

ASSET PURCHASE AGREEMENT

by and among

**The Board of Supervisors of the County of Stephenson and State of Illinois, a unit of local
government, AKA: Stephenson Co Nursing Center**

and

Freeport Nursing LLC and Freeport Realty LLC

August 21, 2025

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (as amended or modified in writing as may be expressly permitted herein, this “Agreement”) is entered into as of August 21 2025, by and among The Board of Supervisors of the County of Stephenson and state of Illinois, AKA: Stephenson Co Nursing Center (“Seller”), and Freeport Nursing LLC, an Illinois limited liability company and Freeport Realty, LLC, an Illinois limited liability company, (together with those successors, designees and assigns as may be expressly permitted herein, collectively “Buyer”). Seller and Buyer are referred to collectively herein as the “Parties.” Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in ARTICLE I.

RECITALS

1. The Seller owns and operates a senior living and skilled nursing community commonly known as Stephenson Nursing Center (“Community”) consisting of 148 beds and located at 2946 South Walnut Road, Freeport, IL 61032 (the “Business”).

2. The Seller desires to sell, and the Buyer desires to purchase, substantially all of the assets used and useful in the Business;

NOW, THEREFORE, in consideration of the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows:

ARTICLE I. DEFINITIONS

“Accounts Receivable” means uncollected accounts receivable and other rights to receive payment for goods and services provided by any of the Seller prior to the Transfer Date, which term shall include, without limitation, out-of-pocket (self-pay) payments, commercial insurance payments and the payments under Title XVIII of the Social Security Act (“Medicare”) that have been charged off as bad debts, whether billed or unbilled, or recorded or unrecorded, or collected after the Closing Date.

“Affiliate” when used with reference to another Person means any Person, directly or indirectly, through one or more intermediaries, Controlling, Controlled by, or under common Control with, such other Person.

“Agreement” has the meaning set forth in the preamble.

“Alternate Transaction” means a transaction or series of related transactions pursuant to which any of the Sellers (a) accept an offer for some or all of the Purchased Assets from a party other than that of Buyer, as the highest and best offer, (b) sell, transfer, lease or otherwise dispose of, directly or indirectly, including through an asset sale, stock sale, merger, reorganization or other similar transaction (by any of the Sellers or otherwise), including pursuant to a Plan or refinancing, some or all of the Purchased Assets (or agrees to do any of the foregoing) in a transaction or series

of transactions to a Person or Persons other than Buyer, or (c) refinances, recapitalizes or engages in a similar transaction through a plan of reorganization by which any of the Sellers retain Control of the Purchased Assets, so long as such sale, transfer, lease, disposition, refinancing, recapitalization or other similar transaction is determined to be the highest and best transaction for the Purchased Assets after conclusion of the Auction.

“Assignment and Assumption Agreement” has the meaning set forth in Section 2.7(i)(ii).

“Assumed Contracts” means those contracts enumerated on Appendix 2, attached hereto. For the avoidance of doubt, “Assumed Contracts” shall include all Residency Agreements but shall not include any Contract or Lease not included on the final Assumed Contract Schedule approved by the Buyer.

“Assumed Liabilities” means those liabilities and obligations enumerated on Appendix 1 attached hereto.

“Assumed Permits” means all Permits and all pending applications therefore and renewals thereof relating to the Business that are transferable in accordance with their terms or applicable law, but excluding all Permits to the extent related to any Excluded Asset.

“Bank Accounts” means all bank accounts owned or maintained by any Seller immediately prior to the Transfer Date.

“Bill of Sale” has the meaning set forth in Section 2.7(i)(i).

“Business” has the meaning set forth in the recitals.

“Business Data” means Seller’s proprietary or confidential data, including Personal Data held by or on behalf of Seller and relating to the Business.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks located in Chicago, Illinois shall be authorized or required by Law to close.

“Business Systems” means any information technology or computer system (including software, hardware, equipment, databases and telecommunications infrastructure) relating to the transmission, storage, maintenance, organization, presentation, generation, Processing or analysis of electronic or other data or information, in each case that is owned, licensed or controlled by any Seller and used in or necessary for the conduct of the Business (including any Business Web Site) at any time.

“Business Web Site” means any public or private website, social media page or mobile application owned, maintained or operated at any time by or on behalf of any of the Seller and used in the Business.

“Buyer” has the meaning set forth in the preamble.

“Cash and Cash Equivalents” means all cash and cash equivalents of Seller, including checks; commercial paper; treasury bills; certificates of deposit and other bank deposits; securities;

securities entitlements; securities accounts; instruments and other investments of Seller; cash in Bank Accounts; cash at the Communities, including in cash registers, safes, strongboxes and lock boxes; but excluding any consideration paid by Buyer pursuant to this Agreement.

“Casualty” has the meaning set forth in Section 5.9.

“Casualty Proceeds” has the meaning set forth in Section 5.9.

“Closing” has the meaning set forth in Section 2.6.

“Closing Date” has the meaning set forth in Section 2.6.

“COBRA” means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the IRC, and any similar state Law.

“Commitment” shall have the meaning set forth in Section 5.3.

“Community” has the meaning set forth in the Recitals.

“Business Specific Intellectual Property” means (x) the following websites: www.stevensonnursingcenter.org (y) the name Stephenson Nursing Center and related logos and marketing materials (provided said logos and marketing materials do not include the names “Lutheran Life” or any variations thereof), and (z) any other Intellectual Property owned by the Seller in connection with a specific Community.

“Condemnation” has the meaning set forth in Section 4.9.

“Confidential Information” has the meaning set forth in Section 5.12(b).

“Confidentiality Agreement” means that certain Confidentiality Agreement between Buyer and Seller.

“Consent” means any approval, consent, ratification, permission, clearance, designation, notice, qualification, waiver or authorization.

“Contemplated Transactions” means the transactions contemplated by this Agreement, including the sale by Seller to Buyer, and the purchase by Buyer from Seller, of the Purchased Assets, pursuant to this Agreement and subject to its terms and conditions.

“Contract” means any written or oral agreement, contract, lease, sublease, indenture, mortgage, instrument, guaranty, loan or credit agreement, note, bond, customer order, purchase order, sales order, sales agent agreement, supply agreement, development agreement, joint venture agreement, promotion agreement, license agreement, contribution agreement, partnership agreement or other arrangement, understanding, permission or commitment that, in each case, is legally binding.

“Control” means, when used with reference to any Person, the power to direct the management or policies of such Person, directly or indirectly, by or through stock or other equity

ownership, agency or otherwise, or pursuant to or in connection with any Contract; and the terms “Controlling” and “Controlled” shall have meanings correlative to the foregoing.

“Current Employees” means all employees of Seller employed in connection with the Business as of the day before the Closing Date, whether active or not (including those on short-term disability, leave of absence, paid or unpaid, or long-term disability).

“Debtors” has the meaning set forth in the Recitals.

“Decree” means any judgment, decree, ruling, decision, opinion, injunction, assessment, attachment, undertaking, award, charge, writ, executive order, judicial order, administrative order or any other order of any Governmental Entity.

“Disclosure Schedule” has the meaning set forth in Article III.

“Employee Benefit Plan” means any “employee benefit plan” as defined in Section 3(3) of ERISA (whether or not ERISA is applicable, and including, without limitation, the 403(b) Plan and the Health & Welfare Plans) or pursuant to Code Section 125, and any other plan, policy, program, practice, arrangement or agreement providing retirement, deferred compensation, equity or equity-based compensation, bonuses, incentive pay, profit sharing, medical, hospitalization, life, disability, or other insurance, termination, retention, change in control, salary continuation, vacation, paid time-off benefits, employee loan, fringe benefits, perquisites, employment, severance, consulting, retention or similar agreement, in any case that is maintained, contributed to or required to be contributed to by any Seller, or with respect to which any Seller has any current liability and to which any Seller is a party and including, without limitation, any plan, policy, program, practice, arrangement or agreement that provides benefits to any Current Employee or Former Employee.

“ERISA” means the United States Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any entity under “common control” with any Seller as determined under Section 414(b), (c), (m) or (o) of the Code.

“Environmental Claim” means any action, governmental order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from (a) the presence, release of or exposure to any Hazardous Materials or (b) any actual or alleged non-compliance with any Environmental Requirements.

“Environmental Requirement” means any applicable law, regulation or other requirement: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse,

treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term “Environmental Requirement” includes, without limitation, requirements under the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Claims” means all rights (including rights of set-off and rights of recoupment), refunds, claims, counterclaims, demands, causes of action and rights to collect damages of Seller against third parties to the extent related to any Excluded Asset or Excluded Liability.

“Excluded Contract” means any Contract not listed on the Assumed Contract Schedule at Closing.

“Excluded Employee” has the meaning set forth in Section 5.12(c).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Former Employees” means all individuals who have been employed by Seller who are not Current Employees.

“Fraud” means actual and intentional fraud, as defined under Delaware common law, with respect to representations and warranties set forth in this Agreement. For the avoidance of doubt, “Fraud” is not intended to, and will not be deemed or construed, to include any theory of fraud premised upon constructive fraud, negligent misrepresentation or omission, or negligence.

“Good Faith Deposit” means an amount equal to One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00), which shall be delivered to the Title Company, as escrow agent, concurrently with the execution of this Agreement by Buyer and held pursuant to the terms of this Agreement and an escrow agreement on the Title Company’s standard form thereof modified to conform to the terms of this Agreement.

“Governmental Entity” means any foreign, federal, state, local or other governmental authority or regulatory body, including arbitral bodies or arbitrators (public or private), agency, commission, court, body or other governmental entity.

“Government Reimbursement Program” means any federal health program as defined in 42 U.S.C. § 1320a-7b(f), including Medicare, Medicaid, TRICARE, CHAMPVA, and state health

care programs (as defined therein), and any health insurance program for the benefit of federal employees, including those under chapter 89 of title 5, United States Code.

“Hazardous Materials” means any solid, liquid or gas that is included within the definitions of “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic material,” “toxic waste,” “pollutant,” “contaminant” or words of similar import in any Environmental Law, including without limitation, asbestos, polychlorinated biphenyls, petroleum (including crude oil or any fraction or byproduct thereof), and soil, ground water or surface water containing hazardous materials, in concentrations legally requiring remediation on commercial property.

“Health & Welfare Plans” means all health and welfare benefit plans sponsored, maintained, contributed to, or required to be contributed to, by any Seller including, but not limited to, any health, dental, life, disability and long-term care insurance relating to such plans.

“Health Care Reform Laws” means the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and all related regulations and guidance.

“Healthcare Laws” means, collectively, any and all federal or state laws, rules, regulations, orders, administrative manuals and requirements relating to any of the following: (a) fraud and abuse (including the following statutes, as amended, modified or supplemented from time to time and any successor statutes thereto and regulations promulgated from time to time thereunder: the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn and §1395(q)), the civil False Claims Act (31 U.S.C. § 3729 *et seq.*), the federal health care program exclusion provisions (42 U.S.C. § 1320a-7), the Civil Monetary Penalties Act (42 U.S.C. § 1320a-7a), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. No. 108-173)); (b) any Government Reimbursement Program; and (c) each of the following, but only to the extent that such laws, rules, orders, administrative manuals and requirements impact the payment or recoupment of Medicare benefits and could result in liability to Buyer: (i) the licensure or regulation of healthcare providers, suppliers, professionals, facilities or payors (including all statutes and regulations administered by the FDA); (ii) the operation of any health care facility or the provision of, or payment for, medical services, items or supplies; (iii) quality, safety certification and accreditation standards and requirements; (iv) the billing, coding or submission of claims or collection of accounts receivable or refund of overpayments; (v) the practice of medicine and other health care professions or the organization of medical or professional entities; (vi) fee-splitting prohibitions; (vii) health planning or rate-setting laws, including laws regarding certificates of need, facility need review, and certificates of exemption; and (viii) any and all other applicable federal or state health care laws, rules, codes, regulations, manuals, orders, ordinances, professional or ethical rules and requirements, as the same may be amended, modified or supplemented from time to time and only to the extent applicable to the operations of Seller.

“Healthcare Permits” means any and all permits, letters of non-reviewability, accreditations, enrollments, certificates of need, consents, supplier or provider numbers, operating authority, and/or any other permissions which are material to or legally required for the operation of the business of the Seller as currently conducted or in connection with the Seller’s ability to

own, lease, operate or manage any of its property or assets, in each case as conducted as of the date hereof that are issued or enforced by a Governmental Entity with jurisdiction over the Community.

“HIPAA” means the following, as the same may be amended, modified or supplemented from time to time, any successor statute thereto, and together with any and all rules or regulations promulgated from time to time thereunder: (i) the Health Insurance Portability and Accountability Act of 1996; (ii) the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009); and (iii) applicable state laws regarding patient privacy and the security, use or disclosure of health care records.

“Insurance Policy” means each primary, excess and umbrella insurance policy, bond and other form of insurance owned or held by or on behalf of Seller and their operations, properties and assets, or providing insurance coverage to the Business, including, without limitation, all stop-loss insurance policies with respect to Seller’s self-insured medical and/or dental insurance programs.

“Intellectual Property” means any and all rights, title and interest in or relating to intellectual property of any type, which may exist or be created under the Laws of any jurisdiction throughout the world, including: (a) patents and patent applications, together with all reissues, continuations, continuations-in-part, divisionals, extensions and reexaminations in connection therewith, and all inventions, regardless of whether such inventions are the subject of patent applications; (b) trademarks, service marks, trade dress, logos, slogans, trade names, service names, brand names, Internet web sites and domain names and all other source or business identifiers and general intangibles of a like nature, along with all applications, registrations and renewals in connection therewith, and all goodwill associated with any of the foregoing; (c) rights associated with works of authorship, including exclusive exploitation rights, mask work rights, copyrights, data, database and design rights, software code, whether or not registered or published, all registrations and recordings thereof and applications in connection therewith, along with all extensions and renewals thereof; (d) trade secrets and proprietary information; and (e) all other intellectual property rights related to the Business, and any of the operations of Seller, including all social media accounts related to the Business and any of the operations of Seller.

“Intellectual Property Assignments” has the meaning set forth in Section 2.7(i)(iii).

“IRC” and “Code” means the United States Internal Revenue Code of 1986, as amended.

“IRS” means the United States Internal Revenue Service.

“IT Assets” means the software and all other computer, communications and other information technology systems and related documents that are owned, licensed or controlled by any Seller, that are used in the operation of the Business, including all such computer hardware and peripherals, telecommunications equipment, servers, workstations, routers, hubs, switches, data communication lines, networks, databases, software, communication facilities and other information technology-related equipment, infrastructure and assets.

“Landlord” has the meaning set forth in the recitals.

“Law” means any federal, state, provincial, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance (including with respect to zoning or other land use matters), code, treaty, convention, rule, regulation, requirement, edict, directive, pronouncement, determination, proclamation or Decree of any Governmental Entity.

“Lien” means any mortgage, deed of trust, hypothecation, pledge, lien (statutory or otherwise), claim, encumbrance, interest, charge, security interest, put, call, other option, right of first refusal, right of first offer, servitude, right of way, easement, encroachment, conditional sale or installment contract, finance lease involving substantially the same effect, security agreement or other encumbrance or restriction on the use, transfer or ownership of any property of any type.

“Litigation” means any action, cause of action, suit, claim, investigation, mediation, audit, grievance, demand, hearing or proceeding, whether civil, criminal, administrative or arbitral, whether at law or in equity and whether before any Governmental Entity or arbitrator.

“Material Adverse Effect” means any change, event, effect, matter, result, act, development, condition, circumstance or occurrence (when taken together with all other changes, events, effects, matters, results, acts, developments, conditions, circumstances or occurrences), that has had or would reasonably be expected to have, a material adverse effect on (a) the business, operations, liabilities, properties, assets or condition (financial or otherwise) or results of operations of the Seller’s business, including the Purchased Assets and Assumed Liabilities, taken as a whole, or (b) the ability of any Seller to perform its obligations under this agreement and the Related Agreements and to consummate the Contemplated Transactions.

“Material Contracts” has the meaning set forth in Section 3.5.

“Medicare Provider Agreement” means that certain Health Insurance Benefit Agreement between The Secretary of Health and Human Services with respect to each Facility, as amended and assigned.

“Offeree” has the meaning set forth in Section 5.10(i).

“Ordinary Course of Business” means the ordinary course of business of Seller consistent with past custom and practice.

“Parties” has the meaning set forth in the preamble.

“Permit” means any franchise, approval, permit, license, order, registration, certificate, variance, Consent, exemption or similar right issued, granted, given or otherwise obtained from or by any Governmental Entity, under the authority thereof or pursuant to any applicable Law.

“Permitted Liens” means (a) Liens for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings and which have been reserved or accrued for on the books of the Seller; (b) with respect to leased or licensed personal property, the terms and conditions of the lease or license applicable thereto to the extent constituting an Assumed Contract; (c) with respect to real property, matters set forth as exceptions on Schedule B to the Commitment, the Solar Land Lease, zoning, building codes and other land use Laws regulating the use or occupancy of such real property or the activities conducted thereon which are imposed by any

Governmental Entity having jurisdiction over such real property which are not violated by the current use or occupancy of such real property or the operation of the Business, except where any such violation would not, individually or in the aggregate, materially impair the use, operation or transfer of the affected property or the conduct of the Business thereon as it is currently being conducted; (d) with respect to each Community, easements, covenants, conditions, restrictions and other similar matters affecting such real property and other encroachments that do not or would not materially impair the use or occupancy of such real property or materially interfere with the operation of the Business at such real property; and (e) matters that would be disclosed on an accurate survey or inspection of the real property which do not interfere in any material respect with the right or ability to use the property as currently used or operated.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity, including any Governmental Entity or any group or syndicate of any of the foregoing.

