality and value to the Assets of the Company and the Subsidiaries; *provided* that any such agreements entered into with Affiliates of the Manager shall be on terms no more favorable to such Affiliate than would be obtained from a third party on an arm's-length basis. Except as otherwise agreed by the Company, the Manager shall remain personally liable for the performance of such services by its Affiliates.

(f) In addition, to the extent that the Manager deems necessary or advisable, the Manager may, from time to time, propose to retain one or more additional entities for the provision of sub-advisory services to the Manager in order to enable the Manager to provide the services to the Company and the Subsidiaries specified by this Agreement; *provided* that any such agreement shall be on terms and conditions substantially identical to the terms and conditions of this Agreement or otherwise not adverse to the Company and the Subsidiaries. Without limiting the foregoing, Owner hereby acknowledges and approves of Manager's retention and engagement of Cornet Limited, Inc. to provide such sub-advisory services.

(g) The Manager may retain, for and on behalf and at the sole cost and expense of the Company and the Subsidiaries, such services of accountants, legal counsel, appraisers,

insurers, brokers, transfer agents, registrars, developers, investment banks, valuation firms, financial advisors, due diligence firms, underwriting review firms, construction consulting firms, banks and other lenders and others as the Manager deems necessary or advisable in connection with the management and operations of the Company and the Subsidiaries. Notwithstanding anything contained herein to the contrary, the Manager shall have the right to cause any such services to be rendered by its personnel or Affiliates. Except as otherwise provided herein, the Company and the Subsidiaries shall pay or reimburse the Manager or its Affiliates performing such services for the cost thereof; *provided* that, subject to Section 10 of this Agreement, such costs and reimbursements are no greater than those which would be payable to outside professionals or consultants engaged to perform such services pursuant to agreements negotiated on an arm's-length basis.

(h) The Manager may effect transactions by or through the agency of another Person through an arrangement under which that party or its Affiliates will from time to time provide to or procure for the Manager and/or its Affiliates goods, services or other benefits, the nature of which is such that provision can reasonably be expected to benefit the Company and the Subsidiaries as a whole and may contribute to an improvement in the performance of the Company and the Subsidiaries or the Manager or its Affiliates in providing services to the Company and the Subsidiaries on terms that no direct payment is made but instead the Manager and/or its Affiliates undertake to place business with that party.

(i) The Manager shall prepare, or cause to be prepared at the sole cost and expense of the Company and the Subsidiaries:

(i) regular reports for the Board of Directors to enable the Board of Directors to review the Company's and the Subsidiaries' investments, financing arrangements, performance, compliance with the Governing Instruments and compliance with other policies approved by the Board of Directors from time to time;

(ii) with respect to any Asset, such reports and other information as may be reasonably requested by the Company;

(iii) any materials required to be filed with any governmental body or agency; and

(iv) such reports and other materials including, without limitation, an annual audit of the Company's and the Subsidiaries' books of account by a nationally recognized registered independent public accounting firm.

(j) Notwithstanding anything contained in this Agreement to the contrary, except to the extent that the payment of additional moneys is proven by the Company to have been required as a direct result of the Manager's acts or omissions which result in the right of the Company and the Subsidiaries to terminate this Agreement pursuant to Section 16 of this Agreement, the Manager shall not be required to expend money ("Excess Funds") in connection with any expenses that are required to be paid for or reimbursed by the Company and the Subsidiaries pursuant to Section 10 in excess of that contained in any applicable Company Account (as herein defined) or otherwise made available by the Company and the Subsidiaries to be

expended by the Manager hereunder. Failure of the Manager to expend Excess Funds out-of-pocket shall not give rise or be a contributing factor to the right of the Company and the Subsidiaries under Section 14 of this Agreement to terminate this Agreement due to the Manager's unsatisfactory performance.

(k) In performing its duties under this Section 2. the Manager shall be entitled to rely reasonably on qualified experts and professionals (including, without limitation, accountants, legal counsel and other service providers) hired by the Manager at the Company's and the Subsidiaries' sole cost and expense.

Section 3. Devotion of Time: Additional Activities.

(a) The Manager and its Affiliates will provide the Company and the Subsidiaries with a management team and other appropriate support personnel, to provide the management services hereunder. The members of such management team shall devote such of their working time and efforts to the management of the Company as the Manager deems reasonably necessary and appropriate for the proper performance of all of the Manager's duties hereunder, commensurate with the level of activity of the Company from time to time. None of the Manager or its Affiliates shall be obligated to dedicate any of its officers or employees exclusively to the Company, nor is the Manager or any of its Affiliates or any of their respective personnel obligated to dedicate any specific portion of its or their time to the Company.

(b) Nothing in this Agreement shall (i) prevent the Manager or any of its Affiliates, officers, directors, employees or personnel, from engaging in other businesses or from rendering services of any kind to any other Person, including, without limitation, investing in, or rendering advisory services to others investing in, any type of business (including, without limitation, acquisitions of assets that meet the principal objectives of the Company), whether or not the objectives or policies of any such other Person or entity are similar to those of the Company or (ii) in any way bind or restrict the Manager or any of its Affiliates, officers, directors, employees or personnel from buying, selling or trading any securities or assets for their own accounts or for the account of others for whom the Manager or any of its Affiliates, officers, directors, employees or personnel may be acting. When making decisions where a conflict of interest may arise, the Manager will use its reasonable best efforts to allocate acquisition and financing opportunities in a fair and equitable manner over time as between the Company and the Subsidiaries and the Manager's other clients.

(c) Managers, partners, officers, employees, personnel and agents of the Manager or Affiliates of the Manager may serve as directors, officers, employees, personnel, agents, nominees or signatories for the Company and/or any Subsidiary, to the extent permitted by their Governing Instruments or by any resolutions duly adopted by the Board of Directors pursuant to the Company's Governing Instruments. When executing documents or otherwise acting in such capacities for the Company or the Subsidiaries, such persons shall use their respective titles in the Company or the Subsidiaries.

Section 4. Agency.

(a) The Manager shall act as agent of the Company and the Subsidiaries in making, acquiring, developing, originating, financing, leasing, structuring, managing, renovating and disposing of Assets, disbursing and collecting the funds of the Company and the Subsidiaries, paying the debts and fulfilling the obligations of the Company and the Subsidiaries, supervising the performance of professionals engaged by or on behalf of the Company and the Subsidiaries and handling, prosecuting and settling any claims of or against the Company and the Subsidiaries, the Board of Directors, holders of the Company's securities or representatives or property of the Company and the Subsidiaries.

(b) In performing the services set forth in this Agreement, as an agent of the Company, the Manager shall have the right to exercise all powers and authority which are reasonably necessary and customary to perform its obligations under this Agreement, including the following powers, subject in each case to the terms and conditions of this Agreement: to purchase, exchange or otherwise acquire and to sell, exchange or otherwise dispose of, any Asset in a public or private sale; to borrow and, for the purpose of securing the repayment thereof, to pledge, mortgage or otherwise encumber Assets; to purchase, take and hold Assets subject to mortgages, liens or other encumbrances; to extend the time of payment of any liens or encumbrances which may at any time be encumbrances upon any Investment, irrespective of by whom the same were made; to foreclose, to reduce the rate of interest on, and to consent to the modification and extension of the maturity of any Assets, or to accept a deed in lieu of foreclosure; to join in a voluntary partition of any Asset; to cause to be demolished any structures on any real estate Asset; to cause renovations and capital improvements to be made to any real estate Asset; to abandon any Asset deemed to be worthless; to enter into joint ventures or otherwise participate in investment vehicles investing in Assets; to cause any real estate Asset to be leased, operated, developed, constructed or exploited; to cause the Company to indemnify third parties in connection with contractual arrangements between the Company and such third parties; to obtain and maintain insurance in such amounts and against such risks as are prudent in accordance with customary and sound business practices in the appropriate geographic area; to cause any property to be maintained in good state of repair and upkeep; to pay the taxes, upkeep, repairs, carrying charges, maintenance and premiums for insurance; to use the personnel and resources of Manager's Affiliates in connection with Manager's performance of the services specified in this Agreement, in each case without any additional costs or charges to the Company; to hire third-party service providers subject to and in accordance with Section 2; to designate and engage all third-party professionals and consultants to perform services (directly or indirectly) on behalf of the Company, including accountants, legal counsel and engineers; and to take any and all other actions as are necessary or appropriate in connection with the Assets.

(c) The Manager shall be authorized to represent to third parties that it has the power to perform the actions which it is authorized to perform under this Agreement.

Section 5. Bank Accounts. At the direction of the Board of Directors, the Manager may establish and maintain one or more bank accounts in the name of the Company or any Subsidiary (any such account, a "Company Account"), and may collect and deposit funds into any such Company Account or Company Accounts, and disburse funds from any such Company Account or Company Accounts, under such terms and conditions as the Board of Directors may approve; and the Manager shall from time to time render appropriate accountings of such

collections and payments to the Board of Directors and, upon request, to the auditors of the Company or any Subsidiary.

Section 6. Records; Confidentiality. The Manager shall maintain appropriate books of accounts and records relating to services performed under this Agreement, and such books of account and records shall be accessible for inspection by representatives of the Company or any Subsidiary at any time during normal business hours upon reasonable advance notice. The Manager shall keep confidential any and all information obtained in connection with the services rendered under this Agreement and shall not disclose any such information (or use the same except in furtherance of its duties under this Agreement) to unaffiliated third parties except (i) to legal counsel, accountants and other professional advisors; (ii) to appraisers, financing sources and others in the ordinary course of the Company's business; (iii) to governmental officials having jurisdiction over the Company or any Subsidiary; (iv) in connection with any governmental or regulatory filings of the Company or any Subsidiary or disclosure or presentations to the Company's stockholders or prospective stockholders; (v) as required by law or legal process to which the Manager or any Person to whom disclosure is permitted hereunder is a party; or (vi) to the extent such information is otherwise publicly available. The foregoing shall not apply to information which has previously become publicly available through the actions of a Person other than the Manager not resulting from the Manager's violation of this Section 6. Clauses (iv) and (v) of this Section 6 shall survive the expiration or earlier termination of this Agreement for a period of one year.

Section 7. Obligations of Manager: Restrictions.

(a) The Manager shall provide customary accounting services to and on behalf of Owner, which accounting services may include, without limitation, to (i) establish and maintain a system of internal accounting and financial controls designed to provide reasonable assurance of the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws, (ii) maintain records for each Asset on a GAAP basis, (iii) develop accounting entries and reports required by the Company to meet its reporting requirements under applicable laws, (iv) consult with the Company with respect to proposed or new accounting/reporting rules identified by the Manager and (v) prepare monthly, quarterly and annual financial information as soon as practicable after the end of each such period as may be reasonably requested and general ledger journal entries and other information necessary for the Company's compliance with applicable laws and in accordance with GAAP and cooperate with the Company's independent accounting firm in connection with the auditing or review of such financial statements, the cost of any such audit or review to be paid by the Company. The Manager shall require each seller or transferor of assets or lessee or guarantor to the Company and the Subsidiaries to make such representations and warranties as may, in the reasonable judgment of the Manager, be customary, necessary and/or appropriate and consistent with standard industry practice. In addition, the Manager shall take such other action as it deems necessary or appropriate with regard to the protection of the Assets.

(b) The Manager shall refrain from any action that, in its sole judgment made in good faith, (i) would adversely and materially affect the status of the Company as a REIT under the Code, (ii) would adversely and materially affect the Company's or any Subsidiary's status as an entity intended to be exempted or excluded from investment company status under the

Investment Company Act or (iii) would violate any law, rule or regulation of any governmental body or agency having jurisdiction over the Company or any Subsidiary or that would otherwise not be permitted by the Company's Governing Instruments. If the Manager is ordered to take any such action by the Board of Directors, the Manager shall promptly notify the Board of Directors of the Manager's judgment that such action would adversely and materially affect such status or violate any such law, rule or regulation or the Governing Instruments. Notwithstanding the foregoing, the Manager, its directors, members, officers, stockholders, managers, personnel, employees and any Person controlling or controlled by the Manager and any person providing sub-advisory services to the Manager shall not be liable to the Company or any Subsidiary, the Board of Directors, or the Company's or any Subsidiary's stockholders, members or partners, for any act or omission by the Manager, its directors, officers, stockholders, personnel or employees except as provided in Section 12 of this Agreement.

(c) The Board of Directors shall periodically review the Company's portfolio of Assets but will not review each proposed Asset, except as otherwise provided herein. The Manager shall be permitted to rely upon the direction of the Secretary of the Company to evidence the approval of the Board of Directors with respect to a proposed acquisition.

(d) Neither the Company nor the Subsidiaries shall acquire any security issued by any entity managed by the Manager or any Affiliate thereof, or purchase or sell any Asset from or to any entity managed by the Manager or its Affiliates, unless the transaction is made in accordance with applicable laws.

(e) The Manager shall at all times during the term of this Agreement maintain "errors and omissions" insurance coverage and other insurance coverage which is customarily carried by asset and investment managers performing functions similar to those of the Manager under this Agreement with respect to assets similar to the assets of the Company and the Subsidiaries, in an amount which is comparable to that customarily maintained by other managers or servicers of similar assets.

(f) The Manager shall (i) assemble, maintain and provide to the firm designated by the Company to prepare tax returns on behalf of the Company and its subsidiaries (the "Tax Preparer") information and data required for the preparation of federal, state, local and foreign tax returns, any audits, examinations or administrative or legal proceedings related thereto or any contractual tax indemnity rights or obligations of the Company and its subsidiaries and supervise the preparation and filing of such tax returns, the conduct of such audits, examinations or proceedings and the prosecution or defense of such rights, (ii) provide factual data reasonably requested by the Tax Preparer or the Company with respect to tax matters, (iii) assemble, record, organize and report to the Company data and information with respect to the Assets relative to taxes and tax returns in such form as may be reasonably requested by the Company, and (iv) supervise the Tax Preparer in connection with the preparation, filing or delivery to appropriate persons, of applicable tax information reporting forms with respect to the Assets and the Company Common Stock (including information reporting forms, whether on Form 1099 or otherwise with respect to sales, interest received, interest paid, dividends paid and other relevant transactions). The Company hereby acknowledges and agrees that, in the context of the foregoing, the Company shall rely exclusively on Tax Preparer and its own independent tax advisers (which shall not include Manager) in the preparation of its tax returns and the conduct of any audits, examinations

or administrative or legal proceedings related thereto and that, without limiting the Manager's obligation to provide the information, data, reports and other supervision and assistance as provided herein, the Manager will not be responsible for the preparation of any such tax returns or the conduct of such audits, examinations or other proceedings.

Section 8. Compensation.

(a) The Company shall pay the Incentive Fee to the Manager quarterly in arrears. If applicable, the initial and final installments of the Incentive Fee shall be pro-rated based on the number of days during the initial and final fiscal quarter, respectively, that this Agreement is in effect.

(b) During the term hereof, as the same may be extended from time to time, the Company shall pay Manager the Administrative Management Fee and the Incentive Fee. Manager shall compute each installment of the Administrative Management Fee and the Incentive Fee as promptly as possible (but in all events within thirty (30) days) after the end of the quarter with respect to which such installment is payable; *provided, however*, that such Incentive Fee may be offset by the Company against amounts due to the Company by the Manager. The accrued fees will be payable quarterly as promptly as possible after the end of each quarter during which this Agreement is in effect. A copy of the computations made by Manager to calculate such installment shall thereafter, for informational purposes only, promptly be delivered to the Board of Directors.

Section 9. Intentionally Omitted.

Section 10. Expenses of the Company.