“Personal Data” means: (a) any information that relates to, is linked to, or is capable of being linked to, an identified or identifiable individual; or (b) any information that is defined as “personal information,” “personal data,” or other similar terms by HIPAA.

“PII” has the meaning set forth in Section 5.23.

“Plan” means a plan of reorganization or liquidation proposed by Seller and/or any other party in interest.

“Privacy Policies” means each (1) privacy policy, notice, or similar requirement; or (2) any external representation or statement made by any Seller relating to or made pursuant to any Privacy Requirements, including any such policy, notice, representation or statement relating to: (a) the privacy of any: (i) users of any Business Web Site; or (ii) customers or consumers (as those terms may be defined in Privacy and Security Laws) of the Business; (b) the data protection, Processing, security, collection, storage, disclosure or transfer of any Personal Data; or (c) any Personal Data of any actual or prospective employee, contractor, consultant or other staff members of Seller.

“Privacy Requirements” means, collectively, all (a) HIPAA; (b) Privacy Policies; (c) the terms and conditions of all Assumed Contracts that directly relate to privacy or information security or otherwise relate to the Processing of Personal Data; and (d) industry self-regulatory principles, certifications, frameworks, standards, or codes of conduct relating to privacy or information security or otherwise relating to the Processing of Personal Data, data scraping, direct marketing, emails, text messages or telemarketing that any Seller affirmatively agreed to comply with or has represented its compliance with.

“Process,” “Processed,” “Processes,” or “Processing” means any operation or set of operations performed on Business Data, whether or not by automatic means, such as receipt, collection, monitoring, maintenance, creation, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, processing, analysis, transfer, transmission, disclosure, dissemination or otherwise making available, alignment or combination, blocking, erasure, destruction, privacy or security or any other operation that is considered “processing” or similar term under Privacy Requirements.

“Purchase Price” has the meaning set forth in Section 2.5.

“Purchased Assets” has the meaning set forth in Section 2.1; provided, however, that, notwithstanding the foregoing or anything contained in this Agreement to the contrary, the Purchased Assets shall not include any Excluded Assets.

“Real Property” has the meaning set forth in Section 2.1.

“Records” means the books, records, information, ledgers, files, invoices, documents, work papers, correspondence, lists (including current and former Resident lists for each of the Communities), referral sources, research and development reports, plans (whether written, electronic or in any other medium), drawings, designs, specifications, creative materials, advertising and promotional materials, guides and manuals, financial and accounting records, property Tax records, monitoring reports, compliance reports and audits, policies and procedures (including compliance policies and procedures), marketing plans, studies, reports, data and similar materials related to the Business.

“Related Agreements” means the Bill of Sale, the Assignment and Assumption Agreement(s), the Intellectual Property Assignments, the MOTA and any other instruments of transfer and conveyance as may be required under applicable Law to convey valid title of the Purchased Assets to Buyer.

“Representative” of a Person means such Person’s Subsidiaries and the officers, directors, managers, employees, advisors, representatives (including its legal counsel and its accountants) and agents of such Person or its Subsidiaries.

Residency Agreement” means the residency agreement, as applicable executed between the applicable Seller and each Resident of the Community detailing the residential and other rights and obligations of the Resident and the rights and obligations of the Seller.

“Resident” means an occupant of a Community pursuant to a Residency Agreement.

“Resident Trust Funds” means the funds held in trust by any Seller or for Residents at a Community (but, for the avoidance of doubt, excluding any funds related to Initial Entrance Fees and Option Deposits).

“Seller” has the meaning set forth in the preamble.

“Seller’s Knowledge” (or words of similar import) means the actual knowledge of Georgia Newcomer, each of whom will be deemed to have actual knowledge of a fact or other matter if such Person is actually aware of such fact or other matter.

“Subsidiary” means, means, with respect to any Person, an entity beneficially owned, directly or indirectly through one or more other Persons, by such Person. The term “Subsidiary” shall include all direct or indirect Subsidiaries of such Person.

“Tax” or “Taxes” means any United States federal, state or local or non-United States income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the IRC), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, real property, personal property, title or registration, ad valorem, escheat, sales, use, liquor, cigarette, transfer, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty or addition thereto, whether or not disputed.

“Tax Return” means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Third-Party Payor” means any Governmental Health Program and all other health care service plans, health maintenance organizations, health insurers and/or other private, commercial, or governmental third-party payors.

“Title Company” means Security First Title Co..

“Title Policies” has the meaning set forth in Section 5.3(ii).

“Transfer Date” means the date on which the Real Property is transferred to Buyer, which date shall be no later than ____ business days from the date on which Seller has provided to Buyer good and marketable title for the Real Property..

“Transfer Tax” has the meaning set forth in Section 5.18(a).

“Transferred Employee” has the meaning set forth in Section 4.10(a).

“WARN Act” means the federal Worker Adjustment and Retraining Notification Act or any similar applicable state or local Law.

“WARN Notices” has the meaning set forth in Section 4.10.

ARTICLE II. PURCHASE AND SALE

Section 2.1 Purchase and Sale of Purchased Assets. Subject to the conditions set forth in this Agreement, on the Transfer Date, Buyer shall purchase, acquire and accept from Seller, and Seller shall sell, transfer, assign, convey and deliver to Buyer, all of Seller’s rights, title and interests in and to the assets described in this Section 2.1 (the “Purchased Assets”), free and clear of all Liens (other than Permitted Liens), Claims and other encumbrances, for the consideration specified in Section 2.5. The Purchased Assets shall include the following (except to the extent listed as an Excluded Asset): all of the Seller’s fee simple title in and to the land, which is generally depicted on Schedule 1 (the “Land”)¹, including all easements, rights-of-way, rights of ingress and egress, strips, zones,

¹ Note to Draft: Legal description for the Land will need to be prepared as part of the Due Diligence activities.

licenses, transferable hereditaments, privileges, tenements and appurtenances in any way belonging to or appertaining to the Land or the improvements, and any right or interest in any open or proposed highways, streets, roads, avenues, alleys, easements, strips, gores and rights-of-way in, across, in front of, contiguous to, abutting or adjoining the Land, and all buildings, structures, improvements and fixtures placed, located, constructed or installed on the Land (collectively, the “Improvements,” together with the Land, are herein sometimes referred to as the “Real Property”);

(ii) all Resident Trust Funds;

(iii) (i) all deposits under all Assumed Contracts, and (ii) other prepaid charges, unless specifically mentioned herein, and expenses of Seller with respect to the Community, including, but not limited to, all deposits for electricity, telephone, cable television, internet, Wi-Fi services, satellite television and other utilities;

(iv) all rights of Sellers under the Assumed Contracts;

(v) all Business Specific Intellectual Property owned by Seller;

(vi) all tangible personal property, including all machinery, equipment, tools, point of sale systems, computers, mobile phones, personal digital assistants, computer equipment, hardware, peripherals, servers, information technology infrastructure, telephone systems, furniture, fixtures, furnishings, office supplies, production supplies, other miscellaneous supplies, and other tangible personal property of any kind owned by Sellers (including any of the foregoing property that is subject to a personal property lease, but only to the extent that Buyer assumes such lease as an Assumed Contract), in each case located at, or used in connection with the operation of, a Community;

(vii) all goodwill associated with the Business or the Purchased Assets, including all goodwill associated with the Intellectual Property owned by Seller and all rights under any confidentiality agreements executed by any third party for the benefit of any Seller to the extent relating to the Purchased Assets and/or the Assumed Liabilities (or any portion thereof);

(viii) all rights of Seller under non-disclosure or confidentiality, non-compete, or non-solicitation agreements with current or former employees, directors, consultants, independent contractors and agents of Sellers to the extent relating to the Purchased Assets and/or the Assumed Liabilities (or any portion thereof);

(ix) all of the Assumed Permits or all of the rights and benefits accruing under any Permits relating to the Community and Purchased Assets;

(x) except for the Excluded Claims and Excluded Assets, all causes of action, lawsuits, judgments, claims, refunds, rights of recovery, rights of set-off, counterclaims, defenses, demands, warranty claims, rights to indemnification, contribution, advancement of expenses or reimbursement, or similar rights of any Seller (at any time or in any manner arising or existing, whether choate or inchoate, known or unknown, now existing or hereafter acquired, contingent or noncontingent);

(xi) all rights under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, contractors and any other Person to the extent relating to equipment purchased, products sold, or services provided, to Sellers, to the extent affecting any Purchased Assets and/or Assumed Liabilities and to the extent assignable;

(xii) all telephone numbers, fax numbers, e-mail addresses, websites, URLs and internet domain names owned by Sellers or otherwise utilized by Sellers in conducting the Business; and

(xiii) all IT Assets and Business Systems owned by a Seller; and all Records relating to the Purchased Assets, other than Records that constitute Excluded Assets pursuant to Section 2.2(j).

(xiv) Solar Facility. Buyer acknowledges that a solar energy system (the “Solar Facility”) is located on the Real Property, and that the Solar Facility is subject to the terms and conditions of that certain Solar Land Lease dated January 17, 2019 (the “Solar Land Lease”) by and between County of Stephenson, Illinois (“County”) and SNCF, LLC, an Illinois limited liability company.

The Solar Land Lease shall be assigned to Buyer as part of the Purchased Assets.²

Section 2.2 Excluded Assets Notwithstanding Section 2.1, Buyer expressly understands and agrees that Buyer is not purchasing or acquiring, and Seller is not selling or assigning, any of the following assets, properties and rights of Seller (the “Excluded Assets”):

(i) all Cash and Cash Equivalents, all Bank Accounts (excluding Initial Entrance Fee Deposits and Resident Trust Funds);

(ii) all of Seller’s certificates of incorporation and other organizational documents, qualifications to conduct business as a foreign entity, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, stock certificates and other documents relating to the organization, maintenance and existence of any Seller as a corporation, limited liability company or other entity;

(iii) any owned Real Property set forth on Appendix 3;

(iv) all equity securities of any Seller and all net operating losses of any Seller;

(v) all Excluded Contracts;

(vi) all Excluded Claims;

² Note to Draft; Terms of assignment subject to review of Solar Land Lease.

(vii) hold-backs and escrows for any prorations or Taxes being paid by Seller in connection with Closing or afterward and all prepaid expenses, utility deposits or similar deposits;

(viii) all Tax refunds and Tax rebates;

(ix) any loans or notes payable to any Seller or any of its Affiliates from any employee of any Seller or any of its Affiliates to the extent set forth in Schedule 2.2(g) of the Disclosure Schedule;

(x) any (1) confidential personnel and medical Records pertaining to any Current Employees or Former Employees to the extent the disclosure of such information is prohibited by applicable Law, (2) other Records that Seller are required by Law to retain and; provided that Buyer shall have the right to make copies of any portions of such retained Records referenced in subsection (2) to the extent that such portions relate to the Business or any Purchased Asset;

(xi) all Permits other than the Assumed Permits;

(xii) the Employee Benefit Plans, and all Contracts of and related to, and all assets of, the Employee Benefit Plans;

(xiii) all Insurance Policies of Seller, any prepaid insurance premiums and any rights or claims or proceedings arising from such policies;

(xiv) all inventory and assets disposed of or exhausted prior to the Transfer Date in the ordinary course of business;

(xv) all equipment and tangible personal property located at the Community but not owned by Seller, or subject to an equipment lease or vehicle lease that is not an Assumed Contract, and all other assets, properties and rights not related to or used in the Business;

(xvi) any records that Seller is legally required to retain in its possession and any records related to Excluded Assets or Excluded Liabilities; provided that any records related to Excluded Liabilities that pertain to the operations of the Community or Business prior to the Transfer Date (including resident records) shall not be excluded;

(xvii) personnel records of employees of the Communities who are not Transferred Employees;

(xviii) board designated, restricted and escrow funds (self-insurance trusts, workers compensation trusts, working capital trusts, and assets and investments restricted as to use), donor restricted assets, beneficial interests in charitable trusts and accrued earnings on all of the foregoing;

(xix) Seller's attorney-client and work-product privileges;

(xx) the rights of Seller under this Agreement and the Related Agreements and all cash and non-cash consideration payable or deliverable to Seller under this Agreement.

Section 2.3 Assumption of Assumed Liabilities On the terms and subject to the conditions of this Agreement, upon the Transfer Date, Buyer shall assume and become responsible for only the Assumed Liabilities set forth in Appendix 2.3, and Buyer agrees to timely pay, honor or discharge, as applicable, or cause to be timely paid, honored or discharged, as applicable, all such Assumed Liabilities in accordance with the terms thereof. Notwithstanding anything herein to the contrary, Buyer shall not assume any liability related to any refunded or unpaid entrance fees unless expressly included in Appendix 2.3.

Section 2.4 Excluded Liabilities Notwithstanding anything herein to the contrary, the Parties expressly acknowledge and agree that Buyer shall not assume, be obligated to pay, perform or otherwise discharge or in any other manner be liable or responsible for any liabilities of Seller whatsoever, whether existing on the Closing Date or arising thereafter, other than the Assumed Liabilities (all such liabilities that Buyer is not expressly assuming being referred to collectively as the “Excluded Liabilities”).

Section 2.5 Consideration In consideration of the sale of the Purchased Assets to Buyer, and in reliance upon the representations, warranties, covenants and agreements of Seller set forth herein, and upon the terms and subject to the conditions set forth herein, the aggregate consideration for the sale and transfer of the Purchased Assets (the “Purchase Price”) shall be composed of the following:

(i) cash in the amount equal to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000) to be paid on the Transfer Date. Buyer shall, in its reasonable discretion, determine how much of the Purchase Price shall be allocated to the purchase of Real Property.

(ii) [intentionally omitted];

(iii) the assumption by Buyer of the Assumed Liabilities;

(iv) the amount of the Good Faith Deposit, which will be credited against the cash amount due upon the Transfer Date; and

(v) plus or minus the following prorations and adjustments:

(i) all expenses arising from the ownership of the Purchased Assets shall be apportioned between Buyer and the applicable Seller as of the date and time of the Closing and prorated in accordance with the principle that the Buyer shall only be responsible for all expenses and obligations arising from the ownership of the Purchased Assets at or after such time; and

(ii) without limiting the generality of the foregoing, the following items shall be prorated among Buyer and the applicable Seller as of 12:01 a.m. (prevailing Central Time) on the Closing Date, with the exception of item i, which shall be

prorated as of the Transfer Date (the “Proration Time”), and paid and credited at the Closing, all as shall be set forth on a closing statement:

- i) all state, county, city, school, ad valorem and other local real and personal property taxes and assessments and business personal property taxes relating to or assessed against the Purchased Assets or the Business(es);
- ii) any utilities or other periodic charges that cannot be changed to Buyer or Buyer’s designee’s account by the Closing Date;
- iii) repayments made by the Seller for services relating to the Business(es) and provided after the Proration Time, which shall be credited to the Seller;
- iv) provider taxes, privilege taxes or so-called bed taxes or similar taxes and fees, howsoever designated; and
- v) rents payable under the Solar Land Lease.

(vi) plus or minus the following closing costs:

- i) Title insurance premiums for the extended coverage Title Policy (other than the costs of the endorsements) shall be paid by Seller;
- ii) The costs of all endorsements (other than extended coverage) to the Title Policy shall be paid by Buyer;
- iii) The cost of any Survey related to the completion of subdivision of the Real Property shall be paid by Seller;
- iv) Recording fees with respect to the deed shall be paid by Buyer;
- v) The escrow and closing fees of the Title Company shall be shared equally by Seller and Buyer; and
- vi) Any transfer taxes payable with respect to the conveyance of the Real Estate shall be paid by Buyer.⁴

For the avoidance of doubt, Seller shall be responsible for all liabilities and obligations accruing prior to the Closing, including but not limited to payroll, employee benefits, entrance fee refunds, payables, and accrued but unpaid taxes or insurance premiums but excluding obligations assumed

⁴ Note to Draft: Exempt status to be confirmed.

by Buyer in the Assumed Obligations.

Section 2.6 Closing The closing of the transactions contemplated by this Agreement (“Closing”) shall take place remotely by electronic exchange of documents and counterpart signature pages on September 1, 2025 or on such other date as shall be mutually agreed upon by Seller and Buyer prior thereto; (the date on which the Closing takes place being the “Closing Date”). Notwithstanding the foregoing, if requested by either party, the transfer of real and personal property on the Transfer Date with respect to the Real Property shall be accomplished through a closing escrow to be established by Seller and Buyer with the Title Company.⁵

Section 2.7 Deliveries on the Transfer Date.

(i) On the Transfer Date, Seller shall deliver to Buyer the following documents and other items, duly executed by Seller, as applicable:

(i) one or more Bills of Sale substantially in the form of Exhibit A attached hereto (each, a “Bill of Sale”);

(ii) one or more Assignment and Assumption Agreements substantially in the form of Exhibit B attached hereto (each, an “Assignment and Assumption Agreement”);

(iii) instruments of assignment substantially in the form of Exhibit C, attached hereto for each domain name transferred or assigned hereby (collectively, the “Intellectual Property Assignments”);

(iv) special warranty deed conveying to Buyer marketable fee simple title to the Real Property, using a legal description therefor to be prepared and approved during the Due Diligence Period;

(v) to the extent applicable, a non-foreign affidavit from each Seller dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under Treasury Regulations issued pursuant to Section 1445 of the IRC stating that such Seller is not a “foreign person” as defined in Section 1445 of the IRC;

(vi) subject to the Solar Land Lease, physical possession of all of the Purchased Assets capable of passing by delivery with the intent that title in such Purchased Assets shall pass by and upon delivery;

(vii) limited powers of attorney from Seller in favor of Buyer or Buyer’s designee with respect to transfers of Accounts Receivable, to the extent required to give effect to this Agreement;

⁵ Note to Draft :if Buyer anticipates obtaining title insurance, establishing a closing escrow with the Title Company will likely be required.

(viii) a Plat Act Affidavit; and

(ix) Intentionally Omitted;

(x) all other documents, instruments and writings reasonably requested by Buyer or the Title Company to be delivered by Seller at or prior to the Transfer Date pursuant to this Agreement.

(ii) On the Transfer Date, Buyer shall deliver to Seller the following documents, cash amounts, and other items, duly executed by Buyer, as applicable:

(i) in immediately available funds, the cash portion of the Purchase Price set forth in Section 2.5(i), which shall be paid to each of Seller in accordance with the allocations as set forth therein;

(ii) the Assignment and Assumption Agreement(s); and

(iii) Intentionally Omitted;

(iv) all other documents, instruments and writings reasonably requested by Seller or the Title Company to be delivered by Buyer at or prior to the Transfer Date pursuant to this Agreement.

Section 2.8 Deliveries at Closing. At the Closing, Buyer and Seller shall each deliver executed counterparts of the Management Operations Transfer Agreement attached as **Exhibit D** (“MOTA”). Additionally, Buyer shall deliver a certificate executed by the secretary or an officer of Buyer (x) as to the incumbency of the individual(s) signing on behalf of Buyer and (y) certifying that the resolutions of the board of directors or other similar governing body of Buyer approving this Agreement and the Contemplated Transactions (copies of which shall be attached to such certificate) are true and correct, are in full force and effect, and have not been rescinded, modified, amended or supplemented.

ARTICLE III.

SELLER’S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer (as of the Closing Date, unless otherwise specified) that except as set forth in the disclosure schedule accompanying this Agreement (the “Disclosure Schedule”):

Section 3.1 Organization of Seller; Good Standing.

- (i) Seller is duly incorporated or formed, validly existing and in good standing under the Laws of its state of incorporation or formation, and has all necessary power and authority to own, lease, and operate its properties and to conduct its business in the manner in which its Business is currently being conducted, except for failures to be in such good standing as would not, individually or in the aggregate, have a Material Adverse Effect. Seller has all requisite corporate or similar power and authority to own, lease and operate its assets, and Seller has corporate power and

authority to carry on the Business as currently conducted.

- (ii) Seller is duly authorized to do business and is in good standing as a foreign corporation or limited liability company in each jurisdiction where the ownership or operation of the Purchased Assets or the conduct of the Business requires such qualification, except for failures to be so authorized or be in such good standing, as would not, individually or in the aggregate, have a Material Adverse Effect.

Section 3.2 **Authorization of Transaction**At the time of Closing:

- (i) Seller has all requisite power and authority to execute and deliver this Agreement and all Related Agreements to which it is a party and to perform its obligations hereunder and thereunder; the execution, delivery and performance of this Agreement and all Related Agreements to which such Seller is a party have been duly authorized by such Seller and no other action on the part of such Seller is necessary to authorize this Agreement or the Related Agreements to which it is party or to consummate the Contemplated Transactions; and
- (ii) this Agreement has been duly and validly executed and delivered by each Seller, and, upon their execution and delivery in accordance with the terms of this Agreement, each of the Related Agreements to which any Seller is a party will have been duly and validly executed and delivered by each such Seller, as applicable. Assuming that this Agreement constitutes a valid and legally binding obligation of Buyer, this Agreement constitutes the valid and legally binding obligations of Seller, enforceable against Seller in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity. Assuming, to the extent that it is a party thereto, that each Related Agreement constitutes a valid and legally binding obligation of Buyer, each Related Agreement to which any Seller is a party, when executed and delivered, constituted or will constitute the valid and legally binding obligations of such Seller, as applicable, enforceable against Seller, as applicable, in accordance with their respective terms and conditions, subject to applicable bankruptcy, insolvency, moratorium, or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.3 **Noncontravention.**

Seller are not required to file, seek or obtain any notice, authorization, approval, order, permit or consent of or with any Governmental Entity in connection with the execution, delivery and performance of this Agreement by Seller and all other Related Agreements to which such Seller will be a party or the consummation of the transactions contemplated hereunder or in order to prevent the termination of any right, privilege, Permit or qualification of the Business, except (i) for the consents set forth on Schedule 3.3(b) of the Disclosure Schedule, (ii) where such consent, approval, authorization or action, or such filing or notification, arises in connection with the assignment or transfer of control of any Permit or any Contract that is not a Material Contract, (iii) as may be necessary as a result of any facts or

circumstances relating to Buyer or any of its Affiliates or (iv) where the failure to obtain such notice, authorization, approval, order, permit or consent would not be reasonably expected to result in a Material Adverse Effect.

Section 3.4 **Title to Purchased Assets; Sufficiency of Assets.**

Seller, as of Transfer Date, will have good and valid title to, or, in the case of leased or licensed assets, will have good and valid leasehold interests or licenses in, the Purchased Assets, free and clear of all Liens (except for Permitted Liens). On the Transfer Date or such time as title is conveyed under Section 2.6, Seller will transfer, sell, assign and convey, or valid leasehold interests or licenses in, all of the Purchased Assets, free and clear of all Liens (except for Permitted Liens).

Section 3.5 **Contracts.** To the Seller's Knowledge, Schedule 3.5 of the Disclosure Schedule sets forth the following Contracts (all Contracts listed or required to be listed herein are referred to as "Material Contracts") as of the date of this Agreement:

- (i) all Residency Agreements;
- (ii) all Contracts under which any Seller leases personal property in connection with the Business;
- (iii) all Contracts that provide for payments to or from the Seller in excess of \$100,000 over any 12-month period thereof;
- (iv) all Contracts with any Governmental Entity related to the Business;
- (v) all contracts with any provider of health care products or services involving expenditures or revenue in excess of \$250,000 annually;
- (vi) all confidentiality and/or noncompetition Contracts with employees of any Seller and Contracts with independent contractors or consultants (or similar arrangements) engaged in connection with the Business, in each case providing for cash compensation exceeding \$25,000 per year;
- (vii) all Contracts for the employment or engagement of any officer, individual employee, independent contractor, consultant or other Person on a full-time, part-time, consulting or other basis not terminable at will or that provides for the payment of severance to any employees of any Seller;
- (viii) all contracts under which any Seller has the right or option to purchase any real property; and

Section 3.6 **Health Care Matters.**

(i) Except as set forth on Schedule 3.6(i) of the Disclosure Schedule, no Seller has received written notice of any state or federal investigation, audit, subpoena, civil

investigative demand, claim review, or other action pending or threatened in writing which is reasonably likely to result in a revocation, suspension, termination, probation, restriction, limitation, exclusion or non- renewal of Seller's participation in any Government Reimbursement Program.

(ii) **Exclusion.** Seller, nor any owner, officer, director, or managing employee or Person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. § 420.201) in Seller has (i) been excluded from any Government Reimbursement Program or had a civil monetary penalty assessed pursuant to 42 U.S.C. § 1320a-7; (ii) been convicted (as that term is defined in 42 C.F.R. §1001.2) of or indicted for any of those offenses described in 42 U.S.C. §1320a-7b or 18 U.S.C. §§669, 1035, 1347 or 1518, including any of the following categories of offenses: (1) criminal offenses relating to the delivery of an item or service under any federal health care program (as that term is defined in 42 U.S.C. §1320a-7b) or healthcare benefit program (as that term is defined in 18 U.S.C. §24b), (2) criminal offenses under federal or state law relating to patient neglect or abuse in connection with the delivery of a healthcare item or service, (3) criminal offenses under laws relating to fraud and abuse, theft, embezzlement, false statements to third parties, money laundering, kickbacks, breach of fiduciary responsibility or other financial misconduct in connection with the delivery of a healthcare item or service or with respect to any act or omission in a program operated by or financed in whole or in part by any federal, state or local governmental agency, (4) violations of laws relating to the interference with or obstruction of any investigations into any criminal offenses described in this Section 3.6(ii) or (5) criminal offenses under laws relating to the unlawful manufacturing, distribution, prescription or dispensing of a controlled substance; or (iii) been a defendant in a U.S. Attorney complaint made or any other action taken pursuant to the False Claims Act under 31 U.S.C. §§3729-3731, including, but not limited to, receipt of a subpoena or civil investigative demand, or, to Seller's Knowledge, been named as a defendant in any qui tam action brought pursuant to 31 U.S.C. §3729 et seq.

Section 3.7 Intellectual Property.

(i) **Schedule 3.7** of the Disclosure Schedule sets forth a true and complete list of all Community Specific Intellectual Property that is owned by any Seller and used in or related to the Business.

(ii) No Seller has received any notices or claim (including an invitation to take a license) suggesting or alleging that such Seller has infringed, misappropriated or violated the rights in any Intellectual Property of a Person and, to Seller's Knowledge, there is no substantial basis for an allegation of this nature. No Seller has received any notice or threat that contests the validity, ownership or right of any Community Specific Intellectual Property included in the Purchased Assets.

Section 3.8 Litigation. Except as set forth on **Schedule 3.8** of the Disclosure Schedule, (a) there is no Litigation brought by or against any Seller pending, and to Seller's Knowledge, there is no Litigation threatened in writing, before any Governmental Entity against any Seller which is reasonably likely to have a Material Adverse Effect or which in any manner challenges or seeks to prevent, enjoin, alter, or materially delay the

Contemplated Transactions and (b) there is no outstanding injunction, judgment, order, decree or ruling of any Governmental Entity specifically naming Seller that require Seller to take any action of any kind with respect to the Purchased Assets or the operation of the Business, or to which Seller, the Business, or the Purchased Assets are subject or by which they are bound or affected.

Section 3.9 Employees and Employment Matters.

(i) There is not any ongoing strike, walkout, work stoppage, or other material collective bargaining dispute affecting any Seller with respect to the Business. To Seller's Knowledge, there is no organizational effort being made or threatened by or on behalf of any labor union with respect to the Current Employees (as determined as of the date of this Agreement).

(ii) Seller is in compliance with, and have complied with, in all material respects, all Laws relating to the employment of labor, including any provisions relating to (i) wages, hours, bonuses, commissions, termination pay, vacation pay, sick pay, breaks and rest periods, expense reimbursements, fringe benefits, employee benefits, health insurance continuation (COBRA), and the payment and/or accrual of the same and all insurance and all other related costs and expenses; (ii) unlawful, wrongful, or retaliatory or discriminatory employment, hiring or labor practices; (iii) occupational health and safety standards; or (iv) plant closing, mass layoff, immigration, workers' compensation, disability rights and benefits, leave requirements, unemployment compensation, whistleblower Laws, worker classification, working conditions, driver regulations, privacy and other employment Laws, regulations and ordinances.

(iii) All independent contractors and consultants who have worked for a Seller at any time are and have been properly classified as independent contractors pursuant to all applicable regulations. Seller has withheld all amounts required by Law or by Contract to be withheld from the wages, salaries and other payments to employees and have not received notice from any Governmental Entity that it is liable for any arrears of wages or any Taxes or any penalty for failure to comply with any of the foregoing.

(iv) Schedule 3.9(iv) of the Disclosure Schedule contains a true and correct list of all employees of Seller, together with their respective base salaries or wages, bonuses (including target bonus opportunities), positions, location, full or part-time status, accrued paid time off, exempt or non-exempt from overtime, active or inactive status and if inactive, the reason. Schedule 3.9(iv) of the Disclosure Schedule correctly states the number of employees laid off by Seller in the ninety (90) calendar days immediately preceding the date of this Agreement. All employees of Seller are authorized to work in the United States, and a Form I-9 has been completed properly and retained with respect to each such current and former employee.

Section 3.10 Employee Benefit Plans.

(i) Schedule 3.10(i) of the Disclosure Schedule contains a true, correct and complete list of each material Employee Benefit Plan. With respect to each such Employee

Benefit Plan, Seller has made available to Buyer the most recent copies of all written plan documents and summary plan descriptions, written summaries of any unwritten Employee Benefit Plans, and IRS determination or opinion letters, as applicable.

(ii) None of the Employee Benefit Plans is (i) a “multiemployer plan” (as defined in Section 3(37) or 4001(a)(3) of ERISA), (ii) a plan subject to Title IV of ERISA or the minimum funding requirements of Section 302 of ERISA or Section 412 of the Code, or (iii) a multiple employer plan subject to Section 4063 or Section 4064, and neither Seller nor any ERISA Affiliate have ever contributed to, have ever been obligated to contribute to, or has any liability with respect to any such plan, association or arrangement. None of the Employee Benefit Plans is a multiple employer welfare arrangement within the meaning of Section 3(40)(A) of ERISA and Sellers do not have any liability with respect to a multiple employer welfare arrangement.

(iii) Each Employee Benefit Plan has been established, funded, maintained and administered, in each case, in all material respects, in accordance with its terms and all applicable Laws, including ERISA, the Code and Health Care Reform Laws. Buyer will not have any liability on or after Closing with respect to any (a) Employee Benefit Plan or (b) action or inaction of the Seller (i) on account of any violation of the requirements of COBRA or the Health Care Reform Laws, (ii) under Section 502(i) or 502(l) of ERISA or Section 4975 of the Code, (iii) under Section 302 of ERISA or Section 412 of the Code or (iv) under Title IV of ERISA.

Section 3.11 Financial Information.

(i) The following financial statements and financial information, among other information, have been made available in the Data Room:

(i) audited financial statements of the Business for fiscal years ended June 30, 2022, June 30, 2023, and June 30, 2024 (on a combined basis); and

(ii) unaudited profit and loss statements as of January 31, 2025.

The foregoing financial statements are true, correct and complete in all material respects and have been prepared in accordance with past practice, applied on a consistent basis throughout the periods indicated except that the unaudited financial statements may not include required footnote disclosures or reflect normal year-end adjustments, including any future service obligation adjustment. The foregoing financial statements present fairly, in all material respects, the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated.

Section 3.12 Real Property.

(i) There are no condemnation, eminent domain or other similar proceedings pending, or to the Seller's Knowledge, threatened, with respect to any Real Property. Except as set forth in the Contracts and documents referenced in the Title Commitments (as defined below) that create or evidence conditions or exceptions to title affecting the real property covered thereby, or in connection with the Assumed Liabilities, to Seller's Knowledge, there are no special assessments or other assessments for public improvements or otherwise affecting any Real Property.

Section 3.13 Healthcare Permits.

(i) Schedule 3.13(i) of the Disclosure Schedule contains a list of all Healthcare Permits that Seller holds as of the date hereof in connection with the operation of the Business. To Seller's Knowledge, all required filings with respect to the Healthcare Permits have been made and all required applications for renewal thereof have been filed, except where a failure of this representation and warranty to be so true and correct could not reasonably be expected to have a Material Adverse Effect.

Section 3.14 Brokers' Fees. No Seller has entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the Contemplated Transaction for which Buyer could become liable or obligated to pay, other than Raymond James & Associates.

Section 3.15 Insurance. Schedule 3.15 of the Disclosure Schedule sets forth a summary of each Insurance Policy (including any self-insurance programs) as of the date hereof. All such Insurance Policies are valid and binding and in full force and effect, all premiums due thereunder have been paid in full and no Seller has received any notice of cancellation or termination in respect of any such policy nor is any Seller in default thereunder. There are no material claims pending under any such Insurance Policy.⁸

Section 3.16 Environmental Matters.

(i) Except as set forth on Section 3.16 of the Disclosure Schedule:

(i) there are no pending, or to the Seller's Knowledge, threatened, Environmental Claims relating to any Real Property or the operation of the Business on the Real Property (collectively, the "Covered Property and Operations");

(ii) Seller has not received any written notification of any Environmental Claims or any actual or alleged violation of any Environmental Requirements, including for any disposal, release or threatened release at any location of any Hazardous Materials generated at, or transported from, the Covered Property and Operations;

(iii) to the Seller's Knowledge, there are no Environmental Conditions at or on the Real Property; and The Seller has previously delivered or made available to Buyer true and complete copies of all material environmental audits, assessments, reports, documents, and correspondence relating to the Real Property or any unresolved Environmental Conditions between any Government Entity and any Seller.

Section 3.17 Taxes.

(i) Seller has timely filed all material Tax Returns required to be filed by Sellers with respect to the Purchased Assets or the Business with the appropriate Governmental Entity (taking into account any extension of time to file granted or to be obtained on behalf of Seller);

(ii) All Taxes imposed on the Seller or with respect to the Purchased Assets or the Business that are due and owing have been paid;

(iii) There are no material pending (or threatened in writing) audits, examinations, investigations or other proceedings relating to a material amount of Taxes imposed on the Seller or with respect to the Purchased Assets or the Business;

(iv) There are no Liens relating to Taxes (other than Permitted Liens) on any Purchased Assets;

(v) Seller has withheld all material Taxes with respect to the Purchased Assets or the Business required to be withheld and have timely paid or remitted such Taxes to the appropriate Governmental Entity; and

(vi) Seller is not "foreign persons" within the meaning of section 1445(f)(3) of the IRC.

(vii) Seller is currently not subject to, nor has it received notice of, any pending or threatened action by any licensing or regulatory authority.

ARTICLE IV.

BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows as of the Closing and as of the Transfer Date:

Section 4.1 Organization of Buyer. Buyer is an Illinois limited liability company duly organized, validly existing and in good standing under the Laws of the State of Illinois and has all requisite corporate power and authority to own, lease and operate its assets and to carry on its business as now being conducted.

Section 4.2 Authorization of Transaction.

(i) Buyer has full corporate power and authority to execute and deliver this Agreement and all Related Agreements to which it is a party and to perform its obligations hereunder and thereunder.

(ii) The execution, delivery and performance of this Agreement and all other Related Agreements to which Buyer is a party have been duly authorized by Buyer, and no other corporate action on the part of Buyer is necessary to authorize this Agreement or the Related Agreements to which it is a party or to consummate the Contemplated Transactions.