(a) The Company shall pay all of its expenses and shall reimburse the Manager for documented expenses of the Manager incurred on its behalf (collectively, the "Expenses") except those expenses that are specifically the responsibility of the Manager as set forth herein. Expenses include all costs and expenses, directly or indirectly, which are expressly designated elsewhere in this Agreement as the Company's, together with the following:

(i) fees and expenses in connection with the transaction costs incident to the acquisition, development, redevelopment, construction, origination, disposition and financing of Assets;

(ii) costs of legal, tax, accounting, consulting, auditing, administrative and other similar services rendered for the Company and the Subsidiaries by providers retained by the Manager;

(iii) the compensation and expenses of the Company's directors and the allocable share of the cost of directors' and officers' liability insurance;

(iv) costs associated with the establishment and maintenance of any of the Company's credit facilities, mortgage indebtedness or other indebtedness of the Company (including commitment fees, accounting fees, legal fees, closing and other similar costs) or any

of the Company's or any Subsidiary's securities offerings (including commitment fees, third-party accounting fees, third-party legal fees, closing costs and other customary costs);

(v) expenses connected with communications to lenders and holders of the Company's or any Subsidiary's securities and other bookkeeping and clerical work necessary in maintaining relations with lenders and holders of such securities and in complying with the continuous reporting and other requirements of governmental bodies or agencies, including, without limitation, all costs of preparing and filing required reports with the Securities and Exchange Commission, the costs payable by the Company to any transfer agent and registrar in connection with the listing and/or trading of the Company's stock on any exchange, the fees payable by the Company to any such exchange in connection with its listing, and the costs of preparing, printing and mailing the Company's annual report to its stockholders and proxy materials with respect to any meeting of the Company's stockholders;

(vi) the cost of printing and mailing proxies, reports and other materials to the Company's stockholders;

(vii) costs associated with any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors that is used for the Company and the Subsidiaries;

(viii) expenses incurred by managers, officers, personnel and agents of the Manager for travel on the Company's behalf and other out-of-pocket expenses incurred by managers, officers, personnel and agents of the Manager in connection with the purchase, origination, financing, refinancing, sale or other disposition of an Asset or establishment and maintenance of any of the Company's credit facilities, financing vehicles and borrowings under programs established by the U.S. government or any of the Company's or any of the Subsidiary's securities offerings (including the Initial Public Offering);

(ix) costs and expenses incurred with respect to market information systems and publications, pricing and valuation services, research publications, and materials and settlement, clearing and custodial fees and expenses;

(x) compensation and expenses of the Company's custodian and transfer agent, if any;

(xi) the costs of maintaining compliance with all federal, state and local rules and regulations or any other regulatory agency;

(xii) all taxes and license fees;

(xiii) all insurance costs incurred in connection with the operation of the Company's business except for the costs attributable to the insurance for the personnel of the Manager that the Manager elects to carry for itself;

(xiv) all other costs and expenses relating to the business operations of the Company and the Subsidiaries, including, without limitation, the costs and expenses of acquiring, owning, protecting, maintaining, managing, developing and disposing of Assets, including appraisal, reporting, audit and legal fees;

(xv) expenses relating to any office(s) or office facilities, including, but not limited to, disaster backup recovery sites and facilities, maintained for the Company and the Subsidiaries or Assets separate from the office or offices of the Manager;

(xvi) expenses connected with the payments of interest, dividends or distributions in cash or any other form authorized or caused to be made by the Board of Directors to or on account of lenders or holders of the Company's or any Subsidiary's securities, including, without limitation, in connection with any dividend reinvestment plan;

(xvii) any judgment or settlement of pending or threatened proceedings (whether civil, criminal or otherwise), including any costs or expenses in connection therewith, against the Company or any Subsidiary, or against any trustee, director or officer of the Company or of any Subsidiary in his capacity as such for which the Company or any Subsidiary is required to indemnify such trustee, director or officer by any court or governmental agency;

(xviii) all costs and expenses relating to the development and management of the Company's website; and

(xix) all other expenses actually incurred by the Manager (except as described below) which are reasonably necessary for the performance by the Manager of its duties and functions under this Agreement.

(b) Except for the Company's obligation to pay Manager the Incentive Fee, the Administrative Management Fee, the Company shall have no obligation to reimburse the Manager or its Affiliates for the salaries and other compensation of the Manager's investment professionals who provide services to the Company under this Agreement.

(c) The Manager may, at its option, elect not to seek reimbursement for certain expenses during a given quarterly period, which determination shall not be deemed to construe a waiver of reimbursement for similar expenses in future periods.

(d) The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement to the extent such expenses have previously been incurred or are incurred in connection with such expiration or termination.

Section 11. Calculations of Expenses. The Manager shall prepare a statement documenting the Expenses of the Company and the Subsidiaries and the Expenses incurred by the Manager on behalf of the Company and the Subsidiaries each month, and shall deliver such statement to the Company within fifteen (15) days after the end of each month. Expenses incurred by the Manager on behalf of the Company and the Subsidiaries, including expenses allocated to the Company pursuant to Section 10 above, shall be reimbursed by the Company to the Manager within thirty (30) days following the date of delivery of such statement; *provided, however*, that such reimbursements may be offset by the Manager against amounts due to the Company and the Subsidiaries. Notwithstanding the foregoing to the contrary, Manager shall deliver prior notice to the Company before incurring any individual Expense in excess of $250,000 which is not otherwise contemplated in this Agreement or in any budget or other instrument approved by the Company; provided, however, the foregoing shall not apply with respect to any Expense incurred which Manager reasonably determines to be necessary to avoid or minimize the risk of loss to person or property. The provisions of this Section 11 shall survive the expiration or earlier termination of this Agreement.

Section 12. Limits of Manager Responsibility: Indemnification.

(a) The Manager assumes no responsibility under this Agreement other than to render the services called for under this Agreement and shall not be responsible for any action of the Board of Directors in following or declining to follow any advice or recommendations of the Manager, including as set forth in Section 7(b) of this Agreement. The Manager, its officers, stockholders, members, managers, directors, employees, consultants, personnel, any Person controlling or controlled by the Manager and any of such Person's officers, stockholders, members, managers, directors, employees, consultants and personnel, and any Person providing sub-advisory services to the Manager (each a "Manager Indemnified Party") will not be liable to the company or any Subsidiary, to the Board of Directors, or the Company's or any Subsidiary's stockholders, members or partners for any acts or omissions by any such Person (including, without limitation, trade errors that may result from ordinary negligence, such as errors in the investment decision making process or in the trade process), pursuant to or in accordance with this Agreement, except by reason of acts or omissions constituting bad faith, willful misconduct, gross negligence or reckless disregard of the Manager's duties under this Agreement, as determined by a final non-appealable order of a court of competent jurisdiction. The Company shall, to the full extent lawful, reimburse, indemnify and hold each Manager Indemnified Party harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorney's fees) in respect of or arising from any acts or omissions of such Manager Indemnified Party made in good faith in the performance of the Manager's duties under this Agreement and not constituting such Manager Indemnified Party's bad faith, willful misconduct, gross negligence or reckless disregard of the Manager's duties under this Agreement.

(b) The Manager shall, to the full extent lawful, reimburse, indemnify and hold the Company (or any Subsidiary), its stockholders, directors and officers and each other Person, if any, controlling the Company (each, a "Company Indemnified Party" and together with a Manager

Indemnified Party, the "Indemnitee"), harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from the Manager's bad faith, willful misconduct, gross negligence or reckless disregard of its duties under this Agreement or any claims by the Manager's personnel relating to the terms and conditions of their employment by the Manager.

(c) The Indemnitee will promptly notify the party against whom indemnity is claimed (the "Indemnitor") of any claim for which it seeks indemnification; *provided, however,* that the failure to so notify the Indemnitor will not relieve the Indemnitor from any liability which it may have hereunder, except to the extent such failure actually prejudices the Indemnitor. The Indemnitor shall have the right to assume the defense and settlement of such claim; *provided,* that the Indemnitor notifies the Indemnitee of its election to assume such defense and settlement within 30 days after the Indemnitee gives the Indemnitor notice of the claim. In such case, the Indemnitee will not settle or compromise such claim, and the Indemnitor will not be liable for any such settlement made without its prior written consent. If the Indemnitor is entitled to, and does, assume such defense by delivering the aforementioned notice to the Indemnitee, the Indemnitee will (i) have the right to approve the Indemnitor's counsel (which approval will not be unreasonably withheld, delayed or conditioned), (ii) be obligated to cooperate in furnishing evidence and testimony and in any other manner in which the Indemnitor may reasonably request and (iii) be entitled to participate in (but not control) the defense of any such action, with its own counsel and at its own expense.

Section 13. No Joint Venture. Nothing in this Agreement shall be construed to make the Company and the Manager partners or joint venturers or impose any liability as such on either of them.

Section 14. Term; Termination.

(a) This Agreement shall continue in operation, unless terminated in accordance with the terms hereof, until the end of the Initial Term. After the Initial Term, this Agreement shall be deemed renewed automatically each year for an additional one- year period (an "Automatic Renewal Term"), unless the Company or the Manager elects not to renew this Agreement in accordance with Section 14(b) or Section 14(c), respectively.

(b) Notwithstanding any other provision of this Agreement to the contrary, the Company may, without cause, in connection with the expiration of the Initial Term or the then current Automatic Renewal Term, by written notice to the Manager not less than one hundred eighty (180) days prior to the expiration of the Initial Term or any Automatic Renewal Term (the "Termination Notice"), decline to renew this Agreement upon approval of the Board of Directors of the Company that there has been unsatisfactory long-term performance by the Manager that is materially detrimental to the Company and its Subsidiaries taken as a whole. In addition, the Company may, without cause, in connection with the expiration of the seventh Automatic Renewal Term or any Automatic Renewal Term thereafter, by written notice to the Manager not less than one hundred eighty (180) days prior to the expiration of the then current Automatic Renewal Term, decline to renew this Agreement upon the approval of the Board of Directors of the Company that the Incentive Fee payable to the Manager is not fair Any such nonrenewal pursuant to this paragraph (b) is referred to as a "Termination Without Cause". In the event of a Termination

Without Cause, the Company shall pay the Manager the Termination Fee before or on the last day of the Initial Term or such Automatic Renewal Term, as the case may be (the "Effective Termination Date"), subject to the Company's right to elect to defer the payment of up to 50% of the Termination Fee pursuant to Section 17. The Company may terminate this Agreement for cause pursuant to Section 16 hereof even after a Termination Notice and, in such case, no Termination Fee shall be payable.

(c) No later than one hundred eighty (180) days prior to the expiration of the Initial Term or the then current Automatic Renewal Term, the Manager may deliver written notice to the Company informing it of the Manager's intention to decline to renew this Agreement, whereupon this Agreement shall not be renewed and extended and this Agreement shall terminate effective on the expiration of the Initial Term or the then current Automatic Renewal Term, as applicable; *provided however*, that the Company may elect, in its sole discretion, to accelerate the effective date of such termination to a date prior to the expiration of the Initial Term or the then current Automatic Renewal Term, as applicable (such accelerated date, the "Accelerated Termination Date"). For the avoidance of doubt, the Company's acceleration of the effective date of such termination in accordance with the foregoing proviso shall not affect or limit any obligation of the Company to pay any Incentive Fee otherwise payable in accordance with the terms of this Agreement in respect of the period between the Accelerated Termination Date and the date on which the Initial Term or then current Automatic Renewal Term would have otherwise expired. The Company is not required to pay to the Manager the Termination Fee if the Manager terminates this Agreement pursuant to this Section 14(c).

(d) If this Agreement is terminated pursuant to Section 14, such termination shall be without any further liability or obligation of either party to the other, except as provided in Sections 6, 10, 11 and 17 of this Agreement. In addition, Section 12 and Section 22 of this Agreement shall survive termination of this Agreement.

(e) During the period between any notice of termination and the expiration of the Initial Term or then current Automatic Renewal Term, as applicable (or, if the termination date is accelerated in accordance with Section 14(c), the Accelerated Termination Date), the Manager shall continue to perform its duties and obligations as Manager under this Agreement and shall provide cooperation to the Company to execute an orderly transition of the management of the Company's consolidated assets to a new manager. To the extent practicable, during the 60-day period immediately following the termination date of this Agreement, the Manager shall continue to provide cooperation to the Company and its new manager to execute an orderly transition of the management of the Company to such new manager.

Section 15. Assignment.

(a) Except as set forth in Section 15(b) of this Agreement, this Agreement shall terminate automatically in the event of its assignment, in whole or in part, by the Manager. Any such permitted assignment shall bind the assignee under this Agreement in the same manner as the Manager is bound, and the Manager shall be liable to the Company for all errors or omissions of the assignee under any such assignment. In addition, the assignee shall execute and deliver to the Company a counterpart of this Agreement naming such assignee as Manager. This Agreement shall not be assigned by the Company without the prior written consent of the Manager, except in

the case of assignment by the Company to another REIT or other organization which is a successor (by merger, consolidation, purchase of all or substantially all of the consolidated assets of the Company, or similar transaction) to the Company, in which case such successor organization shall be bound under this Agreement and by the terms of such assignment in the same manner as the Company is bound under this Agreement.

(b) Notwithstanding any provision of this Agreement, the Manager may subcontract and assign any or all of its responsibilities under Sections 2(b), 2(d) and 2(e) of this Agreement to any of its Affiliates in accordance with the terms of this Agreement applicable to any such subcontract or assignment, and the Company hereby consents to any such assignment and subcontracting. In addition, *provided* that the Manager provides prior written notice to the Company for informational purposes only, nothing contained in this Agreement shall preclude any pledge, hypothecation or other transfer of any amounts payable to the Manager under this Agreement. In addition, the Manager may assign this Agreement to any Person so long as The Ensign Group, Inc. (i) is the direct or indirect beneficial owner of not less than a majority of (x) the combined voting power of such Person's then outstanding equity interests and (y) such Person's outstanding equity interests, and (ii) holds the exclusive power to direct or control the management policies of such Person.

Section 16. Termination for Cause.

(a) The Company may terminate this Agreement effective upon 30 days' prior written notice of termination from the Board of Directors of the Company to the Manager, if (i) the Manager, its agents or its assignees materially breaches any provision of this Agreement and such breach shall continue for a period of 30 days after written notice thereof specifying such breach and requesting that the same be remedied in such 30-day period (or 60 days after written notice of such breach if the Manager takes steps to cure such breach within 30 days of the written notice), (ii) there is a Manager Change of Control; (iii) the Manager engages in any act of fraud, misappropriation of funds, or embezzlement against the Company or any Subsidiary, (iv) there is an event of any bad faith, willful misconduct, gross negligence or reckless disregard on the part of the Manager in the performance of its duties under this Agreement, (v) Bankruptcy of the Manager or The Ensign Group, Inc., (vi) the Manager or The Ensign Group, Inc. is convicted (including a plea of *nolo contendere)* of a felony, or (vii) there is a dissolution of the Manager.

(b) The Manager may terminate this Agreement effective upon 60 days' prior written notice of termination to the Company in the event that the Company shall default in the performance or observance of any material term, condition or covenant contained in this Agreement and such default shall continue for a period of 30 days after written notice thereof specifying such default and requesting that the same be remedied in such 30-day period (or 60 days after written notice of such breach if the Company takes steps to cure such breach within 30 days of the written notice).

(c) The Manager may terminate this Agreement in the event the Company becomes regulated as an "investment company" under the Investment Company Act, with such termination deemed to have occurred immediately prior to such event, in which case the Company shall not be required to pay the Termination Fee.

Section 17. Action Upon Termination. From and after the effective date of termination of this Agreement, pursuant to Sections 14 or 16 of this Agreement, the Manager shall not be entitled to compensation for further services under this Agreement, but shall be paid all compensation accruing to the date of termination. In addition, if this Agreement is terminated pursuant to Section 16(b) hereof or not renewed pursuant to Section 14(b) hereof (subject to **Error! Reference source not found.** hereof), the Company shall be obligated to pay the Manager the Termination Fee. The Termination Fee shall be paid in cash on or before the date of termination; *provided, however, that* not later than 30 days prior to the date of termination, the Company may elect, by written notice to the Manager, to defer the payment of up to 50% of the Termination Fee for up to six months (the "Deferred Termination Fee"). The Deferred Termination Fee shall bear interest accruing from the date of termination until paid at a then-current fair market rate of interest. The Company shall pay the Deferred Termination Fee together with such interest to the Manager in cash on or before the six month anniversary of the date of termination.

Upon such termination, the Manager shall promptly:

(a) after deducting any accrued compensation and reimbursement for its expenses to which it is then entitled, pay over to the Company or a Subsidiary all money collected and held for the account of the Company or a Subsidiary pursuant to this Agreement;

(b) deliver to the Board of Directors a full accounting, including a statement showing all payments collected by it and a statement of all money held by it, covering the period following the date of the last accounting furnished to the Board of Directors with respect to the Company or a Subsidiary; and

(c) deliver to the Board of Directors all property and documents of the Company or any Subsidiary then in the custody or control of the Manager, all of which are and shall be the Company's property.

Section 18. Release of Money or Other Property Upon Written Request. The Manager agrees that any money or other property of the Company or any Subsidiary held by the Manager under this Agreement shall be held by the Manager as custodian for the Company or such Subsidiary, and the Manager's records shall be appropriately and clearly marked to reflect the ownership of such money or other property by the Company or such Subsidiary. Upon the receipt by the Manager of a written request signed by a duly authorized officer of the Company requesting the Manager to release to the Company or any Subsidiary any money or other property then held by the Manager for the account of the Company or any Subsidiary under this Agreement, the Manager shall release such money or other property to the Company or any Subsidiary within a reasonable period of time, but in no event later than thirty (30) days following such request. The Manager shall not be liable to the Company, any Subsidiary, or the Company's or a Subsidiary's stockholders or partners for any acts performed or omissions to act by the Company or any Subsidiary in connection with the money or other property released to the Company or any Subsidiary in accordance with the second sentence of this Section 18. The Company and any Subsidiary shall indemnify the Manager and its officers, directors, personnel and managers against any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever, which arise in connection with the Manager's release of such money or other property to the Company or any Subsidiary in accordance with the terms of this Section 18. Indemnification

pursuant to this provision shall be in addition to any right of the Manager to indemnification under Section 12 of this Agreement.

Section 19. Notices. Unless expressly provided otherwise in this Agreement, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when delivered against receipt or upon actual receipt of (i) personal delivery, (ii) delivery by reputable overnight courier, (iii) delivery by facsimile transmission with telephonic confirmation or (iv) delivery by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(a) If to the Company:

c/o Ensign Services, Inc.
29222 Rancho Viejo Rd., Suite #127
San Juan Capistrano, CA 92675

(b) If to the Manager:

Ensign Services, Inc.
29222 Rancho Viejo Rd., Suite #127
San Juan Capistrano, CA 92675

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 19 for the giving of notice.

Section 20. Binding Nature of Agreement: Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns as provided in this Agreement.

Section 21. Entire Agreement. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter of this Agreement and is not intended to and shall not confer upon any person other than the parties any rights or remedies hereunder. The express terms of this Agreement control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms of this Agreement. This Agreement may not be modified or amended other than by an agreement in writing signed by the Company and the Manager.

Section 22. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES TO THE CONTRARY.

Section 23. No Waiver: Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any party hereto, any right, remedy, power or privilege hereunder shall

operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. No waiver of any provision hereunder shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

Section 24. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed part of this Agreement.

Section 25. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts of this Agreement, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

Section 26. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 27. Gender. Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

Section 28. Waiver of Jury Trial. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

STANDARD BEARER HEALTHCARE REIT, INC., a Maryland corporation

By:_____
Name: Chad Keetch
Title: President

ENSIGN SERVICES, INC.,
a Nevada corporation

By: _____
Name: Chad Keetch
Title: Secretary

EXHIBIT 2(C)

CONSULTING AND CENTRALIZED SERVICES AGREEMENT

INDEPENDENT CONSULTING AND CENTRALIZED SERVICES AGREEMENT

Effective Date:

CONSULTANT: **ENSIGN SERVICES, INC.**, a Nevada corporation

Address: 29222 Rancho Viejo Road, Suite 127
San Juan Capistrano, CA 92675

FACILITY:

Address:

THIS INDEPENDENT CONSULTING AND CENTRALIZED SERVICES AGREEMENT ("Agreement") is made and entered into by and between the above-named Consultant and Facility as of the Effective Date, with respect to the following facts and intentions:

R E C I T A L S

A. Facility is an independently operated skilled nursing/long-term care or assisted living facility operating under the direction and control of its own management team in, on, for, and from Facility's premises at the address set forth above (hereinafter "Facility");

B. Consultant is a provider of centralized administrative and back office services, which include, by way of example, accounting, human resources, compliance, legal, risk management, and information technology (See Exhibit A attached hereto); and

C. Facility wishes to contract with Consultant for its own benefit; and

IN CONSIDERATION THEREOF, and for other good and valuable consideration, the parties agree:

T E R M S A N D C O N D I T I O N S

1. Incorporation of Exhibits. The Exhibit(s) attached are incorporated by this reference as though set forth fully herein.

2. Consultant's Duties. Consultant agrees to provide such of the following Services as Facility at its option and in the exercise of its discretion, requests from time to time during the term of this Agreement. Consultant agrees to perform its duties hereunder in a good, professional and workmanlike manner. Such duties shall include, without limitation (herein "Services"):

2.1. Consultant's Duties; Generally.

2.1.1. Consultant will provide Services in substantial conformance to applicable federal and state laws and relevant established policies, should any be applicable, of Consultant and Facility in effect during the operative time. Facility hereby grants to Consultant a limited power of attorney to act in Facility's name and stead for the convenience of Facility and/or Consultant, provided that this power shall not be used except in conjunction with the provision of the enumerated Services under this Agreement.

2.1.2. Consultant shall make clear to all parties with whom it deals in the course of rendering the Services contemplated by this Agreement that it is an independent contractor and not an employer, employee, partner, co-venturer, or management company. The parties agree and understand that all Facility operational and clinical duties, obligations and responsibilities remain exclusively within the province of the Facility, and that Consultant has no control over the management and operations of the Facility.

2.2. Specific Duties of Consultant. During the term of this Agreement, Consultant shall provide to Facility at its respective requests, the specific Services listed on Exhibit A. In the event of any conflict between the terms of Exhibit A and the terms contained in the main body of this Agreement, the terms of Exhibit A shall control.

3. Facility's Duties. Facility shall:

3.1. Not unreasonably restrict or limit Consultant's access to necessary information or Consultant's right to exercise its independent professional judgment, including its right to recommend Services to be rendered and to render such Services using such methods, technologies and procedures as Consultant deems appropriate under the circumstances.

3.2. Timely furnish Consultant with such information and materials as might ordinarily be expected for Consultant to perform its duties and as requested by the Facility. Facility shall be solely responsible to assure the accuracy and completeness of all information provided by Facility and its personnel to Consultant. Consultant shall be entitled to rely thereon without further inquiry.

3.3. Cooperate with Consultant as more fully set forth in Exhibit A.

4. Compensation.

4.1. For and in consideration of the Services to be provided to Facility by Consultant, the Facility shall pay to Consultant a monthly fee equal to _____ percent (_____%) of Facility's gross monthly revenue from all sources ("Monthly Fee"). The parties agree, acknowledge, and understand that the amount of the above described Monthly Fee is reasonable for the Services provided to Facility and is consistent with market rates for the provision of the same or similar services provided to skilled nursing/long-term care and assisted living facilities, associated entities, and agencies by other companies which provide administrative and/or back office services. A reasonable estimate of the anticipated Monthly Fee shall be paid on or before the first day of each month during the Term hereof and shall be "trued up" at the beginning of the next following month with such following month's estimated payment. The Monthly

Fee for any partial month of the Term shall be prorated based on the number of days during the month that Consultant provided services under this Agreement. In the event Facility closes or its census is or drops below 60% of licensed capacity during any month of the Term, the Monthly Fee for any such month or partial month shall be calculated, at Consultant's option, based on historical revenues and patient mix, as if the occupancy were at 60%. At Consultant's option Consultant shall be entitled to deduct the Monthly Fee from sums collected for Facility by Consultant, and shall provide Facility with invoices (or, if paid by deduction, accountings) for the Monthly Fee by the last day of the month following the month of service.

4.2. In addition to and not as part of the Monthly Fee, Facility shall reimburse Consultant for all costs and expenses advanced, incurred, or paid by Consultant in the rendition of Services provided by Consultant on behalf of Facility as more particularly set forth in Exhibit A.

5. Insurance.

5.1. Consultant agrees to obtain general and professional liability insurance during the term of this agreement in an amount not less than One Million Dollars ($1,000,000) per claim and Three Million Dollars ($3,000,000) in the aggregate. Consultant will maintain the policy(ies) and have the Facility, its parent company, Ensign Services, Inc. and The Ensign Group, Inc., identified as additional insureds on the policy(ies).

5.2. Consultant agrees to maintain such other and further insurance as may be required by law or the terms of any agreement to which it is a party, including without limitation worker's compensation insurance (where required by law), automobile, and property and casualty insurance.

5.3. All insurance policies shall (i) be issued by insurance companies with a policyholder rating of at least "B+" in the most recent version of Best's Key Rating Guide, (ii) be written by companies authorized to do so in the State where the Facility premise is located, (iii) name the Facility, its parent company, Ensign Services, Inc. and The Ensign Group, Inc. as additional insureds, and (iv) provide that the policy(ies) will not be cancelled on less than ten (10) days' prior written notice to Consultant.

6. Term and Termination. The Term of this Agreement shall commence on the Effective Date and continue thereafter for a period of one (1) year. This Agreement shall automatically extend for additional periods of one (1) year each unless written notice of termination is given not less than sixty (60) days prior to the end of the then-current term. Notwithstanding anything contained herein to the contrary, either party may terminate this Agreement and the Term hereof at any time during the Term upon sixty (60) days' written notice; further, in the event of (i) abandonment by a party of its duties hereunder, or (ii) nonpayment of any Compensation within five (5) days after delivery of invoice or other written demand therefor, or (iii) any breach or violation of this Agreement (other than non-payment of Compensation) which is not cured within thirty (30) days following delivery of written notice of such breach or violation, (iv) any material violation of law or regulations, or loss or failure of license or licensure, or violation of the eligibility requirements for reimbursement under any government program by Facility, or (v) the occurrence or existence of any condition, practice, procedure, action, inaction or omission of, by, or involving a party which, in the reasonable opinion of the other party constitutes either a threat to the health, safety, or welfare of any patient or resident and/or a violation of any law, regulation, requirement, existing or pending

License, eligibility or material agreement governing Facility's or Consultant's operations, then the other party shall have the right to summarily and immediately terminate this Agreement upon written notice to the first party.

7. Regulatory Changes. Facility and Consultant mutually agree that in the event local, state or federal government agencies promulgate regulations which materially affect the terms of this Agreement, including, but not limited to, changes affecting the cost of providing Services hereunder, this Agreement shall be immediately subject to renegotiation upon the initiative of either party.

8. Warranties.

8.1. Facility's Warranties. Facility makes the following warranties and representations to Consultant in connection with Consultant's entry into this Agreement, which warranties shall survive the termination of this Agreement:

8.1.1. Facility is duly organized, validly existing, and in good standing under the laws of the state in which it is incorporated, organized, and/or operating. Further, Facility is properly licensed by the State in which the Facility's operation(s) is located by the proper licensing and certification authorities for such State.

8.1.2. Facility's business operations comply with all local, State and Federal zoning, labor and other laws, ordinances, rules and regulations applicable to the Facility. Facility has all the necessary qualifications, including, but not limited to, certificates, permits, registrations, and/or licenses, pursuant to applicable law, to perform its obligations under this Agreement.

8.1.3. Facility is authorized to consummate the transactions covered by this Agreement.

8.2. Consultant's Warranties. Consultant makes the following warranties and representations to Facility, which warranties shall survive the termination of this Agreement:

8.2.1. Consultant, Ensign Services, Inc., is a Nevada corporation in good standing, and is registered to do business in, and is in good standing with, the State of California.

8.2.2. Consultant is authorized to consummate the transactions covered by this Agreement.

9. Licensure, Eligibility and Compliance.

9.1. Consultant represents and warrants that neither Consultant nor any individual or entity with a direct or indirect ownership or control interest of five percent (5%) or more in Consultant, nor any director, officer, agent or employee of such party, is debarred, suspended or excluded under any state or federal healthcare program it is currently eligible to participate in Medicare, Medicaid, and all other federally funded health care programs and is not subject to any sanction or exclusion by any of those programs. Consultant agrees to immediately disclose any actual or threatened federal,

state or local investigations against it or imposed sanctions of any kind, in progress or initiated subsequent to the date of entering into this Agreement.

10. Consultants' Schedule and Availability.

10.1. Consultant shall be reasonably available to the Facility on an on-call basis.

10.2. Nothing in this Agreement shall be construed as limiting or restricting in any manner Consultant's right to render the same or similar services to other individuals, business(es), or entities, including but not limited to, other skilled nursing, long term care, assisted living, or other facilities during or subsequent to the Term of this Agreement. Further, nothing in this Agreement shall require Facility to use Consultant's Services exclusively during the Term of this Agreement.

11. Contractual Relationship.

11.1. Independent Contractor. It is expressly acknowledged by both parties that Consultant is an independent contractor. Nothing herein is intended to be construed to create an employer-employee, partnership, joint venture, management company, or other relationship between Consultant and Facility. Facility has and shall retain all statutory responsibility for its continued operation, as the licensee under Facility's License(s). No provision of this Agreement shall create any right in Facility to exercise control or direction over the manner or method by which Consultant performs its duties or renders Services hereunder. No provision of this Agreement shall create any right in Consultant to exercise control or direction over the manner or method by which Facility operates, or serves its patients and residents. Consultant agrees that payment of all amounts or sums for income tax, employment insurance, Social Security, or any other such deductions or contributions as may be required by law for Consultant's employees and agents is and shall be the sole responsibility of Consultant.

11.2. Consultant may fulfill its obligations to provide Services under the Agreement by utilizing its employees, officers, subcontractors, or other third party vendors. Should Consultant engage a subcontractor or third party vendor to fulfill its obligations to provide Services under the Agreement, Facility will be responsible for the actual service fees, costs, and expenses charged by the subcontractor or third party vendor. Any such fees, costs and expenses are in addition to and separate from the Monthly Fee paid to Consultant and allowable if the fees, costs and expenses are reasonably necessary to perform the Services.

11.2.1. Facility expressly agrees to reimburse Consultant for all costs and expenses advanced, incurred, or paid by Consultant, subcontractors, other affiliates, or vendors hired by Consultant in order to perform Services consistent with this Agreement.

11.3. Fair Market Value. The amounts to be paid as the Monthly Fee hereunder have been determined by the parties through good faith and arms-length bargaining to be the fair market value of the Services to be rendered hereunder. No amount paid or to be paid is intended to be, nor will it be construed as, an offer, inducement or payment, whether directly or indirectly, overtly or covertly, for the referral of patients by Consultant to Facility, or for the recommending or arranging of the purchase, lease or order of any item or service.