(iii) This Agreement has been duly and validly executed and delivered by Buyer, and, upon their execution and delivery in accordance with the terms of this Agreement, each of the Related Agreements to which Buyer is a party will have been duly and validly executed and delivered by Buyer. Assuming that this Agreement constitutes a valid and legally-binding obligation of Seller, this Agreement constitutes a valid and legally-binding obligation of Buyer, enforceable against Buyer in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity. Assuming, to the extent that they are parties thereto, that each Related Agreement constitutes a valid and legally-binding obligation of Seller, each Related Agreement to which Buyer is a party, when executed and delivered, constituted or will constitute the valid and legally-binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.3 Noncontravention. Neither the execution and delivery of this Agreement, nor the consummation of the Contemplated Transactions (including the Related Agreements) will (a) conflict with or result in a breach of the certificate of formation or other organizational documents, of Buyer, (b) subject to any consents and Permits required to be obtained from any Governmental Entity, violate any Law to which Buyer is, or its assets or properties are subject, or (c) as of the Closing or Transfer Date, conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any Contract to which Buyer is a party or by which it is bound, except, in the case of either clause (b) or (c), for such conflicts, breaches, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair to the ability of Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements. Buyer is not required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any Governmental Entity or Person in order for the Parties to consummate the transactions contemplated by this Agreement or any of the Related Agreements, except for the Required Permits and Regulatory Approvals needed by Buyer to operate the Business after Closing and where the failure to give notice, file or obtain such authorization, consent or approval would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair to the ability of

Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements.

Section 4.4 Financial Capacity. At Closing and as of the Transfer Date, Buyer will (a) have the resources (including sufficient funds available to pay the Purchase Price, other amounts required to be paid by Buyer hereunder, and any other expenses and payments incurred by Buyer in connection with the transactions contemplated by this Agreement) and capabilities (financial or otherwise) to perform its obligations hereunder, and (b) not have incurred any obligation, commitment, restriction or liability of any kind, that would materially impair or materially adversely affect such resources and capabilities.

Section 4.5 Brokers' Fees. Neither Buyer nor any of its Affiliates has entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which any Seller could become liable or obligated to pay.

Section 4.6 Condition of Business. Buyer is an informed and sophisticated purchaser, and has engaged or had the opportunity to engage advisors, experienced in the evaluation and purchase of properties and assets such as the Purchased Assets and assumption of liabilities such as the Assumed Liabilities as contemplated hereunder. Buyer has undertaken such investigation and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement. Buyer acknowledges that Seller has given Buyer reasonable and open access to the key employees, documents and facilities of the Business. Buyer hereby acknowledges and agrees that notwithstanding anything expressed or implied herein to the contrary, except as expressly set forth in Article III of this Agreement, Seller (including each of their directors, officers, employees, agents, stockholders, Affiliates, consultants, counsel, accountants and other representatives) make no express or implied representations or warranties whatsoever, including, without limitation, any representation or warranty as to physical condition or value of any of the Purchased Assets or the future profitability or future earnings performance of the Business.

Section 3.7 Fitness for Obtaining Required Permits and Regulatory Approvals. Buyer has no knowledge of any material fact or other information related to Buyer or any of its Affiliates which could be reasonably expected to have an adverse impact on Buyer's or its designees' ability to obtain the Healthcare Permits necessary for operation of the Business. Buyer is and has been in material compliance with Healthcare Laws and has not received any communication, nor is Buyer aware of any threatened action, from a Governmental Entity or Third-Party Payors that would prohibit or delay the Buyer from consummating the transaction contemplated herein or obtaining the Healthcare Permits necessary to operate the Business.

ARTICLE V. **PRE-CLOSING COVENANTS**

The Parties agree as follows with respect to the period between the execution of this Agreement and Closing (except as otherwise expressly stated to apply to a different period):

Section 5.1 Certain Efforts; Cooperation.

(i) On and after Closing, Seller and Buyer shall use their commercially reasonable efforts to take, or cause to be taken, all appropriate action, to do or cause to be done by Seller and Buyer all things necessary under applicable Law, and to execute and deliver such documents, ancillary agreements and other papers as may be required to carry out the provisions of this Agreement and consummate and make effective the Contemplated Transactions, including in order to more effectively vest in Buyer all of Sellers' right, title and interest to the Purchased Assets, free and clear of all Liens.

Section 5.2 Notices and Consents.

(i) Seller and Buyer shall cooperate with one another in promptly determining whether any filings are required to be or should be made or consents, approvals, Healthcare Permits or authorizations are required to be or should be obtained under any applicable Law or Material Contract in connection with this Agreement, the Contemplated Transactions or the operation of the Business by Buyer after Closing and in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such consents, Permits, authorizations, approvals or waivers; provided, however, that (i) Seller shall not incur any costs associated with the obligations hereunder, other than such ordinary and reasonable professional fees as described in this Agreement as are required for Seller to comply with the obligations hereunder. Buyer agrees to take all reasonable steps to make all necessary or beneficial pre-Closing or pre-Transfer Date filings with respect to Healthcare Permits within five (5) days of the Effective Date, and Seller shall reasonably cooperate in connection with the same.

(ii) Seller shall reasonably cooperate with Buyer in Buyer's effort to obtain any Healthcare Permit necessary for Buyer to operate the Business at and after Closing, and Seller shall, without limitation, transfer to Buyer any Permit it currently holds in connection with the operation of the Business to the extent transferable.

(iii) Subject to the terms and conditions set forth in this Agreement and applicable Law, Buyer and Seller shall (A) promptly notify the other Party of any communication to that Party from any Governmental Entity in respect of any filing, investigation or inquiry concerning this Agreement or the Contemplated Transactions, (B) if practicable and as otherwise permitted by applicable Law, permit the other Party the opportunity to review in advance all the information relating to Seller and their respective Subsidiaries or Buyer and its Subsidiaries and/or Affiliates, as the case may be, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the Agreement and the transactions contemplated by this Agreement and incorporate the other Party's reasonable comments, (C) if practicable and as otherwise permitted by applicable Law, not participate in any substantive meeting or discussion with any Governmental Entity in respect of any filing, investigation, or inquiry concerning this Agreement and the transactions contemplated by this Agreement unless it consults with the other Party in advance, and, to the extent permitted by such Governmental Entity, gives the other Party the opportunity to participate in and/or attend such meeting and/or discussion, and (D) if practicable and as otherwise permitted by

applicable Law, furnish the other Party with copies of all correspondences, filings, and written communications between them and their Subsidiaries and/or Affiliates and Representatives, on the one hand, and any Governmental Entity or its respective staff, on the other hand, with respect to this Agreement and the transactions contemplated by this Agreement, provided, however, that any materials or information provided pursuant to any provision of this Section 5.2(iii) may be redacted before being provided to the other Party to remove references concerning (i) the valuation of Buyer, Seller, or any of their Subsidiaries, (ii) financing arrangements, (iii) as necessary to comply with contractual arrangements, and (iv) as necessary to address reasonable privilege or confidentiality issues. Seller and Buyer may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other under this Section 5.2(iii) as “outside counsel only.” Such materials and the information contained therein shall be given only to the outside legal counsel and any retained consultants or experts of the recipient and shall not be disclosed by such outside counsel to employees, officers or directors of the recipient, unless express written permission is obtained in advance from the source of the materials (Sellers or Buyer, as the case may be). Seller and Buyer shall promptly notify the other Party if such Party becomes aware that any third party has any objection to the Agreement on antitrust or anti-competitive grounds. Notwithstanding the foregoing, this Section 5.2(d) shall not apply to Buyer’s efforts to obtain Required Permits and Regulatory Approvals necessary for the post-Closing operation of the Business.

Section 5.3 Due Diligence. Provided the Transfer Date has not earlier occurred, Buyer shall have a period of thirty (30) days from the Effective Date (the “Due Diligence Period”) to conduct a full due diligence review of the Business, Purchased Assets, and Assumed Liabilities including but not limited to environmental assessment, title review, and physical inspection. Buyer shall have the right to terminate this Agreement upon written notice to Seller at any time prior to the expiration of the Due Diligence Period, in which case the Good Faith Deposit shall be returned to Buyer and this Agreement shall be of no further force or effect.

(i) Without limiting the generality of the foregoing, during the Due Diligence Period, Buyer shall have reasonable access to the Real Property for the purpose of conducting, surveys, architectural, engineering, geo-technical and environmental inspections and tests, and any other inspections, studies, or tests reasonably required by Buyer. Such examination of the physical condition of the Real Property may include an examination for the presence or absence Hazardous Materials which shall be performed or arranged by the Purchaser at the Purchaser’s sole expense. As a condition precedent to Buyer’s right to perform any such test, that the Buyer deliver the Seller evidence of public liability and other appropriate insurance naming the Seller as an additional insured thereunder in amounts reasonably required by Seller of no less than \$2,000,000 per instance. Buyer shall keep the Real Property free and clear of any liens and will indemnify, protect, defend, and hold each of the Seller and its officers, elected officials, directors members, managers, employees, and agents (each, a “Seller Related Party”) harmless from and against all losses, costs, damages, claims, liabilities and expenses (including reasonable attorneys’ fees and court costs) arising from damage to the Real Property and injury to persons asserted against or incurred by any Seller Related Party as a result of such entry by the Buyer, its agents, employees or representatives. If any inspection or test damages the

Real Property and the Buyer does not acquire the Real Property, Buyer will restore the Real Property to substantially the same condition as existed prior to any such inspection or test.

(ii) Buyer has received the title commitment (the “Commitment”) from Title Company for the Real Property.⁹ The Commitments evidence the Title Company’s commitment to issue on the Transfer Date one or more policies of title insurance (Form 2021) (the “Title Policies”) insuring title to the Real Property, together with improvements, buildings and fixtures thereon, unless otherwise noted in such Commitments, in the full amount of the corresponding Purchase Price, subject only to the Permitted Liens.

(iii) Prior to Transfer Date, Seller shall obtain, at Seller’s expense, an [ALTA/NSPS] survey of the Real Property prepared by a licensed surveyor in order to support Seller conveying title to Buyer pursuant to a Seller’s affidavit under the Plat Act

Section 5.4 Conduct of Business. From the date hereof until the earlier of the termination of this Agreement pursuant to Section 9.1 or the Closing Date as may be required or contemplated by this Agreement, Seller shall conduct, and shall cause its Affiliates to conduct, the Business and maintain the Purchased Assets in the Ordinary Course of Business and use its commercially reasonable efforts to preserve intact the Purchased Assets (and all goodwill relating thereto) and all respective contracts and relationships with Residents, vendors, creditors, employees, landlords, agents, each Governmental Entity, and others having business relationships with them.

Section 5.5 Certain Restricted Conduct. Except as set forth on Schedule 5.5 of the Disclosure Schedule and except as otherwise set forth in this Agreement or as Buyer shall otherwise consent in advance in writing, during the period from the date of this Agreement to the Closing, no Seller shall, and Seller shall cause each of its respective Affiliates not to:

- (i) sell, lease, license, transfer, or dispose of, or mortgage or pledge or cause any Lien (other than Permitted Liens) to be imposed on, other than in the Ordinary Course of Business, any Purchased Assets;
- (ii) authorize, enter into, modify, waive any material rights under or terminate any Contract, arrangement, or commitment other than in the Ordinary Course of Business;
- (iii) dispose of or permit to lapse any rights in, to or for the use of any material Intellectual Property;
- (iv) permit, offer, agree or commit (in writing or otherwise) to permit, any of the Purchased Assets to become subject, directly or indirectly, to any Lien;
- (v) do any other act that would, to the Seller’s Knowledge, cause any representation or warranty of any Seller in this Agreement to be or become untrue in any

⁹ Note to Draft: Please provide copies.

material respect or intentionally omit to take any action necessary to prevent any such representation or warranty from being untrue in any material respect;

(vi) close the Community;

(vii) delay or postpone the payment of any accounts payable or other liability or agree to extend the payment date for any accounts payable or other liability, other than in the Ordinary Course of Business; or

(viii) fail to file any Tax Return when due with respect to the Purchased Assets or the Business.

Section 5.6 Notice of Developments. From the date hereof until the Closing Date, Seller shall promptly disclose to Buyer, on the one hand, and Buyer shall promptly disclose to Seller, on the other hand, in writing (in the form of an updated Disclosure Schedule, if applicable) after attaining knowledge (as applicable to each of the Seller and Buyer) of (a) any material failure of any of Seller or Buyer to comply with or satisfy any of their respective representations, warranties, covenants, conditions or agreements to be complied with or satisfied by them under this Agreement in any material respect, (b) any fact, circumstance, event or action the existence, occurrence or taking of which has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (c) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement and (d) any actions commenced or, to Seller's Knowledge, threatened against, relating to or involving or otherwise affecting the Business, the Purchased Assets or the Assumed Liabilities; *provided, however*, that the delivery of any notice pursuant to this Section 5.6 shall not operate as a waiver or otherwise limit or affect any representation, warranty or agreement in this agreement or the remedies available to the party receiving such notice under this Agreement.

Section 5.7 Access. Upon reasonable advance written request by Buyer, Seller shall permit Buyer and its Representatives to have reasonable access during customary business hours, and in a manner so as not to interfere unreasonably with the regular business operations of Seller, to the Communities, properties, personnel, Records, Contracts and other documents and data related to the Business and the Purchased Assets, in each case, for the sole purpose of evaluating the Business and the Purchased Assets, and shall furnish Buyer with such financial, operating and other data and information in connection with the Business and the Purchased Assets as Buyer may reasonably request. From the date hereof through the Closing Date, Seller shall promptly following Buyer's request, seek and use their respective reasonable best efforts to arrange such meetings and telephone conferences between Buyer and Landlord and between Buyer and Seller's material suppliers and vendors as may be reasonably requested by Buyer and necessary and appropriate for Buyer to coordinate transition of the Business following the Closing. For the avoidance of doubt, the foregoing shall not require any Party to waive, or take any action with the effect of waiving, its attorney-client privilege or any confidentiality obligation to which it is bound with respect thereto or take any action in violation of applicable Law.

Section 5.8 Bulk Transfer Laws. The Parties intend that the transfer of the Purchased Assets shall be free and clear of any Liens on the Purchased Assets (other than Permitted Liens), including any Liens arising out of any applicable bulk sale or transfer Laws.

Section 5.9 Casualty, Condemnation. As used herein, the term “*Casualty Loss*” means any destruction by fire, storm or other casualty, or any taking or pending or threatened taking, in condemnation or under the right of eminent domain, of any of the Purchased Assets, or a portion thereof, in each case, prior to the Effective Time. Seller shall promptly give Buyer written notice (a “*Casualty Notice*”) of any Casualty Loss of which Seller becomes aware. To the extent such Casualty Loss exceeds \$500,000 in cost, Buyer shall have the option, which must be exercised within ten (10) days after its receipt of the Casualty Notice, to terminate this Agreement or to proceed with the Closing. If Buyer elects to terminate this Agreement, the Good Faith Deposit shall be returned to Buyer and all rights, duties, obligations and liabilities created hereunder shall cease. If Buyer elects to proceed with Closing (or if the Casualty Loss is less than \$500,000), Buyer shall acquire the Purchased Assets in accordance with the terms hereof without a credit against the Purchase Price and Seller shall transfer to Buyer all of their rights to unpaid insurance proceeds, claims, awards and other payments arising out of such Casualty Loss and pay to Buyer all sums paid to Seller as insurance proceeds, awards or other payments arising out of such Casualty Loss less any amounts Seller has paid to repair or mitigate such Casualty Loss and less any deductible paid by Seller under such insurance policy(ies). Seller shall not compromise, settle or adjust any such claims without the consent of Buyer; such consent not to be unreasonably withheld, conditioned or delayed.

Section 5.10 Employee Matters.

(i) Effective as of 11:59 p.m. on the Closing Date, the applicable Seller shall terminate all of its Current Employees remaining in such Seller’s employ Closing at that time. On or before the Closing Date Buyer shall offer (or cause a designee of Buyer to offer) employment to all Current Employees, and any Former Employees desired, in relation to the operation of the Assumed Communities and the Business, with employment commencing as of 12:00 a.m. on the day immediately following the Closing Date, subject to Buyer’s pre-employment screenings and employment practices, policies and procedures. For purposes of this Agreement, each Current Employee and Former Employee who receives such an offer of employment shall be collectively referred to as an “Offeree.” At least five (5) business days prior to the Closing Date, Buyer will provide Seller with a schedule setting forth a list of the names of all then expected Offerees, and shall inform Seller in writing if any Offeree rejects the offer provided. Each Offeree who accepts such offer prior to or on the Closing Date shall be referred to herein as a “Transferred Employee.” As of 11:59 p.m., on the Closing Date, each Transferred Employee shall cease participation in all employee benefit plans provided by the applicable Seller, except with respect to benefits accrued as of, or claims incurred on or prior to, such time, all such benefits and claims are Excluded Liabilities hereunder. Beginning on the day immediately following the Closing Date, Buyer or its Affiliates will provide employee benefit coverages to each Transferred Employee under new or existing plans sponsored by Buyer or one of

its Affiliates at substantially the same levels as those offered by Seller immediately prior to the Closing Date.