11.4. Work Product. The work product created in the course of Consultant's Services under this Agreement shall be and will remain the exclusive property of Consultant. All unmodified, unredacted, unaltered templates and form manuals, forms, and documents (including without limitation, all writings, drawings, blueprints, pictures, recordings, computer or machine readable data, and all copies or reproductions thereof) which result from, describe or relate to the Services performed or to be performed pursuant to this Agreement, or the results thereof, generated in the performance of this Agreement, not adopted by Facility, shall be the property of Consultant and shall be delivered to Consultant upon request.

12. Indemnification.

12.1 Each Party to this Agreement shall be liable only for its own acts or omissions to act, including but not limited to, any alleged negligence, gross negligence, willful misconduct or bad faith. Each party shall fully cooperate in the defense thereof through counsel mutually acceptable to the parties.

13. Access to Books and Records. Pursuant to 42 U.S.C. §1395x(V)(1)(l), during the six (6) year period after completion of services hereunder, the Facility and Consultant will, upon written request, make available to the Secretary of Health and Human Services or to the Comptroller General, or their duly authorized representatives, this Agreement, books, documents, and records that are necessary to certify the nature and extent of costs incurred by the Facility under the provisions of this Agreement. This provision shall be in force for any twelve (12) month period during which the total value of services provided or goods delivered hereunder is Ten Thousand Dollars ($10,000) or more. This section shall have no effect unless Consultant is deemed a "subcontractor" under any regulation adopted under the provision of the United States Code cited above.

14. Privacy.

14.1. HIPAA Applicability and Compliance. Facility may be a "Covered Entity" under, and required to comply with, the applicable provisions of the Health Insurance Portability and Accountability Act of 1996 as amended ("HIPAA") and the regulations and guidelines pertaining thereto (collectively with HIPAA, the "HIPAA Rules"), and to obtain sufficient assurances that its contracting parties will appropriately safeguard patients' "Protected Health Information" ("PHI") as defined in the HIPAA Rules. In the course of performing Consultant's services, duties and obligations herein, Consultant may receive or obtain access to PHI. Consultant agrees to maintain the privacy, security, and confidentiality of PHI, as required of Facility by applicable laws and regulations, including without limitation the HIPAA Rules, and to execute and deliver such additional documentation and assurances as Facility may reasonably request to comply with HIPAA (and any amendments thereto) and related laws and regulations.

14.2. Correlation of Record Handling Requirements. In the event of any conflict between the requirements of this Agreement and/or between the various laws, statutes, ordinances and regulations relating to or otherwise affecting the subject matter thereof, the requirement or applicable law that presents the most stringent standard for compliance, as reasonably determined by Facility, shall be followed, such that compliance is achieved or maximized in all cases.

14.3. Confidential Information. Both Consultant and Facility shall preserve the confidentiality of all private, confidential, and/or proprietary information disclosed to or discovered by Consultant or Facility in connection with this Agreement, including, without limitation, nonpublic financial information, manuals, protocols, policies, procedures, marketing, and strategic information, computer software, training materials, resident/patient health information, resident/patient records, and resident/patient care and outcomes data ("Confidential Information") as and to the extent required by law. Neither Consultant nor Facility shall use for its own benefit, or disclose or otherwise disseminate to third parties, directly or indirectly, any Confidential Information without the express prior written consent of the other party(ies) unless disclosure is required by law or is disclosed to such party's legal counsel or accountant. However, if Consultant grants Facility access to and Facility uses Consultant's databases or information sharing mechanisms, Facility's information may be provided to similar facilities. In such circumstances, Facility hereby grants Facility's consent to such information sharing as a condition to Facility's receipt of access to such mechanisms and the data they contain from time to time. Upon termination of this Agreement, all Confidential Information and copies thereof shall be returned to the respective originating party. Consultant and Facility shall comply with applicable federal, state and local laws and regulations with respect to all Confidential Information, including, but not limited to, any disclosures thereof pursuant to this section.

15. Notices.

15.1. All notices which are required or which may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if given in writing and delivered personally or by registered or certified mail, return receipt requested, or by a comparable commercial delivery system, to the other party at the address referenced on Page 1 of this Agreement; notice shall be deemed to be given on the date hand-delivered or on the date which is three (3) business days after the date deposited in United States mail, or with a comparable commercial delivery system, with postage or other delivery charges thereon prepaid to the address(es) set forth above or such other address(es) as Facility and Consultant may designate by written notice to the other from time to time.

16. Arbitration of Disputes

16.1. Any controversy, dispute, claim, or litigation arising in connection with the interpretation, performance or breach of this Agreement, including any claim based on contract, tort or statute, shall be adjudicated by final and binding, confidential arbitration with JAMS (fka Judicial Arbitration and Mediation Services) Orange County, California, provided that if JAMS (or any successor organization thereto) no longer exists, then such arbitration shall be administered by the American Arbitration Association ("AAA") in accordance with its then-existing Commercial Arbitration Rules, and the sole arbitrator shall be selected in accordance with such AAA rules. Any arbitration hereunder shall be governed by the United States Arbitration Act, 9 U.S.C. §§1-16 (or any successor legislation thereto), and judgment upon the award rendered by the arbitrator may be entered by any state or Federal court having jurisdiction thereof. Neither Facility, Consultant, nor the arbitrator shall disclose the existence, content or results of any arbitration hereunder without the prior written consent of all parties; provided, however, that either party may disclose the existence, content or results of any such arbitration to its partners, officers, directors, employees, agents, attorneys and accountants and to any other person to whom disclosure is required by

applicable legal requirements, including pursuant to an order of a court of competent jurisdiction. The cost of the arbitrator and the expenses relating to the arbitration proceeding(s) (exclusive of legal fees) shall be borne equally by Facility and Consultant unless otherwise specified in the award of the arbitrator, in which case such fees and costs paid or payable to the arbitrator shall be included in "reasonable costs and attorneys' fees" for purposes of Section 17.2, and the arbitrator shall specifically have the power to award to the prevailing party pursuant to Section 17.2 such party's costs and expenses, including fees and costs paid to the arbitrator.

NOTICE: BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE(S) ARISING IN THIS "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED HEREIN AND BY CALIFORNIA LAW, AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE SUCH A DISPUTE(S) LITIGATED IN A COURT OR BY A JURY TRIAL. BY INITIALING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR RIGHT TO TRIAL BY JURY. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.

BY INITIALLING BELOW YOU AFFIRM THAT YOU HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT ANY AND ALL DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

_____	_____
CONSULTANT	FACILITY

17. Miscellaneous.

17.1. This Agreement has been negotiated by and between Consultant and Facility, and both parties are responsible for its drafting. Both parties have reviewed this Agreement with appropriate counsel, or have waived their right to do so, and the parties hereby mutually and irrevocably agree that this Agreement shall be construed neither for nor against either party, but in accordance with the plain language and intent hereof. The invalidity or unenforceability of any provision(s) of this Agreement shall not affect any other provision(s) hereto, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision(s) was omitted. Headings are used herein for convenience only, and shall play no part in the construction of any provision of this Agreement

17.2. In the event of any dispute(s) between the parties arising under or in relation to this Agreement, the prevailing party in such dispute(s) arbitration or litigation shall have the right to receive from the non-prevailing party all of the prevailing party's reasonable costs, expenses, and attorneys' fees incurred in connection with any such dispute(s), arbitration and/or litigation. As used herein, the term "prevailing party" shall refer to the party to this Agreement for whom the result ultimately obtained most closely approximates such party's position in such dispute(s), arbitration or litigation.

17.3. This Agreement shall be governed by the laws of the state of California. Notwithstanding anything contained herein to the contrary, venue for any action, litigation, or arbitration involving this Agreement shall lie solely in Orange County, California.

17.4. Time is of the essence with this Agreement and every term and condition hereof.

17.5. The waiver by any party hereto of breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach by any party.

17.6. Notwithstanding the expiration or earlier termination of this Agreement, the obligations and/or liabilities of the parties hereunder, relating to events occurring during the Term to which the parties' indemnification obligations under Section 12 apply, shall continue in full force and effect after the Agreement terminates subject to applicable California statutes of limitation. Additionally, the covenants of the parties under Sections 11.4, 13, 14 and 16 shall survive the termination of this Agreement.

17.7. This Agreement is solely between the parties hereto, and shall not create any right or benefit in any third party, including without limitation any creditor, agent, partner, employee or affiliate of Facility, or any entity or agency having jurisdiction of any of the licenses granted or issued to the Facility or the operation of Facility, generally.

17.8. This Agreement and its Exhibit(s) represents the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes and negates any previous contracts between Facility and Consultant. Facility and Consultant mutually agree that this Agreement may not be modified unless such modification is in writing and signed by both parties

IN WITNESS WHEREOF, the parties have affixed their respective signatures hereto as of the date(s) set forth below.

CONSULTANT:	**FACILITY:**
By: _____ Carissa Podesta, Authorized Signer	By: _____
Date: _____	Date: _____

EXHIBIT A to INDEPENDENT CONSULTING AND CENTRALIZED SERVICES AGREEMENT

THIS EXHIBIT A supplements the INDEPENDENT CONSULTING AND CENTRALIZED SERVICES AGREEMENT (the "Agreement") made between the therein-named Consultant and Facility and forms a part of the Agreement. The duties and activities described herein may or may not be performed by Consultant, depending upon the needs, preferences and requests of the Facility. The lists of duties and activities are not exhaustive, but where certain duties or activities are expressly limited, excluded, or proscribed, such activities shall not be requested or performed.

Any service to be rendered by Consultant hereunder may be, at Consultant's sole option, rendered on a joint or "pooled" basis with or to Facility and other client(s) of Consultant. Consultant may provide Facility any Services hereunder through the use, assistance, and/or support of subcontractors and/or vendors, but such subcontractors and/or vendors shall be subject to the terms and conditions of this Agreement.

Although Consultant shall have discretion to make certain recommendations to the Facility with respect to its operations secondary to the provision of contracted services, Facility shall remain solely responsible for all decisions and actions made by, at, for, or involving, Facility and the operation of Facility's business.

The Facility retains, at all times, the unrestricted right to seek any Services described herein from a person or entity other than Consultant. This Agreement creates no obligation that the Facility accept or approve Services offered by Consultant.

SPECIFIC SERVICES TO BE RENDERED BY CONSULTANT:

1. Accounting, Reimbursement and Revenue.

A. Tracks all revenues and expenses, including without limitation and as indicated and appropriate, capital projects expenses.

B. Cash management services which include setting up banking services and management of receipts in all forms (cash, lockbox, electronic, etc.).

C. Provides payroll services based upon payroll data generated by Facility.

D. Provides trainings to Facility staff on billing and collection procedures.

E. Provides customary accounting services which may include establishing and maintaining a system of internal accounting and financial controls designed to provide reasonable assurance of the reliability of financial reporting and compliance with applicable laws, maintaining records for each asset on a GAAP basis, preparation of monthly, quarterly and annual financial information as soon as practicable after the end of each such period and as may be reasonably requested, maintaining general ledger journal entries and other information necessary for the compliance with applicable laws and in accordance with GAAP, and cooperating with independent accounting firms in connection with auditing or review of financial statements.

F. Provides assistance and support to make all required tax filings and reports.

G. Provides cost report preparation and submission. Provides consultation, advice, and support concerning Medicare and Medicaid reimbursement requirements.

H. Assists Facility staff with negotiating and entering agreements with Accountable Care Organizations, Managed Care Organizations and health care insurers for the purpose of establishing revenue generating provider agreements.

2. Human Resources.

A. Procures and assists in administering benefit plans for employees, such as health, dental, defined benefit, defined contribution, life insurance, disability, employee assistance programs and other such benefits which may be created on a standalone basis for Facility or jointly or in concert with some or all of Consultant's other clients.

B. Provides access to sample, template, form policy and procedure manuals, employee handbooks, hiring forms, performance management forms and other such materials which, at the sole discretion of Facility may be adopted for Facility's use as modified and/or amended by Facility.

C. Provides general assistance, support and advice with human resources, labor and employment questions, including questions related to hiring, discipline, and separation of employees. Consultant shall have no responsibility for the hiring, discipline, or separation of Facility's employees, which responsibility shall be and remain the sole province of Facility.

D. Provides periodic in-services and other training for Facility's leadership, department managers, staff, and designee(s), including an annual meeting or convention for Facility's leadership, which may be offered simultaneously and in conjunction with the annual meeting for other of Consultant's clients. All trainings and materials provided in connection therewith shall be and remain the property of Consultant and may not be copied, reproduced, distributed or used other than with the express written permission of Consultant.

E. Provides independent third-party investigation of employment-related allegations of managerial and/or staff misconduct, and recommendations (but not directives) with respect thereto.

3. Compliance.

A. Provides a designated Compliance Officer, compliance hotline, compliance manuals, compliance training(s) and other compliance and ethics program support and infrastructure consistent with the U.S. Department of Health and Human Services, Office of Inspector General's Compliance Program Guidance for Nursing Facilities and the Centers for Medicare and Medicaid Requirements of Participation (§483.85 - Compliance and Ethics - F895) where applicable. All trainings, manuals and materials provided in connection therewith shall be and remain the property of Consultant and may not be copied, reproduced, distributed or used other than with the express written permission of Consultant.

B. Provides general assistance, support, and advice upon request in matters relating to compliance with state and federal health care program requirements and state and federal health care laws and regulations.

4. Legal Services.

A. Provides general legal counsel consisting of legal services and assistance, including legal representation, litigation management, investigation services, statutory agent services, corporate filings and governance assistance, legal compliance tools, business licensing assistance and other similar services.

B. Provides contract review and general assistance with vendor, customer, and other contracts. Facility hereby authorizes Consultant to negotiate and enter into contracts on Facility's behalf as Facility's agent solely for such limited purpose; however, Consultant shall not be bound to perform such contracts for Facility. Consultant is also authorized to include Facility in "pooled" or joint contracts with other of Consultant's clients, provided that in no event shall Facility ever be jointly, severally, or in any other way authorized, bound, or liable for the acts or omissions to act of Consultant or any other client of Consultant for or under any such contract(s) or arrangement(s). The scope of Consultant's authority shall not include obligating Facility in any way for the obligations of Consultant or any other person or entity.

C. Provides periodic legal, regulatory and similarly related in-services and other formal and informal training(s), which may be offered simultaneously and in conjunction with the training(s) for other of Consultant's clients. All training(s) and materials provided in connection therewith shall be and remain the property of Consultant and may not be copied, reproduced, distributed or used other than with the express written permission of Consultant.

D. Provides assistance in labor and employment matters, including collective bargaining and other labor relations activities, and processing of state and federal administrative agency claims (e.g., EEOC, NLRB).

5. Risk Management.

A. Interfaces with insurance brokers and insurance carriers to procure and maintain indicated, appropriate, and/or requested insurance coverage(s) for Facility. Consultant may, at Consultant's option and unless Facility provides an express written objection thereto, arrange for and provide insurance coverage(s) under "pooled risk arrangements" or "blanket" policies that cover other clients of Consultant. Facility shall pay its allocated share of the premiums for such coverage(s) based on the rating and risk profile of Facility as determined by Consultant, the broker and/or the insurance underwriters setting the premium. In addition, Consultant may provide such services, at Consultant's option, through captives or pooled insurance arrangements with other clients of Consultant or other insureds.