(ii) Buyer shall offer immediate employment to all of the Current Employees, such that no period of unemployment shall occur between employment with the Seller and employment with Buyer, and such that there will be no violation of the WARN Act or any comparable state or local laws, with such employment with the Buyer to commence immediately Closing Date in accordance with Section 5.10(i), above. If Buyer fails to offer immediate employment to substantially all of the Current Employees, Buyer acknowledges and agrees that it shall be responsible for the payment of any amounts or liabilities arising or due under the WARN Act or any comparable state or local laws, and/or shall indemnify and defend Seller against the same. In furtherance and not in limitation of the foregoing, Buyer shall treat prior service with Seller reflected in the information provided above as service with Buyer for purposes of determining eligibility to participate and vesting in all benefits programs maintained by Buyer. On and after the Transfer Date, Buyer and its relevant designees shall be responsible for any liabilities with respect to the Transferred Employees' employment or termination of employment or the terms and conditions of employment of the Transferred Employees or any other applicable Law accruing on or after Transfer Date. Seller shall cooperate with Buyer in providing information reasonably requested by Buyer to facilitate hiring and establishing benefits for Transferred Employees who accept employment with Buyer. This Agreement shall not be deemed to create or grant to any Transferred Employee any third-party beneficiary rights or claims or any cause of action of any kind or nature.

(iii) Each Current Employee and Former Employee of Seller who is not a Transferred Employee shall be referred to herein as an "Excluded Employee."

(iv) Following the date of this Agreement,

(i) Seller shall allow Buyer or any of its Representatives reasonable access upon reasonable advance notice to meet with and interview the Sellers' employees who are members of executive management and other employees reasonably requested during normal business hours, provided that Seller shall use reasonable efforts consolidate such meetings and avoid disruption to the workplace;

(ii) Seller shall not, nor shall Seller authorize or direct or give express permission to any Affiliate, officer, director or employee of Seller or any Affiliate, to (A) interfere with Buyer's or its Representatives' rights under this Agreement to make offers of employment to any Offeree, or (B) solicit or encourage any Offeree not to accept, or to reject, any such offer of employment;

(iii) Seller shall, subject to any privacy obligations it may have under applicable law, provide reasonable cooperation and information to Buyer or the relevant Representative as reasonably requested by Buyer or such Representative with respect to its determination of appropriate terms and conditions of employment for any Offeree;

(iv) Buyer shall provide COBRA continuation coverage (within the meaning of Section 4980B of the Internal Revenue Code and U.S. Treasury regulations thereunder) to all Facility Employees who are “M&A qualified beneficiaries” (within the meaning of Treasury Regulation Section 54.4980B-9, Q&A-4) for the duration of the period to which such Facility Employees are entitled to such coverage;

(v) Seller shall process the payroll for and pay, or cause to be paid, the base wages, base salary, incentive compensation and benefits that are due and payable with respect to the period prior to the Closing Date with respect to all Current Employees and Former Employees no later than the date such wages, salary or incentive compensation would normally be paid. Seller shall withhold, fund and remit all applicable payroll taxes as required by Law on or prior to the Closing Date with respect to all employees of Seller as of such date; and

(v) Buyer shall (or shall cause its designee to) process the payroll for and shall pay, or cause to be paid, base wages, base salary and benefits that accrue after the Closing Date with respect to all Transferred Employees and shall satisfy, without reduction to the Purchase Price, all obligations to such Transferred Employees for any unused paid time off or leave that is required to be compensated under applicable Law, except to the extent such obligations constitute Assumed Liabilities. Buyer shall withhold and remit all applicable payroll taxes as required by Law after the Closing Date with respect to Transferred Employees. Nothing herein shall be construed as requiring, and neither Seller nor any of their Affiliates shall take any affirmative action that would have the effect of requiring Buyer to continue any specific employee benefit plan or to continue the employment of any specific person. Nothing in this Agreement shall create or be construed as creating any contract of employment or as conferring upon any Transferred Employee or upon any other person, other than the parties to this Agreement in accordance with its terms, any rights to enforce any provisions of this Agreement under ERISA or otherwise.

(vi) Nothing expressed or implied in this Section 5.10 will confer upon any Current Employee or any legal representative of any such Person, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever under or by reason of this Agreement. Nothing in this Agreement (i) will limit or restrict in any way the right of Buyer to modify, amend, terminate or establish employee benefit plans or arrangements in whole or in part at any time after the Closing Date, (ii) shall be construed to establish, amend, or modify any benefit plan, program, agreement or arrangement, or (iii) is intended to confer upon any individual (including Current Employees, Former Employees, retirees, or dependents or beneficiaries of Current Employees, Former Employees, or retirees) any right as a third-party beneficiary of this Agreement.

Section 5.11 Regulatory Filings.

(i) The Parties acknowledge that due to the nature of the Business, certain regulatory approvals, licenses, Illinois Health Facilities and Services Review Board approvals, certifications and authorizations must be obtained from certain Government

Entities to allow Buyer to operate the Community for the purposes of the Business after Closing (collectively, the “Licensing Approvals”). Seller shall reasonably cooperate with Buyer in Buyer’s efforts to obtain the Licensing Approvals in favor of Buyer or Buyer’s designee, and Seller shall additionally use good faith efforts to effectuate the transfer of any existing regulatory approvals, licenses and/or authorizations from Seller to Buyer, or Buyer’s designee, to the extent allowed under applicable Laws, all at no out-of-pocket expense to Sellers. Buyer shall pay all standard application and similar fees associated with the Licensing Approvals. The Parties acknowledge that obtaining the Licensing Approvals may require notices to be sent to Residents of the Community of the intended change of the ownership and management of the Community.

(ii) Buyer shall be responsible for obtaining all Licensing Approvals. Buyer, at its sole cost and expense, shall promptly submit and diligently pursue all necessary applications and other materials to the appropriate Government Entity and take such other actions to effect the transfer of the Healthcare Permits or issuance of new Licensing Approvals as of the Transfer Date. Buyer shall submit all applications for such transfer or issuance, as applicable, including without limitation a certificate of need application with the Illinois Health Facilities and Services Review Board, by no later than five (5) business days after the Effective Date (the “Application Date”) and shall pursue the same diligently using reasonable commercial efforts. Further, Buyer agrees to provide copies of all correspondence between Buyer (or its Affiliates) and any regulatory agency, or similar body, to Seller within two (2) business days of Buyer’s receipt of same.

(iii) On or before the Application Date, Buyer shall, at its sole cost and expense, submit all necessary applications and other materials to the appropriate Government Entity, and shall take all such other required actions before and after the Application Date, to effect a change of ownership of the Community pursuant to the Medicare and Medicaid Provider Agreement and applicable Laws.

Section 5.12 AS-IS. Buyer acknowledges and agrees that upon the Transfer Date, Seller shall sell and convey to Buyer and Buyer shall accept the Real Property “**AS IS, WHERE IS, WITH ALL FAULTS,**” except to the extent expressly provided otherwise in this Agreement and any document executed by Seller and delivered to Buyer on the Transfer Date.

(i) Except as expressly set forth in this Agreement, Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Real Property or relating thereto made or furnished by Seller, or any property manager, real estate broker, agent or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing. Buyer represents that it is a knowledgeable, experienced and sophisticated Buyer of real estate and that, except as expressly set forth in this Agreement, it is relying solely on its own expertise and that of Buyer’s consultants in purchasing the Real Property and shall make an independent verification of the accuracy of any documents and information provided by Seller. Upon the Transfer Date, Buyer shall assume the risk that adverse matters, including, but not limited to, adverse physical or construction defects or adverse environmental, health or

safety conditions, may not have been revealed by Buyer's inspections and investigations. Buyer hereby represents and warrants to Seller that: (a) Buyer is represented by legal counsel in connection with the transaction contemplated by this Agreement; and (b) Buyer is purchasing the Real Property for business, commercial, investment or other similar purpose and not for use as Buyer's residence. Buyer waives any and all rights or remedies it may have or be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Seller.

(ii) Buyer acknowledges that it will have the opportunity to inspect the Real Property during the Due Diligence Period, and during such period, observe its physical characteristics and existing conditions and the opportunity to conduct such investigation and study on and of the Real Property as Buyer deems necessary, and, other than the right to pursue Seller after the Transfer Date in connection with any representation, warranty or covenant of Seller that is expressly stated to survive the Transfer Date but subject to the other limitations of this Agreement with respect thereto, upon the Transfer Date, Buyer hereby FOREVER RELEASES AND DISCHARGES Seller from all responsibility and liability, whether arising before or after the Effective Date, and liabilities under the Comprehensive Environmental Response, Compensation and Liability Act Of 1980 (42 U.S.C. Sections 9601 et seq.), as amended, ("CERCLA") regarding the condition, valuation, salability or utility of the Real Property, or its suitability for any purpose whatsoever (including, but not limited to, with respect to the presence in the soil, air, structures and surface and subsurface waters, of Hazardous Materials or other materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Real Property under current or future federal, state and local laws, regulations or guidelines, and any structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and Hazardous Materials on, under, adjacent to or otherwise affecting the Real Property). Buyer further hereby WAIVES (and upon the Transfer Date will be deemed to have WAIVED) any and all objections and complaints (including, but not limited to, federal, state and local statutory and common law based actions, and any private right of action under any federal, state or local laws, regulations or guidelines to which the Real Property is or may be subject, including, but not limited to, CERCLA) concerning the physical characteristics and any existing conditions of the Real Property, whether arising before or after the Effective Date. Buyer further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Real Property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Materials or other contaminants, may not have been revealed by its investigation.

(iii) This Section 5.12 shall survive the Closing.

Section 5.13 POST-CLOSING COVENANTS

The Parties agree as follows with respect to the period from and after Closing, *provided* that (i) Seller shall not incur any costs, associated with the obligations hereunder,

other than such ordinary and necessary professional fees as are required for Seller to comply with the obligations hereunder.

Section 5.14 Cooperation. Each of the Parties shall cooperate with each other, and shall use their commercially reasonable efforts to cause their respective Representatives to cooperate with each other, to provide an orderly transition of the Purchased Assets and Assumed Liabilities from Seller to Buyer and to minimize the disruption to the Business resulting from the Contemplated Transactions. Without limiting the foregoing, Seller shall, upon Buyer's request, assist Buyer in Buyer's efforts to (a) notify Residents of the Contemplated Transactions and (b) be listed and/or perfected as the secured party with respect to any Lien securing the Purchased Assets. Seller shall, for a period of twenty-four (24) months after Closing, cooperate fully with Buyer in responding to third-party inquiries, audits, and transition of care issues, at no cost to Buyer.

Section 5.15 Further Assurances. In case at any time from and after Closing any further action is necessary or reasonably required to carry out the purposes of this Agreement, at any Party's request and sole cost and expense, each Party shall promptly take such further action (including the execution and delivery to any other Party of such other reasonable instruments of sale, transfer, conveyance, assignment, assumption and confirmation and providing materials and information) as another Party may reasonably request as shall be necessary to transfer, convey and assign to Buyer all of the Purchased Assets, to confirm Buyer's assumption of the Assumed Liabilities and to confirm Seller's retention of the Excluded Assets and Excluded Liabilities. Without limiting the generality of this Section 5.15, to the extent that either Buyer or Seller discover any additional assets or properties which the Parties mutually agree should have been transferred or assigned to Buyer as Purchased Assets but were not so transferred or assigned, Buyer and Seller shall cooperate and promptly execute and deliver any instruments of transfer or assignment necessary to transfer and assign such asset or property to Buyer.

Section 5.16 Availability of Business Records. From and after the Closing Date, Buyer shall provide to Seller and their respective Representatives (after reasonable notice and during normal business hours and without charge to Seller) access to all Records included in the Purchased Assets for periods prior to the Transfer Date and reasonable access to Transferred Employees to the extent such access is necessary in order for Seller (as applicable) to comply with applicable Law or any contract to which it is a party, for liquidation, winding up, Tax reporting or other proper purposes and so long as such access is subject to an obligation of confidentiality, and shall preserve such Records until the latest of (i) seven years after the Transfer Date, (ii) the required retention period for all government contact information, records or documents or (iii) in the case of Records related to Taxes, the expiration of the statute of limitation applicable to such Taxes. Such access shall include access to any information in electronic form to the extent reasonably available. Buyer acknowledges that Seller has the right to retain copies of all of Records included in the Purchased Assets for periods prior to the Transfer Date. Seller shall provide Buyer with unrestricted access to all Records relating to the operation of the Business during the three (3) years prior to the Transfer Date, and shall cooperate in the transfer of such records, whether in physical or electronic form.

Section 5.17 Recording of Intellectual Property Assignments. All of the Intellectual Property Assignments shall be recorded and filed by Buyer with the appropriate Governmental Entities as promptly as practicable following the Transfer Date.

Section 5.18 Taxes.

(i) Buyer shall pay any stamp, documentary, registration, transfer, added-value or similar Tax (each, a “Transfer Tax”) imposed under any applicable Law in connection with the transactions contemplated by this Agreement. Each Seller and Buyer shall cooperate to prepare and timely file any Tax Returns required to be filed in connection with Transfer Taxes described in the immediately preceding sentence.

(ii) Except as provided with respect to Transfer Taxes in Section 6.6(a), and as provided with respect to Tax refunds in Section 6.6(c), from and after the Transfer Date, the applicable Seller, at such Seller’s sole cost and expense, shall file (or cause to be filed) all Tax Returns with respect to any Tax that is not an Assumed Liability.

(iii) All refunds for Taxes that are Purchased Assets shall be paid to the owner of the Purchased Assets for which the Tax refund was received. To the extent Buyer receives any refund for any such Tax for the period in which Seller owned the Purchased Assets, Buyer shall promptly pay such refund to Seller.

(iv) Buyer and Seller shall reasonably cooperate (i) in the preparation and timely filing of any Tax Return relating to the Business, the Purchased Assets, or the Assumed Liabilities; (ii) in any audit or other proceeding with respect to Taxes or Tax Returns relating to the Business, the Purchased Assets, or the Assumed Liabilities; (iii) make available any information, records, or other documents relating to any Taxes or Tax Returns relating to the Business, the Purchased Assets, or the Assumed Liabilities; and (iv) provide certificates or forms, and timely execute any Tax Return, that are necessary or appropriate to establish an exemption for (or reduction in) any Transfer Tax.

(v) All real and personal property taxes relating to the Purchased Assets shall be prorated based on the most recent available tax bills, and any tax refunds related to pre-Transfer Date periods shall be the property of Buyer to the extent attributable to the Purchased Assets.

Section 5.19 Wage Reporting. Buyer and Seller agree to utilize, or cause their respective Affiliates to utilize, the standard procedure set forth in Internal Revenue Service Revenue Procedure 2004-53 with respect to wage reporting.

Section 5.20 Insurance Policies.

(i) To the extent that any current or prior Insurance Policy of any Seller relates to the Purchased Assets or Assumed Liabilities and the Excluded Assets or the Excluded Liabilities, and such Insurance Policy is transferred to Buyer on the Transfer Date, Buyer shall hold such Insurance Policy with respect to the Excluded Assets or Excluded Liabilities, as applicable, for the benefit of Seller, shall reasonably cooperate with Seller in pursuing any claims thereunder (at no additional cost or expense to Buyer), and shall pay

over to Seller promptly any insurance proceeds paid or recovered thereunder with respect to the Excluded Assets or the Excluded Liabilities.

(ii) Notwithstanding subparagraphs (a) above, nothing in this Article or Agreement shall transfer any directors and officers' liability insurance policies relating to Seller to Buyer.¹¹

Section 5.21 Collection of Accounts Receivable.

(a) Seller shall assign to Buyer all of Seller's right, title and interest in and to any and all outstanding accounts receivable with respect to the Community that relate to periods ending on or before the Transfer Date, including but not limited to accounts receivable from private pay residents, Medicare, Medicaid, managed care organizations, and other third-party payors.

(b) Buyer shall have the sole authority and right to bill and collect all accounts receivable arising from services rendered, goods sold, or work performed at the Community after the Transfer Date.

(c) From and after the Transfer Date, until such time as Buyer is authorized and able to bill under its own provider numbers and third-party contracts, Buyer shall be permitted to bill and collect under Seller's Medicare and Medicaid provider numbers and existing Third-Party Payor contracts applicable to the Community. Seller shall reasonably cooperate with Buyer in maintaining such billing capabilities and in complying with all applicable regulations, including execution of any necessary agreements to allow such interim billing. Buyer shall perform weekly reconciliations of collected funds, and all amounts due to Buyer shall be transferred by Seller no less than one day per week on a mutually agreed date.

Section 5.22 Use of Name and Marks. Neither Seller nor any of their respective Affiliates or Subsidiaries shall use, license or authorize any third party to use, any name, slogan, logo, trademark, service mark, trade name or brand name which is similar or deceptively similar to any of the names, slogans, logos, trademarks, service marks, trade names or brand names included in the Intellectual Property included in the Purchased Assets. If requested by Buyer, each Seller shall, and shall cause its respective Affiliates to, promptly amend its governing documents and take all actions necessary to change its legal name and any registered doing-business-as or fictitious name to a new name bearing no resemblance to its current name so as to omit any reference to "Stephenson Nursing Center" and any other current tradename of Seller and shall provide evidence to Buyer of the same. Each Seller shall also take all actions reasonably requested by Buyer to enable Buyer to use the Seller's present name and doing-business-as designations after the Transfer Date.

Section 5.23 Data Privacy Protection. Buyer acknowledges that the Purchased Assets include personally identifiable information ("PII"), along with associated Personal

Data about Residents. In connection with the same, Buyer agrees to: (i) employ appropriate security controls and procedures (technical, operational and managerial) to protect PII and Personal Data, (ii) abide by all applicable Laws and regulations with respect to PII and (iii) take such further actions with respect to PII as may be agreed between the Parties. Buyer agrees that it shall, absent a Resident's or prospective Resident's consent received after adequate notice: (a) abide by Seller's Privacy Policies and privacy-related covenants made in Seller's terms of service that were in effect as of the Effective Date, (b) respect prior requests of Residents to opt out of receipt of marketing messages (to the extent Buyer is made aware of such requests; provided that Buyer shall seek to obtain such information from Seller) and (c) use PII only for the purposes related to continuing Business operations and continuing to provide similar goods and services to Residents, including marketing the products and services related to Purchased Assets. Buyer shall use its reasonable commercial efforts to obtain the consent of a Resident for any additional use of PII or Personal Data or before making material changes to Seller's privacy policies that weaken a Resident's consumer protection. Furthermore, to the extent PII includes any social security numbers, Buyer shall limit such use to tax reporting purposes, and, to the extent required by Law, shall purge such information from its databases when such information is no longer required for that purpose.