B. Provides, in an advisory capacity, through Consultant, brokers, outside consultants, or vendors, and periodic evaluation of Facility's staff development program, clinical inservice programs, and loss prevention services as indicated and appropriate.

C. Provides worker's compensation coverage(s), training(s), resources and systems, which may or may not include, at Consultant's option, assisting Facility, either for Facility's

own account with third-party carriers, or under self-insurance certificates issued to Consultant or Facility, to self-insure for worker's compensation and other risks.

6. Information Technology.

A. Provides basic technology services, including assistance with computer, peripheral, and network installations and troubleshooting where hardware, software and/or systems used are supported by Consultant.

B. Provides centralized Internet, Intranet, and other technology programs, systems and services to promote efficient, accurate and timely communication, collection and processing of operational and other business data, including electronic medical records and human resource information systems.

C. Provides support and assistance, with other outside consultants and/or vendors, in designing and maintaining web addresses, email services, and informational websites as indicated and appropriate to support and assist operations.

D. Provides centralized purchasing and procurement services and counseling to support and assist the use of technology products and services.

7. Surveys & Certification

A. Provides access to sample, template, form nursing and therapy policy and procedure manuals, handbooks and forms which, at the sole discretion of Facility, may be adopted for Facility's use as modified and/or amended by Facility.

B. Participates as a resource by providing support and assistance, solely in an advisory capacity, in the development of nursing and therapy programs and systems for potential use at Facility which, at the sole discretion of Facility, may be adopted for Facility's use and implemented by Facility as modified and/or amended by Facility.

C. Provides support, advice, and assistance, solely in an advisory capacity, to Facility in the design and periodic evaluation of Facility's staff development and therapy inservice programs and may perform inservices and other formal and informal training(s), which may be offered simultaneously and in conjunction with the training(s) for other of Consultant's clients. Such inservices and/or training(s) may include, without limitation: support, advice, and assistance with resident assessment, charting, and similar activities when performed in connection with survey readiness reviews, mock surveys and other similar clinical consulting and training, in order to assist clinical leadership and staff in the conduct of care delivery. All training(s) and materials provided in connection therewith shall be and remain the property of Consultant and may not be copied, reproduced, distributed or used other than with the express written permission of Consultant.

8. Facility Maintenance and Construction.

A. Participates as a resource in life safety mock surveys.

B. Provides consultation, advice and support concerning major capital expenditures.

C. Provides construction project, preventative maintenance and physical plant repair consultation, advice and support.

D. Assists with landlord relationships and landlord inspection preparation.

9. Miscellaneous Services.

A. Provides periodic Administrator-in-Training ("AIT") and Leadership programs, as well as other formal and informal training(s) which may be offered simultaneously and in conjunction with the training(s) for other of Consultant's clients. Such training(s) by Consultant's representatives, may include, support, advice, and assistance with filing of nursing home administrator and similar certification(s) and licensing applications, and other similar assistance, consulting and training(s), in order to assist Facility in obtaining and maintaining necessary and appropriate certifications and licenses. All training(s) and materials provided in connection therewith shall be and remain the property of Consultant and may not be copied, reproduced, distributed or used other than with the express written permission of Consultant.

B. Provides centralized purchasing opportunities from vendors, and service providers; provided that (i) Facility shall not be required to participate in any such purchasing cooperative or arrangement, (ii) Facility shall never be liable for the expenses, acts, or omissions to act of Consultant or other clients of Consultant under such arrangements, but shall be responsible solely for its own purchases thereunder, (iii) catalogs, materials and forms provided in connection therewith shall be and remain the property of Consultant and may not be copied, reproduced, distributed or used other than with the express written permission of Consultant, and (iv) Consultant shall be authorized to act as Facility's agent for the limited purpose of negotiating and entering into such arrangements, but Consultant shall not be separately bound or obligated to perform under such Agreement and acts instead as procurement agent only.

ADDITIONAL DUTIES TO BE PERFORMED BY FACILTY:

Without limiting any other duty or obligation that Facility may have by law or under the Agreement, Facility shall be solely responsible for:

1. Identifying the members of its own Governing Body which provide support and direction to Facility consistent with the applicable laws and regulations and ensuring that the Governing Body performs the tasks and executes on the responsibility assigned it by applicable state and federal law and any related Facility policy.

2. Hiring, supervising and evaluating its administrator and other Facility employees.

3. Overseeing the day-to-day conduct, operation, delivery of clinical services and related activities of the Facility.

4. Providing a safe and sanitary environment for Facility residents/patients and Facility staff and personnel.

5. Operating its business in and from the Facility Premises in substantial compliance with applicable laws and regulations.

6. Maintaining, as appropriate, all state and federal licenses and certifications required to operate the Facility and provide indicated, appropriate, and reasonable healthcare and other associated services to patients and residents and performing all duties required of a licensee and provider under applicable local, state and federal laws, codes, regulations and provider agreements affecting the operation of the Facility.

7. Implementation of clinical programs and initiatives required by state and federal law and regulations (e.g., infection prevention and control).

EXHIBIT 5(A)

STANDARD BEARER HEALTHCARE REIT, INC.'S GOVERNANCE DOCUMENTS

CORPORATE CHARTER APPROVAL SHEET

** EXPEDITED SERVICE **

** KEEP WITH DOCUMENT **

DOCUMENT CODE 02 BUSINESS CODE 03

#_____

Close _____ Stock ✓ Nonstock _____

P.A. _____ Religious _____

Merging /Converting _____

Surviving/Resulting _____

1000362013442688

ID # D22424915 ACK # 1000362013442688
PAGES: 0014
STANDARD BEARER HEALTHCARE REIT, INC.

12/20/2021 AT 11:47 A WO # 0005097266

New Name _____

FEES REMITTED

	Base Fee:	100
	Org. & Cap. Fee:	20
	Expedite Fee:	425
	Penalty:	
	State Recordation Tax:	
	State Transfer Tax:	
_____	Certified Copies	
	Copy Fee:	
_____	Certificates	
	Certificate of Status Fee:	
	Personal Property Filings:	
	NP Fund:	
	Other:	
	TOTAL FEES:	545

_____ Change of Name
_____ Change of Principal Office
_____ Change of Resident Agent
_____ Change of Resident Agent Address
_____ Resignation of Resident Agent
_____ Designation of Resident Agent and Resident Agent's Address
_____ Change of Business Code
_____ Adoption of Assumed Name
_____ Other Change(s)

Credit Card _____ Check ✓ Cash _____

_____ Documents on _____ Checks

Approved By: 16

Keyed By: _____

Code 409

Attention: _____

Mail: Names and Address

HYLIND SEARCH COMPANY
245 W CHASE ST
BALTIMORE MD 21201-4823

COMMENT(S):

effective 12/20/21 at 12:00 PM

CUST ID:0003880691
WORK ORDER:0005097266
DATE:12-20-2021 11:48 AM
AMT. PAID:$545.00

DEC 2 0 2021

Execution Version

STANDARD BEARER HEALTHCARE REIT, INC.

ARTICLES OF INCORPORATION

Standard Bearer Healthcare REIT, Inc , a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "SDAT") that.

ARTICLE I

INCORPORATION

The undersigned, Keri Grant, whose address is c/o Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, being at least 18 years of age, does hereby form a corporation under the general laws of the State of Maryland

ARTICLE II

NAME

The name of the Corporation is Standard Bearer Healthcare REIT, Inc

ARTICLE III

PURPOSE

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a REIT (as hereinafter defined) under the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code")) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force For purposes of these Articles of Incorporation of the Corporation (the "Charter"), "REIT" means a real estate investment trust under Sections 856 through 860 of the Code

ARTICLE IV

PRINCIPAL OFFICE IN MARYLAND AND RESIDENT AGENT

The address of the principal office of the Corporation in the State of Maryland is c/o Cogency Global Inc , 1519 York Road, Lutherville, MD 21093. The name and address of the resident agent of the Corporation in the State of Maryland are Cogency Global Inc , c/o Cogency Global Inc , 1519 York Road, Lutherville, MD 21093. The resident agent is a Maryland corporation

ARTICLE V

PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 5 1 Number and Classification of Directors The business and affairs of the Corporation shall be managed under the direction of the board of directors of the Corporation (the "Board of Directors") and, except as otherwise expressly provided for by law, the Charter or the bylaws of the Corporation, as amended, restated or otherwise modified from time to time (the "Bylaws"), all of the powers of the Corporation shall be vested in the Board of Directors The number of directors of the Corporation initially shall be one, which number may be increased or decreased by the Board of Directors pursuant to the Bylaws but shall never be less than the minimum number required by the Maryland General Corporation Law, or any successor statute (the "MGCL") The name of the director who shall serve until the first annual meeting of stockholders and until

his successor is duly elected and qualifies is [1]

Name

Craig W Fitch

These Board of Directors may increase the number of directors and may fill any vacancy, whether resulting from an increase in the number of directors or otherwise, on the Board of Directors in the manner provided in the Bylaws

The Corporation elects, at such time as it becomes eligible to make the election provided for under Section 3-804(b) and Section 3-804(c) of the MGCL, that, except as may be provided by the Board of Directors in setting the terms of any class or series of capital stock, (i) the number of directors of the Corporation may be increased or decreased only by the Board of Directors, and (ii) any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the class in which such vacancy occurred and until his or her successor is duly elected and qualifies

Section 5 2 Extraordinary Actions Except as specifically provided in the last sentence of Article VIII, notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if declared advisable by the Board of Directors and taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter

Section 5 3 Authorization by Board of Stock Issuance The Board of Directors, without approval of the stockholders of the Corporation, may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration, if any, as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the Charter or the Bylaws

Section 5 4 Preemptive Rights and Appraisal Rights Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 6 5 or as may otherwise be provided by a contract approved by the Board of Directors, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell Holders of shares of stock shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL or any successor statute unless the Board of Directors, upon affirmative vote of a majority of the Board of Directors, shall determine that such rights apply, with respect to all or any shares of all or any classes or series of stock, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights

Section 5 5 Indemnification

(a) The Corporation shall have the power, to the maximum extent permitted by Maryland law in effect from time to time, to obligate itself to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding without requiring a preliminary determination of the ultimate entitlement to indemnification to, (i) any individual who is a present or former director or officer of the Corporation or (ii) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in any of the foregoing capacities The Corporation shall have the power, with the approval of the Board of Directors, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (i) or (ii) above and to any employee or agent of the Corporation or a predecessor of the Corporation

(b) The Corporation may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of

[1] Note to K&E While a classified board is permitted under the MGCL, each year one class of directors must be up for election Accordingly, a director is not permitted to serve for a three year term unless the Board is classified, in which case the entity will need at least three directors

any person described in the preceding paragraph against any liability which may be asserted against such person

(c) The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person for any such expenses to the maximum extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Corporation may be entitled under any agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office

Section 5 6 Determinations by Board In addition to, and without limitation of, the general grant of power and authority to the Board of Directors under Section 5 1, the determination as to any of the following matters, made by or pursuant to the direction of the Board of Directors consistent with the Charter, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock, the amount of paid-in surplus, net assets, other surplus, annual or other net profit, cash flow, funds from operations, adjusted funds from operations, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets, the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged), any interpretation or resolution of any ambiguity with respect to any provision in the Charter (including any of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any class or series of stock of the Corporation) or of the Bylaws, the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or of any shares of stock of the Corporation, the number of shares of stock of any class or series of the Corporation, any matter relating to the acquisition, holding and disposition of any assets by the Corporation, or any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the Charter or the Bylaws or otherwise to be determined by the Board of Directors

Section 5 7 REIT Qualification The Board of Directors, without any action by the stockholders of the Corporation, shall have the authority to cause the Corporation to elect to be taxed as a REIT for federal income tax purposes Following any such election, if the Board of Directors determines that it is no longer in the best interests of the Corporation to continue to be taxed as a REIT for federal income tax purposes, the Board of Directors, without any action by the stockholders of the Corporation, may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code In addition, the Board of Directors, without any action by the stockholders of the Corporation, shall have and may exercise, on behalf of the Corporation, without limitation, the power (i) to determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Article VII of the Charter is no longer required in order for the Corporation to qualify as a REIT and (ii) to make any other determination or take any other action pursuant to Article VII

Section 5 8 Removal of Directors Subject to the rights of holders of one or more classes or series of Preferred Stock (as defined herein) to elect or remove one or more directors, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause, and then only by the affirmative vote of holders of shares entitled to cast at least two-thirds of all the votes entitled to be cast generally in the election of directors For the purpose of this paragraph, "cause" shall mean, with respect to any particular director, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such director caused demonstrable, material harm to the Corporation through bad faith or active and deliberate dishonesty

Section 5 9 Stockholder Proposals and Nominations of Directors Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws

Section 5 10 Advisor Agreements The Board of Directors may authorize the execution and performance by the Corporation of one or more agreements with any person, corporation, limited liability company, association, company, trust, partnership (limited or general) or other organization whereby, subject to the supervision and control of the Board of Directors, any such other person, corporation, limited liability company, association, company, trust, partnership (limited or general) or other organization shall render or make available to the Corporation managerial, investment, advisory and/or related services, office space and other services and facilities (including, if deemed advisable by the Board of Directors, the management or supervision of the investments of the Corporation) upon such terms and conditions as may be provided in such agreement or agreements (including, if deemed fair and equitable by the Board of Directors, the compensation payable thereunder by the Corporation)

Section 5 11 Corporate Opportunities The Corporation shall have the power, by resolution of the Board of

Directors, to renounce any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities or classes or categories of business opportunities that are presented to the Corporation or developed by or presented to one or more directors or officers of the Corporation.

ARTICLE VI

STOCK

Section 6 1 Authorized Shares The Corporation has authority to issue 1,000,150 shares of stock, consisting of 900,000 shares of Class A Common Stock, $0 01 par value per share ("Class A Stock"), 100,000 shares of Class B Common Stock, $0 01 par value per share ("Class B Stock" and together with Class A Stock, collectively, "Common Stock"), and 150 shares of Preferred Stock, $0 01 par value per share ("Preferred Stock") The aggregate par value of all authorized shares of stock having par value is $10,001 50 If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to Sections 6 2, 6 3 or 6 4 of this Article VI, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph The Board of Directors, with the approval of a majority of the entire Board of Directors, and without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue

Section 6 2 Class A Stock The Board of Directors may reclassify any unissued shares of Class A Stock from time to time into one or more classes or series of stock Subject to the provisions of Article VII and subject to the rights of the holders of Class B Stock and Preferred Stock, as applicable, if any, and any other class of stock hereinafter created by the Corporation

(a) the holders of the Class A Stock shall have the exclusive right to vote for the election of directors and on all other matters requiring stockholder action, each share being entitled to one vote, *provided, however*, that cumulative voting for the election of directors is prohibited,

(b) dividends or other distributions may be declared and paid or set apart for payment upon the Class A Stock out of any assets or funds of the Corporation legally available for the payment of distributions, but only when, as, and if, authorized by the Board of Directors, and

(c) upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the net assets of the Corporation legally available for distribution shall, after the payment of or adequate provision for all known debts and liabilities, be distributed pro rata to the holders of the Class A Stock

Section 6 3 Class B Stock The Board of Directors may reclassify any unissued shares of Class B Stock from time to time into one or more classes or series of stock Subject to the provisions of Article VII and subject to the rights of the holders of Class A Stock and Preferred Stock, as applicable, if any, and any other class of stock hereinafter created by the Corporation

(a) the holders of the Class B Stock shall have the right to vote on any amendment to the Charter in accordance with Article VIII, but shall have no other right to vote on any matter,

(b) dividends or other distributions may be declared and paid or set apart for payment upon the Class B Stock out of any assets or funds of the Corporation legally available for the payment of distributions, but only when, as, and if, authorized by the Board of Directors, and

(c) the holders of Class B Stock shall not participate in the distribution of proceeds upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, unless such distribution constitutes the distribution of proceeds from the sale of all or substantially all of the assets of the Corporation in one or a series of related transactions, in which case the Class B Stock shall share and share alike with distributions of such proceeds to holders of Class A Stock

Section 6 4 Preferred Stock. The Board of Directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any class or series from time to time into one or more classes or series of stock

Section 6 5 Classified or Reclassified Shares Prior to issuance of classified or reclassified shares of any class or series of stock, the Board of Directors by resolution shall (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation, (b) specify the number of shares to be included in the class or series, (c) set or change, subject to the provisions of Article VII and subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers (including voting rights exclusive to such class or series), restrictions (including, without limitation, restrictions on transferability), limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series, and (d) cause the Corporation to file articles supplementary with the SDAT Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 6 5 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary or other Charter document

Section 6 6 Distributions The Board of Directors from time to time may authorize and the Corporation may pay to its stockholders such dividends or other distributions in cash or other property, including in shares of one class of the Corporation's stock payable to holders of shares of another class of stock of the Corporation, as the Board of Directors in its discretion shall determine

Section 6 7 Stockholders' Consent in Lieu of Meeting Any action required or permitted to be taken at any meeting of stockholders may be taken without a meeting (a) if a unanimous consent setting forth the action is given in writing or by electronic transmission by each stockholder entitled to vote on the matter and filed with the minutes of proceedings of the stockholders or (b) if the action is advised, and submitted to the stockholders for approval, by the Board of Directors and a consent in writing or by electronic transmission of stockholders entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of stockholders is delivered to the Corporation in accordance with the MGCL The Corporation shall give notice of any action taken by less than unanimous consent to each stockholder not later than ten days after the effective time of such action

Section 6 8 Charter and Bylaws The rights of all stockholders and the terms of all stock are subject to the provisions of the Charter and the Bylaws

ARTICLE VII

RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 7 1 Definitions For the purpose of this Article VII, the following terms shall have the following meanings

Aggregate Stock Ownership Limit The term "Aggregate Stock Ownership Limit" shall mean 9 8% in value of the aggregate of the outstanding shares of Capital Stock, or such other percentage determined by the Board of Directors in accordance with Section 7 2 8 of the Charter The value of the outstanding shares of Capital Stock shall be determined by the Board of Directors of the Corporation, which determination shall be final and conclusive for all purposes hereof For the purposes of determining the percentage ownership of Capital Stock by any Person, shares of Capital Stock that may be acquired upon conversion, exchange or exercise of any securities of the Corporation directly or constructively held by such Person, but not shares of Capital Stock issuable with respect to the conversion, exchange or exercise of securities for the Corporation held by other Persons, shall be deemed to be outstanding prior to conversion, exchange or exercise

Beneficial Ownership The term "Beneficial Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Sections 856(h)(1)(B) and 856(h)(3)(A) of the Code The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings

Business Day The term "Business Day" shall mean any day, other than a Saturday or a Sunday, that is neither a legal holiday nor a day on which banking institutions in the State of New York are authorized or required by law, regulation or executive order to close

Capital Stock The term "Capital Stock" shall mean all classes or series of stock of the Corporation, including, without limitation, Class A Stock, Class B Stock and Preferred Stock

Charitable Beneficiary The term "Charitable Beneficiary" shall mean one or more beneficiaries of the Charitable Trust as determined pursuant to Section 7 3 6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code

Charitable Trust The term "Charitable Trust" shall mean any trust provided for in Section 7 3 1

Common Stock Ownership Limit The term "Common Stock Ownership Limit" shall mean 9 8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Common Stock, or such other percentage determined by the Board of Directors in accordance with Section 7 2 8 of the Charter The number and value of the outstanding shares of Common Stock of the Corporation shall be determined by the Board of Directors of the Corporation, which determination shall be final and conclusive for all purposes hereof For purposes of determining the percentage ownership of Common Stock by any Person, shares of Common Stock that may be acquired upon conversion, exchange or exercise of any securities of the Corporation directly or constructively held by such Person, but not shares of Common Stock issuable with respect to the conversion, exchange or exercise of securities for the Corporation held by other Persons, shall be deemed to be outstanding prior to conversion, exchange or exercise

Constructive Ownership The term "Constructive Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings

Excepted Holder The term "Excepted Holder" shall mean The Ensign Group, Inc , a Delaware corporation ("Ensign"), and any other Person for whom an Excepted Holder Limit is created by the Charter or by the Board of Directors pursuant to Section 7 2 7.

Excepted Holder Limit The term "Excepted Holder Limit" shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Charter or by the Board of Directors pursuant to Section 7 2 7 and subject to adjustment pursuant to Section 7 2 8, the percentage limit established for an Excepted Holder by the Charter or by the Board of Directors pursuant to Section 7 2 7

Initial Date The term "Initial Date" shall mean the date on which Ensign, distributes the shares of Common Stock to the holders of shares of Ensign common stock

Market Price. The term "Market Price" on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price (as defined in this paragraph) for such Capital Stock on such date The "Closing Price" on any date shall mean the last reported sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the Nasdaq (as defined in this Section 7 1) or, if such Capital Stock is not listed or admitted to trading on the Nasdaq, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined by the Board of Directors

Nasdaq The term "Nasdaq" shall mean the NASDAQ Global Select Market or any successor stock exchange thereto

Person The term "Person" shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a "group" as that term is used for purposes of Rule 13d-5(b) or Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to

which an Excepted Holder Limit applies

Prohibited Owner The term "Prohibited Owner" shall mean, with respect to any purported Transfer (as defined in this Section 7 1) (or other event), any Person who, but for the provisions of Section 7 2 1, would Beneficially Own or Constructively Own shares of Capital Stock in violation of the provisions of Section 7 2 1(a), and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares of Capital Stock that the Prohibited Owner would have so owned

Restriction Termination Date. The term "Restriction Termination Date" shall mean the first day after the Initial Date on which the Board of Directors determines pursuant to Section 5 7 of the Charter that it is no longer in the best interests of the Corporation to be taxed as a REIT for federal income tax purposes or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT

TRS The term "TRS" shall mean a taxable REIT subsidiary (as defined in Section 856(l) of the Code) of the Corporation

Transfer The term "Transfer" shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire or change such Person's percentage of Beneficial Ownership or Constructive Ownership, or any agreement to take any such actions or cause any such events, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right, and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Capital Stock, in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings

Trustee The term "Trustee" shall mean the Person, unaffiliated with both the Corporation and a Prohibited Owner, that is appointed by the Corporation to serve as trustee of the Charitable Trust

Section 7 2 Capital Stock

Section 7 2 1 Ownership Limitations During the period commencing on the Initial Date and prior to the Restriction Termination Date or as otherwise set forth below, and subject to Section 7 4

(a) Basic Restrictions

(i) Except as provided in Section 7 2 7 hereof, no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Aggregate Stock Ownership Limit, and no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Common Stock in excess of the Common Stock Ownership Limit No Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder

(ii) Except as provided in Section 7 2 7 hereof, no Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), or otherwise failing to qualify as a REIT

(iii) Except as provided in Section 7 2 7 hereof, any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being beneficially owned by fewer than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such Capital Stock

(iv) Except as provided in Section 7 2 7 hereof, no Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent such Beneficial Ownership or Constructive Ownership would cause the Corporation to Beneficially Own or Constructively Own 9 9% or more of the ownership interests in a tenant (other than a TRS) of the Corporation's real property within the meaning of Section 856(d)(2)(B) of the Code

(v) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership would otherwise cause the Corporation to fail to qualify as a REIT under the Code, including, but not limited to, as a result of any "eligible independent contractor" (as defined in Section 856(d)(9)(A) of the Code) that operates a "qualified health care property" (as defined in Section 856(e)(6)(D)(i) of the Code), on behalf of a TRS failing to qualify as such

(vi) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock could result in the Corporation failing to qualify as a "domestically controlled qualified investment entity" within the meaning of Section 897(h)(4)(B) of the Code

(b) Transfer in Trust/Transfer Void Ab Initio If any Transfer of shares of Capital Stock (or other event) occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 7 2 1(a)(i), (ii), (iv), (v) or (vi),

(i) then that number of shares of the Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 7 2.1(a)(i), (ii), (iv), (v) or (vi) (rounded up to the nearest whole share) shall be automatically transferred to a Charitable Trust for the benefit of a Charitable Beneficiary, as described in Section 7 3, effective as of the close of business on the Business Day prior to the date of such Transfer (or other event), and such Person shall acquire no rights in such shares of Capital Stock, or

(ii) if the transfer to the Charitable Trust described in clause (i) of this Section 7 2 1(b) would not be effective for any reason to prevent the violation of Section 7 2 1(a)(i), (ii), (iv), (v) or (vi), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 7 2 1(a)(i), (ii), (iv), (v) or (vi) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

Section 7.2 2 Remedies for Breach If the Board of Directors or any duly authorized committee thereof shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 7 2 1 or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 7 2 1 (whether or not such violation is intended), the Board of Directors or a committee thereof, or other designees if permitted by the MGCL, shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares of Capital Stock, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event, provided, however, that any Transfer or attempted Transfer or other event in violation of Section 7 2 1 shall automatically result in the transfer to the Charitable Trust described above, and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board of Directors or a committee thereof, or other designee if permitted by the MGCL

Section 7 2 3 Notice of Restricted Transfer Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 7 2 1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Charitable Trust pursuant to the provisions of Section 7 2.1(b) shall immediately give written notice to the Corporation of such event or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT

Section 7 2 4 Owners Required to Provide Information From the Initial Date and prior to the Restriction Termination Date·

(a) Every owner of more than five percent (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) in number or value of the outstanding shares of Capital Stock, within 30 days after the end of each taxable year, shall give written notice to the Corporation stating (i) the name and address of such owner, (ii) the number of shares of Capital Stock Beneficially Owned and (iii) a description of the manner in which such shares are held Each such owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit, and

(b) Each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the

Corporation's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit

Section 7.2 5 Remedies Not Limited. Nothing contained in this Section 7 2 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to, subject to Section 5 7 of the Charter, protect the Corporation and the interests of its stockholders in preserving the Corporation's status as a REIT

Section 7 2 6 Ambiguity In the case of an ambiguity in the application of any of the provisions of this Article VII, including any definition contained in Section 7 1 of this Article VII, the Board of Directors shall have the power to determine the application of the provisions of this Article VII with respect to any situation based on the facts known to it at such time In the event Section 7 2 or 7 3 requires an action by the Board of Directors and the Charter fails to provide specific guidance with respect to such action, the Board of Directors shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 7 1, 7 2 or 7 3 Absent a decision to the contrary by the Board of Directors (which the Board of Directors may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Sections 7 2 1 and 7.2 2) acquired Beneficial Ownership or Constructive Ownership of Capital Stock in violation of Section 7 2 1, such remedies (as applicable) shall apply first to the shares of Capital Stock which, but for such remedies, would have been actually owned by such Person, and second to shares of Capital Stock which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Capital Stock based upon the relative number of the shares of Capital Stock held by each such Person

Section 7 2 7 Exceptions

(a) The Board of Directors, in its sole discretion, may exempt (prospectively or retroactively) a Person from the restrictions contained in Section 7 2 1(a)(i), (ii) or (iv), as the case may be, and may establish or increase an Excepted Holder Limit for such Person if the Board of Directors obtains such representations, covenants and undertakings as the Board of Directors may deem appropriate in order to conclude that granting the exemption and/or establishing or increasing the Excepted Holder Limit, as the case may be, will not cause the Corporation to lose its status as a REIT

(b) Prior to granting any exception pursuant to Section 7 2 7(a), the Board of Directors may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure that granting the exception will not cause the Corporation to lose its status as a REIT Notwithstanding the receipt of any ruling or opinion, the Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception

(c) Subject to Section 7 2 1(a)(ii), (iv), (v) and (vi), an underwriter, placement agent or initial purchaser that participates in a public offering, a private placement or other private offering of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit, or both such limits, but only to the extent necessary to facilitate such public offering, private placement or immediate resale of such Capital Stock, and provided that the restrictions contained in Section 7 2 1(a) will not be violated following the distribution by such underwriter, placement agent or initial purchaser of such shares of Capital Stock

Section 7 2 8 Change in Aggregate Stock Ownership Limit, Common Stock Ownership Limit and Excepted Holder Limits

(a) The Board of Directors may from time to time increase or decrease the Aggregate Stock Ownership Limit and/or the Common Stock Ownership Limit, provided, however, that a decreased Aggregate Stock Ownership Limit and/or Common Stock Ownership Limit will not be effective for any Person whose percentage ownership of Capital Stock is in excess of such decreased Aggregate Stock Ownership Limit and/or Common Stock Ownership Limit until such time as such Person's percentage of Capital Stock equals or falls below the decreased Aggregate Stock Ownership Limit and/or Common Stock Ownership Limit, but until such time as such Person's percentage of Capital Stock falls below such decreased Aggregate Stock Ownership Limit and/or Common Stock Ownership Limit, any further acquisition of Capital Stock will be in violation of the Aggregate Stock Ownership Limit and/or Common Stock Ownership Limit and, provided further, that the new Aggregate Stock Ownership Limit and/or Common Stock Ownership Limit would not allow five or fewer individuals (taking into account all Excepted Holders) to Beneficially Own or Constructively Own more than 49 9% in value of the outstanding Capital Stock

(b) The Board of Directors may only reduce the Excepted Holder Limit for an Excepted Holder (i) with the written consent of such Excepted Holder at any time, or (ii) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder No Excepted Holder Limit shall be reduced to a percentage that is less than the then-existing Aggregate Stock Ownership Limit or Common Stock Ownership Limit, as applicable

Section 7 2 9 Legend Each certificate, if any, or any notice in lieu of any certificate, for shares of Capital Stock shall bear a legend summarizing the restrictions on ownership and transfer contained herein Instead of a legend, the certificate, if any, may state that the Corporation will furnish a full statement about certain restrictions on ownership and transferability to a stockholder on request and without charge

Section 7 3 Transfer of Capital Stock in Trust

Section 7.3 1 Ownership in Trust Upon any purported Transfer or other event described in Section 7 2 1(b) that would result in a transfer of shares of Capital Stock to a Charitable Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Charitable Trust pursuant to Section 7 2 1(b) The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 7 3 6

Section 7 3 2 Status of Shares Held by the Trustee Shares of Capital Stock held by the Trustee shall continue to be issued and outstanding shares of Capital Stock of the Corporation The Prohibited Owner shall have no rights in the Capital Stock held by the Trustee The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Charitable Trust The Prohibited Owner shall have no claim, cause of action or any other recourse whatsoever against the purported transferor of such Capital Stock

Section 7 3 3 Dividend and Voting Rights The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Charitable Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid to a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid with respect to such shares of Capital Stock by the Prohibited Owner to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee Any dividends or other distributions so paid over to the Trustee shall be held in trust for the Charitable Beneficiary The Prohibited Owner shall have no voting rights with respect to shares held in the Charitable Trust and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to the Charitable Trust, the Trustee shall have the authority (at the Trustee's sole discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary, provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote Notwithstanding the provisions of this Article VII, until the Corporation has received notification that shares of Capital Stock have been transferred into a Charitable Trust, the Corporation shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of stockholders

Section 7 3 4 Sale of Shares by Trustee Within 20 days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Charitable Trust, the Trustee of the Charitable Trust shall sell the shares held in the Charitable Trust to a Person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 7 2 1(a) Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 7 3.4 The Prohibited Owner shall receive the lesser of (1) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the Charitable Trust (*e g* , in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Charitable Trust and (2) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Charitable Trust The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the Trustee pursuant to Section

7 3 3 of this Article VII Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary, together with any distributions thereon If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Charitable Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 7 3 4, such excess shall be paid to the Trustee upon demand

Section 7 3.5 Purchase Right in Stock Transferred to the Trustee Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price paid per share in the transaction that resulted in such transfer to the Charitable Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (ii) the Market Price on the date the Corporation, or its designee, accepts such offer The Corporation may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the Trustee pursuant to Section 7 3 3 of this Article VII The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Charitable Trust pursuant to Section 7 3 4 Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner, and any dividends or other distributions held by the Trustee shall be paid to the Charitable Beneficiary.