Section 5.24 403(b) Plan. Not less than two (2) Business Days before the anticipated Transfer Date, the board of directors or managers of each Seller shall adopt resolutions and take such action as is necessary to terminate the 403(b) Plan, effective as of the date prior to the Transfer Date. Following the Transfer Date, the assets thereof shall be distributed to the participants.

Section 5.25 Confidentiality.

(i) The terms of the Confidentiality Agreement shall continue in full force and effect until the Transfer Date as to the Purchased Assets, at which time Buyer's obligations under any such Confidentiality Agreement shall terminate as to the Purchased Assets, but shall remain in full force and effect as to the Excluded Assets.

(ii) Seller shall not, and Seller shall cause their Affiliates and the respective Representatives of Seller and their Affiliates not to, use for their own benefit or divulge or convey to any third party, any Confidential Information; provided, however, that Seller and their Affiliates may furnish such portion (and only such portion) of the Confidential Information as such Seller or Affiliate reasonably determines it is legally obligated to disclose if: (i) it receives a request to disclose all or any part of the Confidential Information under the terms of a subpoena, civil investigative demand or order issued by a Governmental Entity; (ii) to the extent not inconsistent with such request, it notifies Buyer of the existence, terms and circumstances surrounding such request and consults with Buyer on the advisability of taking steps available under applicable Law to resist or narrow such request; (iii) it exercises its commercially reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to the disclosed Confidential Information; and (iv) disclosure of such Confidential Information is required to prevent such Seller or Affiliate from being held in contempt or becoming subject to any other penalty under applicable Law. For purposes of this Agreement, "Confidential Information"

consists of all information and data relating to the Business (including Intellectual Property, Resident and supplier lists, pricing information, marketing plans, market studies, client development plans, business acquisition plans and all other similar information or data), the Purchased Assets or the transactions contemplated hereby, except for data or information that is or becomes available to the public other than as a result of a breach of this Section.

(iii) Effective as of the Transfer Date, Seller hereby assign to Buyer all of the Seller's right, title and interest in and to any confidentiality agreements entered into by Sellers (or their Affiliates or Representatives) and each Person (other than Buyer and its Affiliates and Representatives) who entered into any such agreement or to whom Confidential Information was provided in connection with any potential transaction involving the acquisition or purchase of all or any portion of the Business or the Purchased Assets. From and after the Transfer Date, Sellers will take all actions reasonably requested by Buyer in order to assist in enforcing the rights so assigned, at Buyer's sole expense. Seller shall use their commercially reasonable efforts to cause any such Person to return to Seller any documents, files, data or other materials constituting Confidential Information provided to such Person in connection with the consideration of any such transaction.

Section 5.26 Resident Trust Funds. Prior to the Transfer Date, Seller shall prepare a true, and complete accounting, properly reconciled, of any Resident Trust Funds then held by any Seller or its Affiliates for Residents at any of the Communities. On the Transfer Date, Seller shall transfer, or cause to be transferred, the Resident Trust Funds to bank accounts designated by Buyer, and Buyer shall, in writing, acknowledge receipt of and expressly assume all of Seller's or its Affiliate's, as applicable, financial and custodial obligations with respect to such Resident Trust Funds actually delivered by Seller or its Affiliate, as applicable, it being the intent and purpose of this provision that, as of the Transfer Date, Buyer will assume the fiduciary and custodial obligations with respect to such Resident Trust Funds actually delivered to Buyer and be directly accountable to the current Residents with respect thereto. Within thirty (30) days following the Transfer Date, Seller shall update such accounting, properly reconciled, as of the Transfer Date. The provisions of this Section 5.26 shall survive the Closing.

Section 5.27 Plat of Subdivision. Prior to the Transfer Date, Seller shall cause the Land to be legally subdivided in accordance with the Illinois Plat Act (765 ILCS 205/1) and Chapter 1224 of the Codified Ordinances of Freeport (together the "**Plat Act**") pursuant to a plat of subdivision to be mutually approved by the parties and recorded in the public records. Upon recordation of the plat of subdivision, Seller shall file all appropriate applications requesting separate parcel identification numbers be issued for the Real Property and Seller's remaining land. Buyer shall be solely responsible for any real estate taxes and assessments accrued upon the Land from and after the Transfer Date and, to the extent that any such taxes and assessments become due and payable prior to the issuance of a separate parcel identification number for the Real Property, Buyer shall reimburse Seller upon demand for Buyer's share of such taxes and assessments. The terms and conditions of this Section 2.9 shall survive the Closing.

ARTICLE VI. INDEMNIFICATION

Section 6.1 Indemnification by Seller. Subject to the limitations set forth herein, Seller shall indemnify, defend, and hold harmless Buyer and its Affiliates, and their respective officers, directors, members, managers, partners, employees, and agents (collectively, “Buyer Indemnified Parties”) from and against any and all losses, damages, liabilities, penalties, fines, costs, and expenses (including reasonable attorneys’ fees) (collectively, “Losses”), to the extent not Assumed Liabilities, resulting from:

- (a) any breach of any representation or warranty made by Seller in this Agreement or any Related Agreement;
- (b) any breach of any covenant or agreement of Seller contained in this Agreement;
- (c) any Excluded Liability or Excluded Asset;
- (d) any liability for Taxes of Seller or relating to the operation of the Business or ownership of the Purchased Assets prior to the Closing, excluding the Assumed Liabilities;
- (e) any claim relating solely to employment matters prior to Closing;
- (f) any Fraud by Seller.

6.2 Indemnification by Buyer. Buyer shall indemnify, defend, and hold harmless Seller and its Affiliates and their respective officers, directors, members, managers, partners, employees, and agents from and against any and all Losses resulting from:

- (a) any breach of any representation or warranty made by Buyer in this Agreement;
- (b) any breach of any covenant or agreement of Buyer contained in this Agreement;
- (c) any Assumed Liability;
- (d) any claim, damage, liability or other harm or cost, including attorney’s fees and court costs, relating to the operation of the Business on or following the date of Closing or to the Purchased Assets on or following the Transfer Date.

Section 6.3 Survivability; Limitations. The party making a claim under this Article VI is referred to as an “Indemnified Party” and the party against whom such claims are asserted under this Article VI is referred to as the “Indemnifying Party.”

(i) The representations and warranties of Seller and Buyer contained in this Agreement shall survive the Closing and remain in full force and effect until the date that is one (1) year from the Transfer Date. None of the covenants or other agreements contained in this Agreement shall survive the Closing Date other than those which by their terms contemplate performance after the Closing Date, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

(ii) Seller shall not be liable for any Losses pursuant to Section 6.1 except to the extent such Losses exceed in the aggregate \$5,000.00

(iii) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(iv) Seller shall not be liable under this Article VI for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had knowledge of such inaccuracy or breach prior to the Closing.

(v) All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

(vi) Payments by an Indemnifying Party pursuant to this Article VI in respect of any Losses shall be reduced by an amount equal to any tax benefit realized or reasonably expected to be realized as a result of such Losses by the Indemnified Party.

(vii) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Losses upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Losses.

(viii) Payments by an Indemnifying Party pursuant to this VI in respect of any Losses shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(ix) The parties acknowledge and agree that from and after the Closing their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in this Article VI. In furtherance of the foregoing, each party hereby waives, from and after the Closing, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Article VI. Nothing in this Section 6.3(ix) shall limit any Person's right to seek and obtain any equitable relief to which such Person shall be entitled.

Section 6.4 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the Indemnified Party shall promptly provide written notice of such claim to the Indemnifying Party. Such notice by the Indemnified Party shall: (a) describe the claim in reasonable detail; (b) include copies of all material written evidence thereof; and (c) indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. In connection with any claim giving rise to indemnity hereunder resulting from

or arising out of any act or omission by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such action, with its counsel and at its own cost and expense, subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party does not assume the defense of any such action, the Indemnified Party may, but shall not be obligated to, defend against such action in such manner as it may deem appropriate, including settling such action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any claim, including: (i) making available records relating to such claim; and (ii) furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such claim. The Indemnifying Party shall not settle any action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

ARTICLE VII. INTENTIONALLY OMITTED

ARTICLE VIII. CONDITIONS TO CLOSING

Section 8.1 **Conditions to Buyer's Obligations** Buyer's obligation to consummate the Contemplated Transactions in connection with Closing is subject to satisfaction or waiver of the following conditions:

(i) as of the date hereof and as of Closing (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) each representation or warranty contained in ARTICLE III, through Section 3.3 shall be true and correct in all material respects, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate with other such failures, has not had, and would not reasonably be expected to have, a Material Adverse Effect; provided, however, that for purposes of determining the accuracy of representations and warranties referred to in clause for purposes of this condition, all qualifications as to "materiality" and "Material Adverse Effect" and similar expressions contained in such representations and warranties shall be disregarded;

(ii) Seller shall have performed and complied with their covenants and agreements hereunder to the extent required to be performed prior to Closing in all material respects, and Seller shall have caused the documents and instruments required by Section 2.7(i) to be delivered to Buyer (or tendered subject only to Closing);

(iii) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect

of making Closing illegal or otherwise prohibiting the consummation of Closing, and, at the time of the Closing, there shall not be any Litigation, investigation, inquiry or proceeding pending, entered, enacted, enforced or issued or instituted in or by any Governmental Entity or by any third party to restrain, enjoin or prohibit consummation of the Contemplated Transactions or that might result in rescission in connection with such Contemplated Transactions;

(iv) from the date of this Agreement until the Closing Date, there shall not have occurred any circumstance, change, effect, event, occurrence, state of facts or development that has had, or would reasonably be expected to have, a Material Adverse Effect;

(v) [Intentionally Omitted]; and

(vi) Seller shall have delivered a certificate from an authorized officer of each Seller to the effect that each of the conditions specified in Section 8.1(i), Section 8.1(ii) and Section 8.1(iv) has been satisfied.

(vii) Prior to the Transfer Date, the Title Company shall be irrevocably committed to issue to Buyer an ALTA Owner's Title Insurance Policy (Form 2021), in the amount of the allocated Purchase Price for the Real Property, showing fee simple title vested in Buyer, subject only to Permitted Liens. Buyer shall have the right to request additional coverage by endorsement be added to such title policy but the same shall not be a condition to Buyer's obligation to proceed with Transfer Date.

Section 8.2 Conditions to Seller's Obligations. Seller's obligation to consummate the Contemplated Transactions in connection with Closing are subject to satisfaction or waiver of the following conditions:

(i) as of the date hereof and as of Closing (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) each representation or warranty contained in Section 4.1, Section 4.2 or Section 4.3 shall be true and correct in all material respects and (ii) each other representation or warranty set forth in ARTICLE IV shall be true and correct in all respects, except where the failure of such representations and warranties referred to in this clause (ii) to be true and correct, individually or in the aggregate with other such failures, would not reasonably be expected to materially prevent, restrict or delay the consummation of the Contemplated Transactions or the transactions contemplated by any Related Agreement; provided, however, that for purposes of determining the accuracy of representations and warranties referred to in clause (ii) for purposes of this condition, all qualifications as to "materiality" and similar expressions contained in such representations and warranties shall be disregarded;

(ii) Buyer shall have performed and complied with its covenants and agreements hereunder to the extent required to be performed prior to Closing in all material respects, and Buyer shall have caused the documents, instruments, and payments required by Section 2.7(ii) or any other provision of this Agreement to be delivered to Seller (or tendered subject only to Closing);

(iii) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect of making the Closing illegal or otherwise prohibiting the consummation of Closing, and, at the time of the Closing, there shall not be any Litigation, investigation, inquiry or proceeding pending, entered, enacted, enforced or issued or instituted in or by any Governmental Entity or by any third party to restrain, enjoin or prohibit consummation of the Contemplated Transactions or that might result in rescission in connection with such Contemplated Transactions;

(iv) Buyer shall have delivered a certificate from an authorized officer of Buyer to the effect that each of the conditions specified in Section 8.2(i) and Section 8.2(ii) has been satisfied.

ARTICLE IX. TERMINATION

Section 9.1 Termination of Agreement. This Agreement may be terminated and the Contemplated Transactions abandoned at any time prior to Closing only:

(i) by the mutual written consent of Buyer, on the one hand, and Sellers, on the other hand;

(ii) by Buyer by giving written notice to Seller at any time prior to Closing;

(iii) Required regulatory approvals are not obtained by a stated outside date.

(iv) Any material representation or warranty of Seller is untrue.

(i) (x) if Buyer is not then in material breach of any provision of this Agreement and Seller has breached any of their agreements, covenants, representations or warranties contained in this Agreement (provided such breach would result in the failure of a condition set forth in Section 8.1 to be satisfied) and Buyer has notified Seller of the breach, and the breach has continued without cure for a period of ten (10) Business Days after the notice of the breach, or (y) in the event that any condition set forth in Section 8.1 shall become incapable of being satisfied by the Closing, unless such failure shall be due to the failure of Buyer to perform or comply with any of its covenants, agreements or obligations hereunder to be performed or complied with by it prior to Closing, and such condition is not waived by Buyer;

(ii) if the Closing shall not have occurred on or before 30 days after the Due Diligence Date (the “Outside Closing Date”) by reason of the failure of any condition precedent under Section 8.1 (unless such failure was primarily within the control of a Buyer

(v) by any Seller by giving written notice to Buyer at any time prior to Closing:

(i) (x) if no Seller is then in material breach of any provision of this Agreement and Buyer has breached any of its agreements, covenants, representations or warranties contained in this Agreement (provided such breach would result in the failure of a condition set forth in Section 8.2 to be satisfied) and Seller has notified Buyer of the breach, and the breach has continued without cure for a period of ten (10) Business Days after the notice of the breach, or (y) in the event that any condition set forth in Section 8.2 shall become incapable of being satisfied by Closing, unless such failure shall be due to the failure of Seller to perform or comply with any of its covenants, agreement or obligations hereunder to be performed or complied with by them prior to Closing, and such condition is not waived by Seller; or

(ii) if the Closing shall not have occurred on or before the Outside Closing Date by reason of the failure of any condition precedent under Section 8.2 (unless such failure was solely within the control of Seller).

(vi) by Buyer or Seller (i) in the event there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) upon the issuance of a final and non-appealable order, decree, or ruling by a Governmental Entity to permanently restrain, enjoin or otherwise prohibit Closing; provided, that the right to terminate this Agreement under this Section 9.1(vi)(ii) shall not be available to a Party if such order, decree or ruling was primarily due to the failure of such Party to perform any of its obligations, covenants or agreements under this Agreement;

Section 9.2 Procedure upon Termination. In the event of termination and abandonment by Buyer, on the one hand, or Seller, on the other hand, or both, pursuant to Section 9.1, written notice thereof shall forthwith be given to the other Party or Parties, and, subject to Section 9.3 hereof, this Agreement shall terminate and the Contemplated Transactions shall be abandoned, without further action by Buyer or Seller.

Section 9.3 Effect of Termination.

(i) If this Agreement is validly terminated pursuant to Section 9.1, this Agreement shall become null and void and of no further force and effect (except that ARTICLE I (Definitions), ARTICLE X (Miscellaneous), and this ARTICLE IX (Termination) shall survive any such termination).

(ii) Except as otherwise expressly set forth in this Agreement, nothing herein shall relieve any Party from liability for any breach of covenant, obligation or agreement occurring prior to any termination of this Agreement.

(iii) The Confidentiality Agreement shall survive any termination of this Agreement and nothing in this Section 9.3 shall relieve Buyer or Seller of their respective obligations under the Confidentiality Agreement.

(iv) The Parties hereby agree that if this Agreement is terminated:

- (i) Buyer shall be refunded the Good Faith Deposit, if any;

ARTICLE X. MISCELLANEOUS

Section 10.1 Remedies. In the event Seller fails to consummate the transactions contemplated by this Agreement in breach of its obligations, Buyer shall be entitled to seek specific performance, injunctive relief, and/or damages (including reasonable attorneys' fees and costs) resulting from such failure. Buyer shall also be entitled to terminate this Agreement and recover the Good Faith Deposit and any out-of-pocket costs incurred in connection with this Agreement. In the event Buyer fails to timely satisfy all of its obligations hereunder required prior to the Transfer Date, Seller may terminate this Agreement and, in addition to all other remedies at law or in equity, retain the Good Faith Deposit.

Section 10.2 Expenses. Except as otherwise provided in this Agreement, or a Related Agreement, Seller and Buyer shall bear their own expenses, including attorneys' fees, incurred in connection with the negotiation and execution of this Agreement, the Related Agreements and each other agreement, document and instrument contemplated by this Agreement and the consummation of the Contemplated Transactions. Notwithstanding the foregoing, in the event of any action or proceeding to interpret or enforce this Agreement, the prevailing Party in such action or proceeding (*i.e.*, the Party who, in light of the issues contested or determined in the action or proceeding, was more successful) shall be entitled to have and recover from the non-prevailing Party such costs and expenses (including, but not limited to, all court costs and reasonable attorneys' fees) as the prevailing Party may incur in the pursuit or defense thereof.

Section 10.3 Entire Agreement. This Agreement and the Related Agreements constitute the entire agreement among the Parties and supersede any prior understandings, agreements or representations (whether written or oral) by or among the Parties, written or oral, with respect to the subject matter hereof; provided, however, that the Confidentiality Agreement shall survive as provided in Section 5.25.