Section 7 3 6 Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Charitable Trust such that (i) the shares of Capital Stock held in the Charitable Trust would not violate the restrictions set forth in Section 7 2 1(a) in the hands of such Charitable Beneficiary and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under one of Sections 170(b)(1)(A), 2055 and 2522 of the Code. Neither the failure of the Corporation to make such designation nor the failure of the Corporation to appoint the Trustee before the automatic transfer provided for in Section 7 2 1(b)(i) shall make such transfer ineffective, provided that the Corporation thereafter makes such designation and appointment

Section 7 4 Nasdaq Transactions Nothing in this Article VII shall preclude the settlement of any transaction entered into through the facilities of the Nasdaq or any other national securities exchange or automated inter-dealer quotation system The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article VII, and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article VII

Section 7 5 Enforcement The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article VII

Section 7 6 Non-Waiver No delay or failure on the part of the Corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing

Section 7 7 Severability If any provision of this Article VII or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of such court

ARTICLE VIII

AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to the Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation Except as otherwise provided in the Charter and except for those amendments permitted to be made without stockholder approval under Maryland law or by specific provision in the Charter, any amendment to the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter However, any amendment to Section 5 8 and Article VII or to this sentence of the Charter shall be valid only if declared advisable by the Board of Directors and

approved by the affirmative vote of holders of shares of Class A Stock entitled to cast at least two-thirds of all the votes entitled to be cast on the matter, provided that if such amendment adversely affects the express rights of holders of Class B Stock, such amendment shall require in addition to the above, the affirmative vote of holders of shares of Class B Stock entitled to cast a majority of all the votes entitled to be cast on the matter

ARTICLE IX

LIMITATION OF LIABILITY

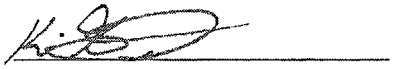
To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages Neither the amendment nor repeal of this Article IX, nor the adoption or amendment of any other provision of the Charter or the Bylaws inconsistent with this Article IX, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption

FIRST These Articles of Incorporation shall become effective at 12 00 p m , Eastern Time, on December 20, 2021 (the "Effective Time")

[Signatures appear on the following page.]

CUST ID:0003880691
WORK ORDER:0005097266
DATE:12-20-2021 11:48 AM
AMT. PAID:$545.00

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and acknowledge the same to be my act as of the 16th day of December, 2021.



Keri Grant

[Signature Page - Articles of Incorporation of Standard Bearer Healthcare REIT, Inc.]

STANDARD BEARER HEALTHCARE REIT, INC.

BYLAWS

(Adopted as of December 20, 2021)

ARTICLE I
OFFICES

Section 1. Principal Office.

The principal office of Standard Bearer Healthcare REIT, Inc. (the "Corporation") in the State of Maryland shall be located at such place as the Board of Directors of the Corporation (the "Board of Directors") may designate from time to time.

Section 2. Additional Offices.

The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Place.

All meetings of stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set in accordance with these bylaws (these "Bylaws") and stated in the notice of the meeting.

Section 2. Annual Meeting.

An annual meeting of stockholders for the election of directors and the transaction of any business as may properly be brought before the meeting and within the powers of the Corporation shall be held on the date and at the time and place set by the Board of Directors. The Corporation shall hold its first annual meeting of stockholders beginning with the year 2022.

Section 3. Special Meetings.

Each of the Chairman of the Board of Directors, the Chief Executive Officer, the President and the Board of Directors may call a special meeting of stockholders. A special meeting of stockholders shall be held on the date and at the time and place set by whoever has called the meeting. A special meeting of stockholders shall also be called by the Secretary of the Corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting stating the purpose of such meeting and the matters proposed to be acted on at such meeting, and any such special meeting shall be held on the date and at the time and place set by the Board of Directors. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice.

Section 4. Notice.

Not less than 10 nor more than 90 days before each meeting of stockholders, the Secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting notice in writing or by electronic transmission stating the date, time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business or by any other means permitted by applicable law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. The Corporation may give a single notice to all stockholders who share an address, which single notice shall be effective as to any stockholder at such address, unless a stockholder at such address objects to receiving such single notice or revokes a prior consent to receiving such single notice. Failure to give notice of any meeting to one or more

stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II or the validity of any proceedings at any such meeting.

Any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice of such special meeting. The Corporation may postpone or cancel a meeting of stockholders by making a public announcement by giving notice of the date, time and place of such postponement or cancellation prior to the meeting.

Section 5. Organization and Conduct.

Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chairman of the meeting or, in the absence of such appointment or appointed individual, by the Chairman of the Board of Directors or, in the case of a vacancy in the office or absence of the Chairman of the Board of Directors, by one of the following officers present at the meeting in the following order: the Executive Chairman of the Board of Directors, if there is one, the Chief Executive Officer, the President, the Vice Presidents in their order of rank and seniority, the Secretary, or, in the absence of such officers, a chairman chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy at such meeting. The Secretary, or, in the Secretary's absence, an Assistant Secretary, or, in the absence of both the Secretary and Assistant Secretaries, an individual appointed by the Board of Directors or, in the absence of such appointment, an individual appointed by the chairman of the meeting shall act as secretary of the meeting. In the event that the Secretary presides at a meeting of stockholders, an Assistant Secretary, or, in the absence of all Assistant Secretaries, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting.

The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders as the Board of Directors deems appropriate. Except to the extent not prohibited by any such rules, regulations and procedures adopted by the Board of Directors, the chairman of the meeting shall determine the order of business and all other matters of procedure at any meeting of stockholders and shall have the authority to adopt rules, regulations and procedures and take such other actions as, in the discretion of the chairman and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance at the meeting to stockholders of record of the Corporation, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (c) limiting participation at the meeting on any matter to stockholders of record of the Corporation entitled to vote on such matter, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (d) limiting the time allotted to questions or comments by participants; (e) determining when and for how long the polls should be opened and when the polls should be closed; (f) maintaining order and security at the meeting; (g) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (h) concluding a meeting or recessing or adjourning the meeting to a later date and time and at a place announced at the meeting; and (i) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 6. Quorum.

At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter shall constitute a quorum; but this section shall not affect any requirement under any statute or the Articles of Incorporation of the Corporation (the "Charter") for the vote necessary for the approval of any matter. If, however, such quorum is not established at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. The stockholders present either in person or by proxy, at a meeting which has been duly called and at which a quorum has been established, may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough stockholders to leave fewer

than would be required to establish a quorum.

Section 7. Voting.

Directors of the Corporation shall be elected by a plurality of the votes cast at any meeting of stockholders at which directors are to be elected and at which a quorum is present. Each share may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted, without any right to cumulative voting. A majority of the votes cast in favor of a matter (other than the election of directors) at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any such matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Charter. Unless otherwise provided by statute or by the Charter, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders. Unless otherwise determined by the chairman of the meeting, voting on any question or in any election may be by voice vote rather than by ballot.

Section 8. Proxies.

A holder of record of shares of stock of the Corporation may cast votes in person or by proxy executed or authorized by the stockholder or by the stockholder's duly authorized agent in any manner permitted by law. Such proxy or evidence of authorization of such proxy shall be filed with the Secretary of the Corporation before or at the meeting. No proxy shall be valid more than 11 months after its date, unless otherwise provided in the proxy.

Section 9. Voting of Stock by Certain Holders.

Stock of the Corporation registered in the name of a corporation, partnership, limited liability company, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, general partner, trustee or managing member thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person, who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or an agreement of the partners of a partnership, presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any director or fiduciary may vote stock registered in the name of such person in the capacity of such director or fiduciary, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by the Corporation shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by the Corporation in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth: the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or desirable. On receipt by the Corporation of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the holder of record of the specified stock in place of the stockholder who makes the certification.

Section 10. Inspectors.

The Board of Directors or the chairman of the meeting may appoint, before or at the meeting, one or more inspectors for the meeting and any successor to the inspector. Except as otherwise provided by the chairman of the meeting, the inspectors, if any, shall (i) determine the number of shares of stock represented at the meeting, in person or by proxy, and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chairman of the meeting, (iv) hear and determine all challenges and questions arising in connection with the validity of any proxies of ballots, (v) perform such tasks as may be required by applicable law and (vi) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by the inspector or by a majority of the inspectors if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority of the inspectors shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares

represented at the meeting and the results of the voting shall be *prima facie* evidence thereof.

Section 11. Control Share Acquisition Act.

Notwithstanding any other provision of the Charter or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law (or any successor statute) (the "MGCL") shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

Section 12. Telephone Meetings.

The Board of Directors or chairman of the meeting may permit one or more stockholders to participate by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at the meeting.

ARTICLE III
DIRECTORS

Section 1. General Powers.

The business and affairs of the Corporation shall be managed under the direction of its Board of Directors.

Section 2. Number, Tenure and Resignation.

At any meeting of the Board of Directors, a majority of the entire Board of Directors may establish, increase or decrease the number of directors, *provided, however*, that the number thereof shall never be less than the minimum required by the MGCL nor more than nine, and *provided further* that the tenure of office of a director shall not be affected by any decrease in the number of directors. Directors shall be elected at the annual meeting of stockholders, and each director shall hold office for the term for which he or she is elected and until his or her successor is duly elected and qualifies. Any director of the Corporation may resign at any time by delivering his or her resignation in writing to the Board of Directors, the Chairman of the Board of Directors or the Secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. Annual and Regular Meetings.

An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, with no notice other than this Bylaw being necessary, or at such other date, time and place as may be determined by the Board of Directors and specified in a notice given as hereinafter provided for special meetings of the Board of Directors. The Board of Directors may provide, by resolution, the date, time and place for the holding of regular meetings of the Board of Directors without other notice than such resolution.

Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board of Directors, the Chief Executive Officer, the President or a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the date, time and place for holding any special meeting of the Board of Directors called by them. The Board of Directors may provide, by resolution, the time and place for the

holding of special meetings of the Board of Directors without other notice than such resolution.

Section 5. Notice.

Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, courier or United States mail to each director at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the director or his or her agent is personally given such notice in a telephone call to which the director or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by thedirector. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. Quorum.

A majority of the directors shall constitute a quorum for transaction of business at any meeting of the Board of Directors, *provided* that, if less than a majority of such directors is present at such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and *provided further* that, if, pursuant to applicable law, the Charter or these Bylaws, the vote of a majority or other percentage of a particular group of directors is required for action, a quorum must also include a majority or such other percentage of such group.

The directors present at a meeting which has been duly called and at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave fewer than required to establish a quorum.

Section 7. Voting.

The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws. If enough directors have withdrawn from a meeting to leave fewer than required to establish a quorum, but the meeting is not adjourned, the action of the majority of that number of directors necessary to constitute a quorum at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws.

Section 8. Organization.

At each meeting of the Board of Directors, the Chairman of the Board of Directors shall act as chairman of the meeting. In the absence of the Chairman of the Board of Directors, the Chief Executive Officer, if a director, or, in the absence of the Chief Executive Officer, the President, if a director, or, in the absence of the President, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The Secretary or, in his or her absence, an Assistant Secretary of the Corporation, or, in the absence of the Secretary and all Assistant Secretaries, an individual appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 9. Telephone Meetings.

Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall

constitute presence in person at the meeting.

Section 10. Consent by Directors Without a Meeting.

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a consent in writing or by electronic transmission to such action is given by each director and is filed with the minutes of proceedings of the Board of Directors.

Section 11. Vacancies.

If for any reason any or all of the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder. Until such time as the Corporation becomes subject to Section 3-804(c) of the MGCL, any vacancy on the Board of Directors for any cause other than an increase in the number of directors may be filled by a majority of the remaining directors, even if such majority is less than a quorum; any vacancy in the number of directors created by an increase in the number of directors may be filled by a majority vote of the entire Board of Directors; and any individual so elected as director shall serve until the next annual meeting of stockholders and until his or her successor is elected and qualifies. At such time as the Corporation becomes subject to Section 3-804(c) of the MGCL and except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any vacancy on the Board of Directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies.

Section 12. Chairman of the Board of Directors.

The Board of Directors shall designate a Chairman of the Board of Directors. The Board of Directors may designate the Chairman of the Board of Directors as an executive or non-executive chairman. The Chairman of the Board of Directors shall preside over the meetings of the Board of Directors. The Chairman of the Board of Directors shall perform such other duties as may be assigned to him by these Bylaws or the Board of Directors.

Section 13. Compensation.

Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Corporation and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they perform or engage in as directors. Nothing herein contained, however, shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 14. Reliance.

Each director and officer of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented; by a lawyer, certified public accountant or other person, as to a matter which the director or officer reasonably believes to be within the person's professional or expert competence; or, with respect to a director, by a committee of the Board of Directors on which the director does not serve, as to a matter within its designated authority, if the director reasonably believes the committee to merit confidence.

Section 15. Certain Rights of Directors and Officers.

A director who is not also an officer of the Corporation shall have no responsibility to devote his or her full time to the affairs of the Corporation. Any director or officer, in his or her personal capacity or in a capacity as an affiliate, employee or agent of any other person, or otherwise, may have business interests and engage in business activities similar to, in addition

to or in competition with those of or relating to the Corporation.

Section 16. Ratification.

The Board of Directors or the stockholders may ratify any act, omission, failure to act or determination made not to act (an "Act") by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the Act and, if so ratified, such Act shall have the same force and effect as if originally duly authorized and such ratification shall be binding upon the Corporation and its stockholders. Any Act questioned in any proceeding on the ground of lack of authority; defective or irregular execution; adverse interest of a director, officer or stockholder; non-disclosure; miscomputation; the application of improper principles or practices of accounting or otherwise may be ratified, before or after judgment in the proceeding, by the Board of Directors or by the stockholders, and such ratification shall constitute a bar to any claim or execution of any judgment in the proceeding in respect of such questioned Act

Section 17. Emergency Provisions.

Notwithstanding any other provision in the Charter or these Bylaws, this Section 17 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (i) a meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Directors during such an Emergency may be given less than 24 hours prior to the meeting to as many directors and by such means as may be feasible at the time, including publication, television or radio; and (iii) the number of directors necessary to constitute a quorum shall be one-third of the entire Board of Directors.

ARTICLE IV
COMMITTEES

Section 1. Number, Tenure and Qualifications.

The Board of Directors may appoint from among its members committees composed of one or more directors, to serve at the pleasure of the Board of Directors. The exact composition of each committee, including the total number of directors shall be determined by the Board of Directors. .

Section 2. Powers.

The Board of Directors may delegate to committees appointed under Section 1 of this Article IV any of the powers of the Board of Directors, except as prohibited by law.

Section 3. Meetings.

Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee (if there are at least two members of the committee) may fix the time and place of the committee meeting unless the Board of Directors shall otherwise provide. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member.