Section 10.4 Incorporation of Schedules, Exhibits and Disclosure Schedule. The schedules, appendices and exhibits to this Agreement are incorporated herein by reference and made a part hereof.

Section 10.5 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each Party except as expressly provided herein. No waiver of any breach of this Agreement shall be construed as an implied amendment or agreement to amend or modify any provision of this Agreement. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation or breach of warranty or covenant. No conditions,

course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the terms or conditions of this Agreement shall be binding unless this Agreement is amended or modified in writing pursuant to the first sentence of this Section 10.5 except as expressly provided herein. Except where a specific period for action or inaction is provided herein, no delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 10.6 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. None of the Parties may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of all Parties; provided, however, that Buyer may assign this Agreement and any of its rights, interests or obligations hereunder to, and may elect to have any or all of the Purchased Assets conveyed or transferred to, or any or all of the Assumed Liabilities assumed by, one or more of its Affiliates or as may otherwise be designated by Buyer from time to time prior to Closing; provided, however, Buyer shall remain liable for all of its obligations to Seller under this Agreement after any such assignment.

Section 10.7 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing except as expressly provided herein. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient; (ii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid); (iii) when sent by email (with written confirmation of transmission); or (iv) three (3) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to any Seller, then to:

Stephenson County Administration Office
50 W. Douglas St., Suite 1002
Freeport, IL, 61032
Attn: County Board Chairman

with a copy to:

Polsinelli PC
Attn: Lisa Katz
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606
Email: LKatz@polsinelli.com

If to Buyer, then to:

1 WESTBROOK CORPORATE CENTER SUITE 300
WESTCHESTER, IL 60154

Attn: Jennifer Daugherty

with copies (which shall not constitute notice) to:

Alena Jotkus
Jotkus Law Group LLC
3400 Dundee Road, Suite 215
Northbrook, IL 60062
Email: alena@jotkuslg.com

Any Party may change the mailing address or email address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner set forth in this Section 10.7.

Section 10.8 Governing Law; Jurisdiction. This Agreement shall in all aspects be governed by and construed in accordance with the internal Laws of the State of Illinois without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Illinois, and the obligations, rights and remedies of the Parties shall be determined in accordance with such Laws.

Section 10.9 Consent to Service of Process. Each of the Parties hereby consents to process being served by any Party, respectively, in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 10.7.

Section 10.10 WAIVERS OF JURY TRIAL. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE RELATED AGREEMENTS OR THE CONTEMPLATED TRANSACTIONS OR THEREBY.

Section 10.11 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability in any one jurisdiction affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 10.12 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

Section 10.13 Survival of Representations, Warranties and Agreements. Representations and warranties contained in this Agreement shall survive closing for a period of twelve (12) months.

None of the Parties' representations, warranties, covenants and other agreements in this Agreement, including any rights of any other Party or any third party arising out of any breach of such representations, warranties, covenants and other agreements, shall survive Closing, except for (i) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after Closing, (ii) this ARTICLE X, and (iii) all defined terms set forth in ARTICLE I that are referenced in the foregoing provisions referred to in clauses (i) and (ii) above.

Section 10.14 Construction. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice versa. The word "including" and "include" and other words of similar import shall be deemed to be followed by the phrase "without limitation." The words "herein," "hereto" and "hereby," and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision of this Agreement. Except as otherwise provided herein, references to Articles, Sections, clauses, subclauses, subparagraphs, Schedules, Exhibits, Appendices and the Disclosure Schedule herein are references to Articles, Sections, clauses, subclauses, subparagraphs, Schedules, Appendices, Exhibits and the Disclosure Schedule of this Agreement. Any reference herein to any Law (or any provision thereof) shall include such Law (or any provision thereof) and any rule or regulation promulgated thereunder, in each case, including any successor thereto, and as it may be amended, modified or supplemented from time to time. Any reference herein to "dollars" or "\$" means United States dollars.

Section 10.15 Mutual Drafting. Each of the Parties has participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Section 10.16 Disclosure Schedule. All capitalized terms not defined in the Disclosure Schedule shall have the meanings ascribed to them in this Agreement. The representations and warranties of Seller in this Agreement are made and given, and the covenants are agreed to, subject to the disclosures and exceptions set forth in the Disclosure Schedule. The disclosure of any matter in any section of the Disclosure Schedule shall be deemed to be a disclosure with respect to any other sections of the Disclosure Schedule to which such disclosed matter reasonably relates, but only to the extent that such relationship is reasonably apparent on the face of the disclosure contained in the Disclosure Schedule.

The listing of any matter shall expressly not be deemed to constitute an admission by Seller, or to otherwise imply, that any such matter is material, is required to be disclosed under this Agreement or falls within relevant minimum thresholds or materiality standards set forth in this Agreement. No disclosure in the Disclosure Schedule relating to any possible breach or violation of any Contract or law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. In no event shall the disclosure of any matter in the Disclosure Schedule be deemed or interpreted to expand the scope of Seller's representations, warranties and/or covenants set forth in this Agreement. All attachments to the Disclosure Schedule are incorporated by reference into the Disclosure Schedule in which they are directly or indirectly referenced. The information contained in the Disclosure Schedule is in all events subject to the Confidentiality Agreement.

Section 10.17 Headings; Table of Contents. The section headings and the table of contents contained in this Agreement and the Disclosure Schedule are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 10.18 Counterparts; Facsimile and Email Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile, email with scan attachment copies, or other electronic signature method, including DocuSign, each of which shall be deemed an original.

Section 10.19 Time of Essence. Time is of the essence of this Agreement.

[END OF PAGE]

[SIGNATURE PAGES FOLLOW]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

The Board of Supervisors of the County of
Stephenson and State of Illinois,
a unit of local government,
AKA: Stephenson Co Nursing Center

By: _____

Name: _____

Title: Chairman

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

Freeport Nursing LLC

By: _____

Name: Jennifer Daugherty

Title: Manager

Freeport Realty LLC

By: _____

Name: Jennifer Daugherty

Title: Manager

EXHIBIT A

Bill of Sale

This Bill of Sale, dated as of [____], 2025 (this “Bill of Sale”), is made and entered into by and among The Board of Supervisors of the County of Stephenson and state of Illinois, AKA: Stephenson Co Nursing Center (a “Seller”), and Freeport Nursing LLC (together with its permitted successors, designees and assigns, “Buyer”). Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Asset Purchase Agreement dated as of [____], 2025 (the “Asset Purchase Agreement”), by and among Buyer and Seller.

RECITALS

1. Seller has, among other things, agreed to sell, transfer, assign, convey and deliver to Buyer and Buyer has agreed to purchase, acquire and accept from Seller, upon the terms and conditions set forth in the Asset Purchase Agreement, all of the right, title and interest of Seller in and to the Purchased Assets, free and clear of all Liens (other than Permitted Liens); and

2. Seller desires to deliver to Buyer such instruments of sale, transfer assignment, conveyance and delivery as are required to vest in Buyer all of Seller’s right, title and interest in and to the Purchased Assets.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to the Asset Purchase Agreement, the Parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Each Seller hereby sells, transfers, assigns, conveys and delivers to Buyer all of its right, title and interest in and to the Purchased Assets, free and clear of all Liens (other than Permitted Liens), including all of the Purchased Assets at each of the respective locations set forth on Schedule 1.

2. Seller hereby constitutes and appoints Buyer and its successors and assigns as such Seller’s true and lawful attorney with full power of substitution, in such Seller’s name and stead but on behalf of and for the benefit of Buyer and its successors and permitted assigns, to demand and receive any and all of the Purchased Assets and to give receipts for and in respect of the same, and any part thereof, and from time to time to institute and prosecute, at the expense and for the benefit of Buyer and its successors and permitted assigns, any and all proceedings at law, in equity or otherwise, or to execute such documents, which Buyer or its successors or permitted assigns may deem proper for the collection or reduction to possession of, or recordation of ownership to, any of the Purchased Assets or for the collection and enforcement of any claim or right of any kind hereby sold, conveyed, transferred and assigned, or intended so to be, and to do all acts and things in relation to the Purchased Assets which Buyer or its successors or assigns shall deem desirable. The foregoing powers are coupled with an interest and are and shall be irrevocable by each Seller or by dissolution of such Seller or in any manner or for any reason whatsoever.

3. From time to time after the Transfer Date, each Party shall, upon the reasonable request of the other and at such other Party's expense, execute and deliver or cause to be executed and delivered such further instruments of sale, conveyance, assignment, transfer and assumption, and take such further action, as may reasonably be requested in order to more effectively carry out the purposes and intent of the Asset Purchase Agreement and this Bill of Sale.

4. This Bill of Sale is being executed by Seller and Buyer and shall be binding upon each of Seller and Buyer, their respective successors and assigns, for the respective uses and purposes herein set forth and referred to, and shall be effective as of the date hereof.

5. No provision of this Bill of Sale, express or implied, is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and their respective successors and permitted assigns, any remedy or claim under or by reason of this Bill of Sale or any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises and agreements contained in this Bill of Sale shall be for the sole and exclusive benefit of each of Seller and Buyer, their respective successors and permitted assigns.

6. None of the provisions of this Bill of Sale may be amended or waived except if such amendment or waiver is in writing and is signed, in the case of an amendment, by Seller and Buyer, or in the case of a waiver, by the Party(ies) against whom the waiver is to be effective.

7. This Bill of Sale is subject in all respects to the terms and conditions of the Asset Purchase Agreement. Nothing contained in this Bill of Sale shall be deemed to supersede, enlarge, limit or modify any of the representations, warranties, covenants or other agreements contained in the Asset Purchase Agreement, all of which survive the execution and delivery of this Bill of Sale as provided by, and subject to the limitations set forth in, the Asset Purchase Agreement. To the extent any provision of this Bill of Sale is inconsistent with the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall govern and control.

8. EXCEPT AS AND TO THE EXTENT PROVIDED IN THE ASSET PURCHASE AGREEMENT, SELLER EXPRESSLY AND SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, WHETHER ORAL OR WRITTEN, AND WHETHER GIVEN OR MADE OR DEEMED TO HAVE BEEN GIVEN OR MADE AT ANY TIME OR TIMES IN THE PAST, PRESENT OR FUTURE, OF, AS TO, OR CONCERNING THE NATURE OR CONDITION OF THE PURCHASED ASSETS, INCLUDING WITHOUT LIMITATION ANY AND ALL WARRANTIES AS TO THE MERCHANTABILITY OF THE PURCHASED ASSETS OR THE SUITABILITY OR FITNESS OF THE PURCHASED ASSETS FOR ANY PARTICULAR PURPOSE OR FOR ANY PURPOSE.

9. This Bill of Sale shall in all aspects be governed by and construed in accordance with the internal Laws of the State of Illinois without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Illinois, and the obligations, rights and remedies of the parties shall be determined in accordance with such Laws.

10. This Bill of Sale may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Bill of Sale or any counterpart may be executed and delivered by facsimile or email with scan attachment copies, or other electronic signature method, including DocuSign, each of which shall be deemed an original.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Bill of Sale to be duly executed by their respective authorized officers as of the date first above written.

SELLER:

The Board of Supervisors of the County of
Stephenson and state of Illinois, AKA: Stephenson
Co Nursing Center

By: _____

Name: _____

Title: Chairman

BUYER:

Freeport Nursing LLC

By: _____

Name: Jennifer Daugherty

Title: Manager

Schedule 1 to Bill of Sale

Purchased Assets

Exhibit B

Assignment and Assumption Agreement

This Assignment and Assumption Agreement, dated as of [____], 2025 (this “Agreement”), is made and entered into by and among The Board of Supervisors of the County of Stephenson and state of Illinois, AKA: Stephenson Co Nursing Center (a “Seller”), and Freeport Nursing LLC (together with its permitted successors, designees and assigns, “Buyer”). Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Asset Purchase Agreement dated as of [____], 2025 (the “Asset Purchase Agreement”), by and among Buyer and Seller.

RECITALS

1. Seller has, among other things, agreed to sell, transfer, assign, convey and deliver to Buyer and Buyer has agreed to purchase, acquire and accept from Seller, upon the terms and conditions set forth in the Asset Purchase Agreement, all of the right, title and interest of Seller in and to the Purchased Assets including, without limitation, the Assumed Contracts, free and clear of all Liens (other than Permitted Liens); and

2. Pursuant to Section 2.3 of the Asset Purchase Agreement, Buyer has agreed to assume, effective as of the Transfer Date, the Assumed Liabilities.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to the Asset Purchase Agreement, the Parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Seller hereby assign and delegate the Assumed Contracts to Buyer and Buyer hereby accepts assignment and delegation of and assumes the Assumed Contracts and the Seller’s duties and obligations under the Assumed Contracts, but only to the extent arising or to be performed after the date of this Agreement and only to the extent not resulting from any breach of any Assumed Contract that occurred prior to the date of this Agreement. Buyer assumes none of the Excluded Liabilities and the Parties agree that all such Excluded Liabilities remain the responsibility of Seller.

2. From time to time after the Transfer Date, each Party shall, upon the reasonable request of the other, execute and deliver or cause to be executed and delivered such further instruments of sale, conveyance, assignment, transfer and assumption, and take such further action, as may reasonably be requested in order to more effectively carry out the purposes and intent of the Asset Purchase Agreement and this Agreement.

3. This Agreement is being executed by Seller and Buyer and shall be binding upon each of Seller and Buyer, their respective successors and assigns, for the respective uses and purposes herein set forth and referred to, and shall be effective as of the date hereof.

4. Buyer hereby assumes and shall hereafter pay, discharge, and perform all Assumed Liabilities, each in accordance with their terms and the terms of the Asset Purchase Agreement.

5. No provision of this Agreement, express or implied, is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and their respective successors and permitted assigns, any remedy or claim under or by reason of this Agreement or any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises and agreements contained in this Agreement shall be for the sole and exclusive benefit of each of Seller and Buyer, their respective successors and permitted assigns.

6. None of the provisions of this Agreement may be amended or waived except if such amendment or waiver is in writing and is signed, in the case of an amendment, by Seller and Buyer, or in the case of a waiver, by the party(ies) against whom the waiver is to be effective.

7. This Agreement is subject in all respects to the terms and conditions of the Asset Purchase Agreement. Nothing contained in this Agreement shall be deemed to supersede, enlarge, limit or modify any of the representations, warranties, covenants or other agreements contained in the Asset Purchase Agreement, all of which survive the execution and delivery of this Agreement as provided and subject to the limitations set forth in the Asset Purchase Agreement. To the extent any provision of this Agreement is inconsistent with the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall govern and control.

8. This Agreement shall in all aspects be governed by and construed in accordance with the internal Laws of the State of Illinois without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Illinois, and the obligations, rights and remedies of the parties shall be determined in accordance with such Laws.

9. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile or email with scan attachment copies, or other electronic signature method, including DocuSign, each of which shall be deemed an original.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

SELLER:

The Board of Supervisors of the County of
Stephenson and state of Illinois, AKA: Stephenson
Co Nursing Center

By: _____

Name: _____

Title: Chairman

BUYER:

Freeport Nursing LLC

By: _____

Name: Jennifer Daugherty

Title: Manager

Exhibit C

Domain Name Assignment Agreement

This Domain Name Assignment Agreement (“Assignment”), dated as of [____], 2025, is made and entered into by and among The Board of Supervisors of the County of Stephenson and state of Illinois, AKA: Stephenson Co Nursing Center (a “Seller”), and Freeport Nursing LLC (together with its permitted successors, designees and assigns, “Buyer”). Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Asset Purchase Agreement dated as of [____], 2025 (the “Asset Purchase Agreement”), by and among Buyer and Seller.

RECITALS

1. Seller has, among other things, agreed to sell, transfer, assign, convey and deliver to Buyer and Buyer has agreed to purchase, acquire and accept from Seller, upon the terms and conditions set forth in the Asset Purchase Agreement, all of the right, title and interest of Sellers in and to the Purchased Assets including, without limitation, Seller’s rights and benefits with respect to all domain names (including all sub-domain names and extensions thereof and thereto) owned by Seller which are set forth on Schedule 1 attached hereto (collectively, the “Domain Names”), free and clear of all Liens (other than Permitted Liens); and

2. Seller desires to deliver to Buyer such instruments of sale, transfer assignment, conveyance and delivery as are required to vest in Buyer all of Seller’s right, title and interest in and to the Purchased Assets, including the Domain Names.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to the Asset Purchase Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Seller hereby sells, transfers, assigns, conveys and delivers to Buyer all of its right, title and interest in and to the Domain Names listed on Exhibit A free and clear of all Liens (other than Permitted Liens), and hereby instructs, authorizes and directs any and all registrars thereof to transfer the Domain Names to Buyer.

2. From time to time after the Transfer Date, each Party shall, upon the reasonable request of the other, execute and deliver or cause to be executed and delivered such further instruments of sale, conveyance, assignment, transfer and assumption, and take such further action, as may reasonably be requested in order to more effectively carry out the purposes and intent of the Asset Purchase Agreement and this Assignment.

3. This Assignment is being executed by Seller and Buyer and shall be binding upon Seller and Buyer, their respective successors and assigns, for the respective uses and purposes herein set forth and referred to, and shall be effective as of the date hereof.

4. No provision of this Assignment, express or implied, is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and their respective successors and permitted assigns, any remedy or claim under or by reason of this Assignment or any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises and agreements contained in this Assignment shall be for the sole and exclusive benefit of each of Seller and Buyer, their respective successors and permitted assigns.

5. None of the provisions of this Assignment may be amended or waived except if such amendment or waiver is in writing and is signed, in the case of an amendment, by Seller and Buyer, or in the case of a waiver, by the Party(ies) against whom the waiver is to be effective.