Section 4. Telephone Meetings.

Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time.

Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. Consent by Committees Without a Meeting.

Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting if a consent in writing or by electronic transmission to such action is given by each member of the committee and is filed with the minutes of proceedings of such committee.

Section 6. Removal and Vacancies.

Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership or size of any committee (including the removal of any member of such committee), to fill any vacancy, to designate an alternate member to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V
OFFICERS

Section 1. General Provisions.

The officers of the Corporation shall include a President, a Secretary and a Treasurer and may include a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, a Chief Executive Officer, a Chief Operating Officer, a Chief Financial Officer, one or more Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers. In addition, the Board of Directors may from time to time elect such other officers with such powers and duties as it shall deem necessary or desirable. The officers of the Corporation shall be elected by the Board of Directors, except that the Chief Executive Officer or President may from time to time appoint one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers or other officers. Each officer shall serve until his or her successor is elected and qualifies or until his or her death, or until his or her resignation or removal in the manner hereinafter provided. Any two or more offices except President and Vice President may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent. In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

Section 2. Removal and Resignation.

Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by delivering his or her resignation in writing to the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President or the Secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 3. Vacancies.

A vacancy in any office may be filled by the Board of Directors for the balance of the term of that office.

Section 4. Chief Executive Officer.

The Board of Directors may designate a Chief Executive Officer. In the absence of such designation, the Chairman of the Board of Directors shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed, and in general shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be prescribed by

the Board of Directors from time to time.

Section 5. Chief Operating Officer.

The Board of Directors may designate a Chief Operating Officer. The Chief Operating Officer shall have the responsibilities and duties as prescribed by the Board of Directors or the Chief Executive Officer.

Section 6. Chief Financial Officer.

The Board of Directors may designate a Chief Financial Officer. The Chief Financial Officer shall have the responsibilities and duties prescribed by the Board of Directors or the Chief Executive Officer.

Section 7. President.

In the absence of a Chief Executive Officer, the President shall in general supervise and control all of the business and affairs of the Corporation. In the absence of a designation of a Chief Operating Officer by the Board of Directors, the President shall be the Chief Operating Officer. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 8. Vice Presidents.

In the absence of the President or in the event of a vacancy in such office, the Vice President (or in the event there be more than one Vice President, Vice Presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to such Vice President by the Board of Directors, the President or Chief Executive Officer. The Board of Directors may designate one or more Vice Presidents as Executive Vice President, Senior Vice President or as Vice President for particular areas of responsibility.

Section 9. Secretary.

The Secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder; (e) have general charge of the stock transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the President or the Board of Directors.

Section 10. Treasurer.

The Treasurer shall (a) have custody of the funds and securities of the Corporation, (b) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, (c) deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and (d) in general perform such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the President or the Board of Directors. In the absence of a designation of a Chief Financial Officer by the Board of Directors, the Treasurer shall be the Chief Financial Officer of the Corporation.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Board of Directors, at the regular meetings of the Board of Directors or whenever the Board of Directors may so require, an account of all his or her transactions as

Treasurer and of the financial condition of the Corporation.

Section 11. Assistant Secretaries; Assistant Treasurers.

The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the Chief Executive Officer, the President or the Board of Directors.

Section 12. Compensation.

The compensation of the officers shall be fixed from time to time by or under the authority of the Board of Directors. No officer shall be prevented from receiving such compensation in his or her capacity as an officer by reason of the fact that he or she is also a director.

ARTICLE VI
CONTRACTS, CHECKS AND DEPOSITS

Section 1. Contracts.

The Board of Directors or a committee of the Board of Directors acting within the scope of its delegated authority may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when duly authorized or ratified, generally or specifically, by action of the Board of Directors or such other committee and executed by an authorized person.

Section 2. Checks and Drafts.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. Deposits.

All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation as the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer or any other officer designated by the Board of Directors may determine.

ARTICLE VII
STOCK

Section 1. Certificates.

Except as may be otherwise provided by the Board of Directors, stockholders of the Corporation are not entitled to certificates representing the shares of stock held by them. In the event that the Corporation issues shares of stock represented by certificates, such certificates shall be in such form as prescribed by the Board of Directors or a duly authorized officer, shall contain the statements and information required by the MGCL and shall be signed by the officers of the Corporation in the manner required by the MGCL. In the event that the Corporation issues shares of stock without certificates, to the extent then required by the MGCL, the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates. There shall be no differences in the

rights and obligations of stockholders based on whether or not their shares are represented by certificates.

Section 2. Transfers.

All transfers of shares of stock shall be made on the books of the Corporation and the books of the transfer agent of the Corporation, if applicable, by the holder of the shares, in person or by his or her attorney, in such manner as the Board of Directors or any officer of the Corporation may prescribe. If such shares are certificated, then, upon surrender to the Corporation or, if authorized by the Corporation, to the transfer agent of the Corporation, of certificates duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation, or, if authorized by the Corporation, the transfer agent of the Corporation, shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction on its books. The issuance of a new certificate upon the transfer of certificated shares is subject to the determination of the Board of Directors that such shares shall no longer be represented by certificates. Upon the transfer of any uncertificated shares, to the extent then required by the MGCL, the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not the Corporation shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Maryland. Notwithstanding the foregoing, transfers of shares of any class or series of stock will be subject in all respects to the Charter and all of the terms and conditions contained therein.

Section 3. Replacement Certificate.

Any officer of the Corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated; *provided, however*, that if such shares have ceased to be certificated, no new certificate or certificates shall be issued unless requested in writing by such stockholder and the Board of Directors has determined that such certificate or certificates may be issued. Unless otherwise determined by an officer of the Corporation, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Corporation a bond in such sums as the Corporation may direct as indemnity against any claim that may be made against the Corporation.

Section 4. Fixing of Record Date.

The Board of Directors may set, in advance, a record date for the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or of determining the stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten 10 days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

When a record date for the determination of stockholders entitled to notice of, and to vote at, any meeting of stockholders has been set as provided in this section, such record date shall continue to apply to the meeting if adjourned or postponed, except if the meeting is adjourned or postponed to a date more than 120 days after the record date originally fixed for the meeting, in which case a new record date for such meeting may be determined as set forth herein.

Section 5. Stock Ledger.

The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate stock ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 6. Fractional Stock; Issuance of Units.

The Board of Directors may authorize the Corporation to issue fractional stock or authorize the issuance of scrip,

all on such terms and under such conditions as the Board of Directors may determine. Notwithstanding any other provision of the Charter or these Bylaws, the Board of Directors may issue units consisting of different securities of the Corporation. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Corporation, except that the Board of Directors may provide that, for a specified period, securities of the Corporation issued in such unit may be transferred on the books of the Corporation only in such unit.

ARTICLE VIII
MISCELLANEOUS

Section 1. Fiscal Year.

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

Section 2. Severability.

If any provision of these Bylaws shall be held invalid or unenforceable in any respect, such holding shall apply only to the extent of any such invalidity or unenforceability and shall not in any manner affect, impair or render invalid or unenforceable any other provision of the Bylaws in any jurisdiction.

ARTICLE IX
DISTRIBUTIONS

Section 1. Authorization.

Dividends and other distributions upon the stock of the Corporation may be authorized by the Board of Directors, subject to the provisions of law and the Charter. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of law and the Charter.

Section 2. Contingencies.

Before payment of any dividends or other distributions, there may be set aside (but there is no duty to set aside) out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends or other distributions, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine to be in the best interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X
INVESTMENT POLICIES

Subject to the provisions of the Charter, the Board of Directors may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Corporation as the Board of Directors shall deem appropriate in its sole discretion.

ARTICLE XI
SEAL

Section 1. Seal.

The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall be in such form as

approved from time to time by the Board of Directors. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. Affixing Seal.

Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

ARTICLE XII
INDEMNIFICATION AND ADVANCE OF EXPENSES

To the maximum extent permitted by Maryland law in effect from time to time, the Corporation shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse all reasonable costs, fees and expenses (including attorneys' fees, costs and expenses) in advance of a final disposition of any Proceeding (as defined below) to (a) any individual who is a present or former director or officer of the Corporation and who was or is made or threatened to be made a party to any pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of his or her service in that capacity or (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who was or is made or threatened to be made a party to any Proceeding by reason of his or her service in that capacity. The rights to indemnification and to be paid or reimbursed expenses in advance of a final disposition of any Proceeding provided by the Charter and these Bylaws shall vest immediately upon election of a director or officer.

In addition to and not in limitation of the provisions of this Article XII, the Corporation may, with the approval of the Board of Directors, provide such indemnification and payment or reimbursement of expenses in advance to (i) an individual who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and (ii) any employee or agent of the Corporation or a predecessor of the Corporation.

Subject to the terms of any agreement between the Corporation and any present and future directors and officers of the Corporation, if a claim under this Article XII is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation from a present or former director or officer of the Corporation, except in the case of a claim for payment or reimbursement of expenses in advance of the final disposition of a Proceeding, in which case the applicable period shall be 20 days, the present or former director or officer making such claim may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be indemnified for the costs, fees and expenses (including attorneys' fees, costs and expenses) actually and reasonably incurred by such person in prosecuting such suit.

The indemnification and payment or reimbursement of expenses in advance provided in these Bylaws shall not be deemed exclusive of or limit in any way any other rights to which any person seeking indemnification or payment or reimbursement of expenses may be or may become entitled under any bylaw, charter, resolution, insurance, agreement, vote of directors or stockholders, or otherwise, it being the policy of the Corporation that indemnification of and payment and reimbursement of expenses in advance to all present and former directors and officers of the Corporation shall be made to the fullest extent permitted by applicable law.

Neither the amendment nor repeal of this Article XII, nor the adoption or amendment of any other provision of the Charter or these Bylaws inconsistent with this Article XII, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

In addition to any indemnification permitted by these Bylaws, the Board of Directors shall, in its sole discretion, have the power to grant such indemnification as it deems in the interest of the Corporation to the full extent permitted by law. This Article XII shall not limit the Corporation's power to indemnify against liabilities not arising from a person's

serving the Corporation as a director, officer, employee or agent.

ARTICLE XIII
WAIVER OF NOTICE

Whenever any notice of a meeting is required to be given pursuant to the Charter or these Bylaws or pursuant to applicable law, a waiver thereof in writing or by electronic transmission, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice of such meeting, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE XIV
EXCLUSIVE FORUM FOR CERTAIN LITIGATION

Unless the Corporation consents in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Northern Division, shall be the sole and exclusive forum for (a) any Internal Corporate Claim, as such term is defined in the MGCL, or any successor provision thereof, (b) any derivative action or proceeding brought on behalf of the Corporation, other than actions arising under federal securities laws, (c) any action asserting a claim of breach of any duty owed by any director, officer or other employee of the Corporation to the Corporation or to the stockholders of the Corporation, (d) any action asserting a claim against the Corporation or any director, officer or other employee of the Corporation arising pursuant to any provision of the MGCL or the Charter or these Bylaws, or (e) any other action asserting a claim against the Corporation or any director or officer or other employee of the Corporation that is governed by the internal affairs doctrine. None of the foregoing actions, claims or proceedings may be brought in any court sitting outside the State of Maryland unless the Corporation consents in writing to such court. Any record or beneficial stockholder of the Corporation who commences such an action shall cooperate in a request that the action be assigned to the Court's Business & Technology Case Management Program.

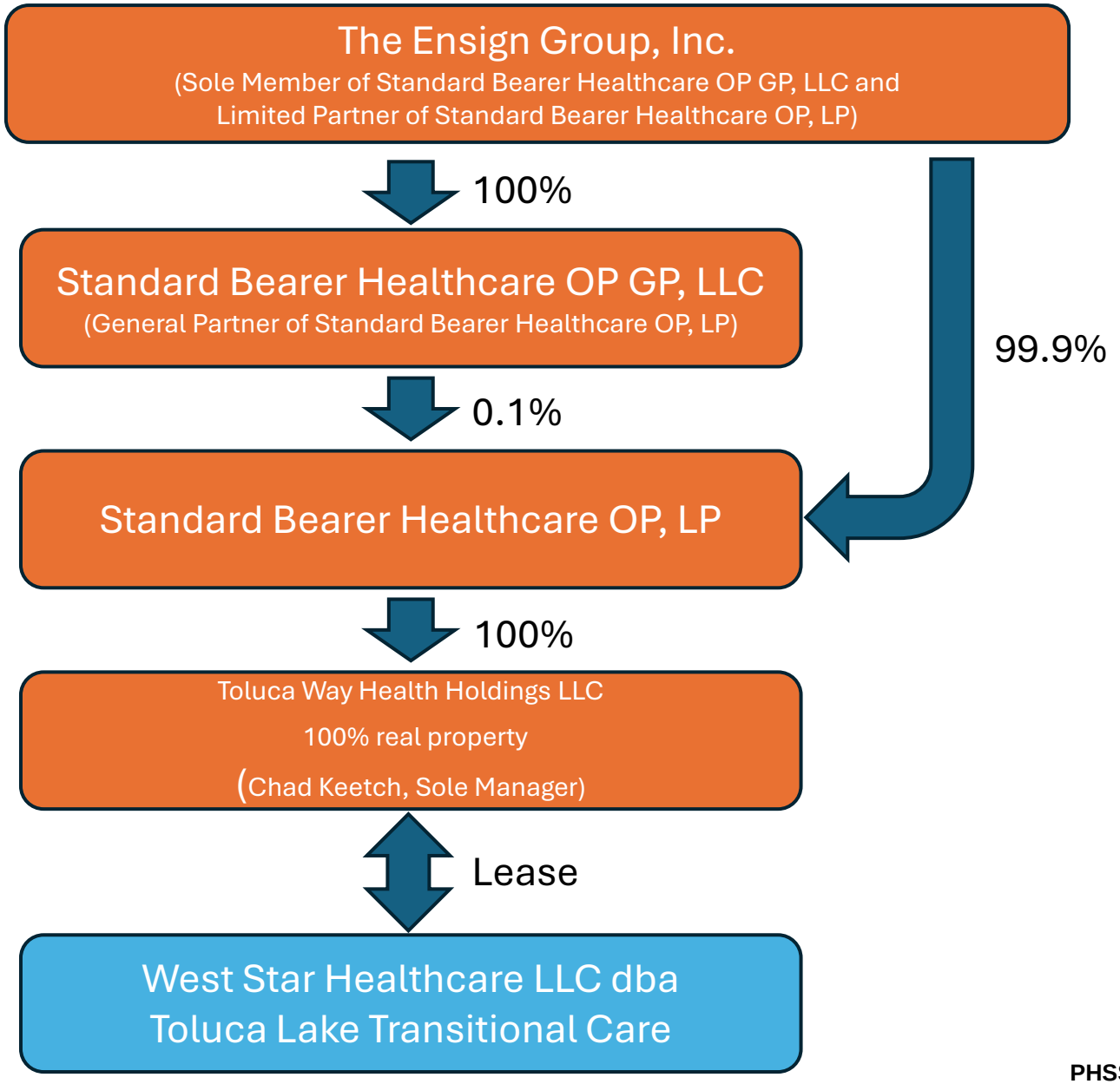
ARTICLE XV
AMENDMENT OF BYLAWS

The Board of Directors shall have the exclusive power to adopt, alter or repeal any provision of these Bylaws and to make new Bylaws.

EXHIBIT 5(B)

STANDARD BEARER HEALTHCARE REIT, INC.'S ORGANIZATIONAL CHART

Real Estate ADP Chart: West Star Healthcare LLC



PHSSC 01771