6. This Assignment is subject in all respects to the terms and conditions of the Asset Purchase Agreement. Nothing contained in this Assignment shall be deemed to supersede, enlarge, limit or modify any of the representations, warranties, covenants or other agreements contained in the Asset Purchase Agreement, all of which survive the execution and delivery of this Assignment as provided by, and subject to the limitations set forth in, the Asset Purchase Agreement. To the extent any provision of this Assignment is inconsistent with the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall govern and control.

7. This Assignment shall in all aspects be governed by and construed in accordance with the internal Laws of the State of Illinois without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Illinois, and the obligations, rights and remedies of the Parties shall be determined in accordance with such Laws.

8. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Assignment or any counterpart may be executed and delivered by facsimile or email with scan attachment copies, or other electronic signature method, including DocuSign, each of which shall be deemed an original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Assignment to be duly executed by their respective authorized officers as of the date first above written.

SELLER:

The Board of Supervisors of the County of
Stephenson and state of Illinois, AKA: Stephenson
Co Nursing Center

By: _____

Name: _____

Title: Chairman

BUYER:

Freeport Nursing LLC

By: _____

Name: Jennifer Daugherty

Title: Manager

Schedule 1 to Domain Name Assignment Agreement

Domain Names of Seller

Appendix 1

Assumed Liabilities

1. All accrued paid time off (PTO) payout obligations of Seller with respect to Current Employees or Former Employees as of the Closing, except to the extent such obligations exceed One Hundred Thousand Dollars (\$100,000);
2. All payroll obligations of Seller with respect to Current Employees or Former Employees outstanding as of the Closing, except to the extent such obligations exceed Two Hundred Forty Thousand Dollars (\$240,000);
3. All agency staffing or other independent contractor costs or obligations of Seller with respect to the Business outstanding as of or arising prior to the Closing, except to the extent such obligations exceed Forty Thousand Dollars (\$40,000).
4. All other liabilities and obligations of Seller with respect to the Business which were unknown as of the Closing and become evident after the Closing but relate to the period prior to the Closing, including but not limited to potential clawbacks and other outstanding liabilities related to the operation of the Business, except to the extent such obligations exceed Two Hundred Thousand Dollars (\$200,000).
5. All liabilities and obligations arising from and after Closing under the Assumed Contracts, except to the extent arising out of any non-performance, breach, or default under any such Assumed Contract by Seller prior to the Closing.
6. All liabilities and obligations arising out of or relating to Buyer's ownership and operation of the Business and the Purchased assets on or after the Closing.
7. Any liabilities assumed by or allocated to, or arising from the discharge of responsibility or performance of obligations by Buyer under any Related Agreement.

Appendix 2

Assumed Contracts Schedule

Appendix 3

Owned Real Property

ASSIGNMENT AND ASSUMPTION OF RESIDENT AGREEMENTS

THIS ASSIGNMENT AND ASSUMPTION OF RESIDENT AGREEMENTS (this “*Assignment*”) is made as September 1, 2025 (the “*Effective Date*”), by and between **The Board of Supervisors of the County of Stephenson and State of Illinois, a unit of local government, AKA: Stephenson Co Nursing Center (“Assignor”)**, and **FREEPORT NURSING, LLC**, an Illinois limited liability company (“*Assignee*”).

RECITALS

WHEREAS, the parties and/or their affiliates have entered into that certain Asset Purchase Agreement and that Purchase and Sale Agreement, both dated September 1, 2025 (collectively, the “*Purchase Agreement*”), pertaining to certain real and personal property related to a certain skilled nursing community commonly known as Stephenson Nursing Center, as more fully described in the Purchase Agreements (the “*Property*”).

WHEREAS, in connection with the Purchase Agreements, Assignor has agreed to assign to Assignee any and all rights that Assignor, and each of them, has in the agreements with all of the individual residents of the applicable skilled nursing facility (the “*Assigned Resident Agreements*”), on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the above premises, the mutual covenants contained in this Assignment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

NOW, THEREFORE, in consideration of the foregoing premises, of TEN and NO/100 DOLLARS (\$10.00) in hand paid by Assignee, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

AGREEMENT

1. Assignment. Assignor hereby grants, transfers, assigns, delivers and conveys to Assignee as of the Effective Date, any and all of Assignor’s right, title and interest in and to the Assigned Resident Agreements. Assignee shall be responsible for all liabilities and obligations of relating to the Assigned Resident Agreements which accrue and/or relate to the period from and after the Effective Date and as otherwise provided in the Purchase Agreements.

2. Assumption. Assignee hereby assumes, and agrees to be bound by, all obligations and liabilities of Assignor under or relating to the Assigned Resident Agreements which shall arise or be incurred, or which are required to be performed, on and after the Effective Date.

3. Indemnification. Assignee shall indemnify, defend, and hold harmless the Assignor, its affiliates, officers, directors, employees, agents, and representatives from and against any and all claims, demands, liabilities, damages, losses, expenses, costs, and attorney’s fees arising out of or related to any Assigned Resident Agreements entered into on or after the Effective Date. This indemnity obligation shall apply regardless of whether such claims are asserted by residents, their families, or any third parties and shall be in addition to indemnity obligations provided in the Purchase Agreements.

4. Representations and Warranties. Assignor makes no representations or warranties of any kind, express or implied, regarding the Assigned Resident Agreements or any other matters related thereto

including, without limitation, making no representation regarding the validity, enforceability, condition, or performance of the Assigned Resident Agreements, nor regarding the accuracy or completeness of any information provided, nor regarding the existence of any liabilities, claims, or obligations arising therefrom. The Assignee acknowledges and agrees that the Assigned Resident Agreements are being assigned “as is” and that the Assignor shall have no further obligations with respect to such agreements after the Effective Date, except as expressly set forth in this Assignment. Assignee further acknowledges that it is relying solely on its own investigation and judgment in accepting the assignment of the Assigned Resident Agreements.

5. Modification. This Assignment may not be modified except in a writing signed by both parties.

6. Binding Effect. This Assignment shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns.

7. Applicable Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State in which the Property is located.

8. Recitals. The recitals are herein incorporated into this Assignment.

9. Counterparts. This Assignment may be executed in any number of counterparts, each counterpart for all purposes being deemed an original, and all such counterparts shall together constitute only one and the same instrument. The execution of this Assignment may be effected by electronic signature, which shall be treated as an original signature for all purposes and shall have the same force and effect as an original signature. Assignor and Assignee each intend to be bound by its respective electronic signature, and is aware that the other party will rely thereon, and each party waives any defenses to the enforcement of this Assignment delivered by electronic signature. Without limitation, “electronic signature” shall include faxed versions of an original signature, electronically scanned and transmitted versions (e.g., via PDF) of an original signature, or e-signatures via DocuSign or similar programs.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

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

ASSIGNOR:

The Board of Supervisors of the County of Stephenson and State of Illinois, a unit of local government, AKA: Stephenson Co Nursing Center

By: _____
Name:
Its: Chairman

[Signatures Continue on Next Page]

ASSIGNEE:

FREEPORT NURSING, LLC,
an Illinois limited liability company

By: _____
Name: Jennifer Daugherty
Title: Manager

SCHEDULE 1

ASSIGNED RESIDENT AGREEMENTS

See attached.

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**Agreement**”) is made as of September 1, 2025 (the “**Effective Date**”), by and between **The Board of Supervisors of the County of Stephenson and State of Illinois, a unit of local government, AKA: Stephenson Co Nursing Center** (“**Covered Entity**”), and **FREEPORT NURSING, LLC**, an Illinois limited liability company (“**Business Associate**”). This Agreement sets out the responsibilities and obligations of Business Associate as a business associate of Covered Entity under the Health Insurance Portability and Accountability Act (“**HIPAA**”) and the Health Information Technology for Economic and Clinical Health Act (“**HITECH Act**”).

RECITALS:

A. Covered Entity and Business Associate are parties to an agreement or arrangement pursuant to which Business Associate provides certain services to Covered Entity (“**Services**”).

B. In conjunction with Services, Covered Entity may make available to Business Associate Protected Health Information of Individuals, which Business Associate may only Use or Disclose in accordance with this Agreement.

AGREEMENT:

Business Associate and Covered Entity agree to the terms and conditions of this Agreement in order to comply with the rules on handling of Protected Health Information under the HIPAA Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subpart E (“**Privacy Rule**”), the HIPAA Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C (“**Security Rule**”), and the HIPAA Breach Notification Regulations, 45 C.F.R. Part 164, Subpart D (“**Breach Notification Rule**”), all as amended from time to time.

1. DEFINITIONS

- a. **Terms Defined in Regulation:** Unless otherwise provided in this Agreement, all capitalized terms in this Agreement will have the same meaning as provided under the Privacy Rule, the Security Rule and the Breach Notification Rule.
- b. **Protected Health Information or PHI:** Protected Health Information (“**PHI**”) means PHI that is received from Covered Entity, or created, maintained or transmitted on behalf of Covered Entity, by Business Associate.

2. USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

- a. **Performance of Services:** Business Associate will Use or Disclose PHI only for those purposes necessary to perform Services, or as otherwise expressly permitted in this Agreement or Required by Law, and will not further Use or Disclose such PHI.
- b. **Subcontractors:** Business Associate agrees that, in accordance with 45 C.F.R. § 164.502(e)(1), if Business Associate’s Subcontractor creates, receives, maintains or transmits PHI on behalf of Business Associate, Business Associate will enter into a

written agreement with such Subcontractor that contains the same restrictions and conditions on the Use and Disclosure of PHI as contained in this Agreement.

- c. Business Associate Management, Administration and Legal Responsibilities:** Business Associate may Use PHI for Business Associate's management and administration, or to carry out Business Associate's legal responsibilities. Business Associate may Disclose PHI to a third party for such purposes only if: (1) the Disclosure is Required by Law; or (2) Business Associate secures written assurance from the receiving party that the receiving party will: (i) hold the PHI confidentially; (ii) Use or Disclose the PHI only as Required by Law or for the purposes for which it was Disclosed to the recipient; and (iii) notify the Business Associate of any other Use or Disclosure of PHI.
- d. Data Aggregation:** Business Associate may Use PHI to perform data aggregation services as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- e. Covered Entity Responsibilities:** To the extent Business Associate is to carry out Covered Entity's obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity's compliance with such obligations.

3. SAFEGUARDS FOR PROTECTED HEALTH INFORMATION

- a. Adequate Safeguards:** Business Associate will implement and maintain appropriate safeguards to prevent any Use or Disclosure of PHI for purposes other than those permitted by this Agreement, including administrative, physical and technical safeguards to protect the confidentiality, integrity, and availability of any electronic protected health information ("ePHI"), if any, that Business Associate creates, receives, maintains, and transmits on behalf of Covered Entity. Upon request of Covered Entity, Business Associate will provide evidence to Covered Entity that these safeguards are in place and are properly managed.
- b. Compliance with HIPAA Security Rule:** Business Associate will comply with the HIPAA Security Rule.

4. REPORTS OF IMPERMISSIBLE USE OR DISCLOSURE OF PROTECTED HEALTH INFORMATION, SECURITY INCIDENTS AND BREACHES

- a. Use or Disclosure Not Permitted by This Agreement:** Business Associate will report in writing to Covered Entity any Use or Disclosure of PHI for purposes other than those permitted by this Agreement within five (5) business days of Business Associate's learning of such Use or Disclosure.
- b. Security Incidents:** Business Associate will report in writing to Covered Entity any Security Incident of which Business Associate becomes aware. Specifically, Business Associate will report to Covered Entity any successful unauthorized access, Use,

Disclosure, modification, or destruction of ePHI or interference with system operations in an information system containing ePHI of which Business Associate becomes aware within five (5) business days of Business Associate learning of such Security Incident. Business Associate also will report the aggregate number of unsuccessful, unauthorized attempts to access, Use, Disclose, modify, or destroy ePHI or interfere with system operations in an information system containing ePHI, of which Business Associate becomes aware, provided that: (i) such reports will be provided only as frequently as the parties mutually agree, but no more than once per month; and (ii) if the definition of “Security Incident” under the Security Standards is amended to remove the requirement for reporting “unsuccessful” attempts to Use, Disclose, modify or destroy ePHI, the portion of this Section 4 addressing the reporting of unsuccessful, unauthorized attempts will no longer apply as of the effective date of such amendment.

- c. **Breaches of Unsecured PHI:** Business Associate will report in writing to Covered Entity any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Rule, within five (5) business days of the date Business Associate learns of the incident giving rise to the Breach. Business Associate will provide such information to Covered Entity as required in the Breach Notification Rule. Business Associate will reimburse Covered Entity for any reasonable expenses Covered Entity incurs in notifying Individuals of a Breach caused by Business Associate or Business Associate’s Subcontractors or agents, and for reasonable expenses Covered Entity incurs in mitigating harm to those Individuals. Business Associate also will defend, hold harmless and indemnify Covered Entity and its employees, agents, officers, directors, shareholders, members, contractors, parents, and subsidiary and affiliate entities, from and against any claims, losses, damages, liabilities, costs, expenses, penalties or obligations (including attorneys’ fees), which the Covered Entity may incur due to a Breach caused by Business Associate or Business Associate’s Subcontractors or agents.

5. ACCESS TO PROTECTED HEALTH INFORMATION

- a. **Covered Entity Access:** Within five (5) business days of a request by Covered Entity for access to PHI, Business Associate will make requested PHI available to Covered Entity and will provide a copy upon request.
- b. **Individual Access:** If an Individual makes a request for access directly to Business Associate, Business Associate will within five (5) business days forward such request in writing to Covered Entity. Covered Entity will be responsible for making all determinations regarding the grant or denial of an Individual’s request for PHI and Business Associate will make no such determinations. Only Covered Entity will release PHI to an Individual pursuant to such a request.

6. AMENDMENT OF PROTECTED HEALTH INFORMATION

- a. **Covered Entity Request:** Within five (5) business days of receiving a request from Covered Entity to amend an Individual’s PHI, Business Associate will provide such

PHI to Covered Entity for amendment. Alternatively, if Covered Entity's request includes specific instructions on how to amend the PHI, Business Associate will incorporate such amendment into the PHI it holds within five (5) business days of receipt of the Covered Entity's request.

- b. Individual Request:** If an Individual makes a request for amendment directly to Business Associate, Business Associate will within five (5) business days forward such request in writing to Covered Entity. Covered Entity will be responsible for making all determinations regarding amendments to PHI and Business Associate will make no such determinations.

7. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION

- a. Disclosure Records:** Business Associate will keep a record of any Disclosure of PHI that Business Associate makes, if Covered Entity would be required to provide an accounting to Individuals of such Disclosures under 45 C.F.R. § 164.528. Business Associate will maintain its record of such Disclosures for six (6) years from the termination of this Agreement.
- b. Data Regarding Disclosures:** For each Disclosure for which it is required to keep a record under paragraph 7(a), Business Associate will record and maintain the following information: (1) the date of Disclosure; (2) the name of the entity or person who received the PHI and the address of such entity or person, if known; (3) a description of the PHI Disclosed; and (4) a brief statement of the purpose of the Disclosure.
- c. Provision to Covered Entity:** Within five (5) business days of receiving a notice from Covered Entity, Business Associate will provide to Covered Entity its records of Disclosures.
- d. Request by Individual:** If an Individual requests an accounting of Disclosures directly from Business Associate, Business Associate will forward the request and its record of Disclosures to Covered Entity within five (5) business days of Business Associate's receipt of the Individual's request. Covered Entity will be responsible for preparing and delivering the accounting to the Individual. Business Associate will not provide an accounting of its Disclosures directly to any Individual.

8. ACCESS TO BOOKS AND RECORDS

- a. Covered Entity Access:** Business Associate will, within five (5) business days of Covered Entity's written request, make available during normal business hours at Business Associate's offices, all records, books, agreements, policies and procedures relating to the Use or Disclosure of PHI for the purpose of allowing Covered Entity or its agents or auditors to determine Business Associate's compliance with this Agreement.
- b. Government Access:** Business Associate will make its internal practices, books and records on the Use and Disclosure of PHI available to the Secretary to the extent

required for determining compliance with the Privacy Rule, the Security Rule, or the Breach Notification Rule.

- c. **No Waiver:** No attorney-client, accountant-client or other legal privilege will be deemed waived by Business Associate or Covered Entity as a result of this Section.

9. TERMINATION

Covered Entity may terminate this Agreement and the underlying agreement or arrangement upon written notice to Business Associate if Covered Entity determines that Business Associate or its Subcontractors or agents breached a material term of this Agreement. Covered Entity will provide Business Associate with written notice of the breach of this Agreement and afford Business Associate the opportunity to cure the breach to the satisfaction of Covered Entity within thirty (30) days of the date of such notice. If Business Associate or its Subcontractors or agents fail to timely cure the breach, as determined by Covered Entity in its sole discretion, Covered Entity may terminate this Agreement and the underlying agreement or arrangement.

10. RETURN OR DESTRUCTION OF PROTECTED HEALTH INFORMATION

- a. **Return or Destruction of PHI:** Within thirty (30) days of termination of this Agreement, Business Associate will return to Covered Entity all PHI that Business Associate or its Subcontractors or agents maintain in any form or format. Alternatively, Business Associate may, upon Covered Entity's consent, destroy all such PHI and provide Covered Entity with written documentation of such destruction. Business Associate will be responsible for recovering any PHI from its Subcontractors and agents, or documenting their destruction of such PHI, consistent with the terms of this Section.
- b. **Retention of PHI if Return or Destruction is Infeasible:** If Business Associate believes that returning or destroying PHI at the termination of this Agreement is infeasible, it will provide written notice to Covered Entity within thirty (30) days of the effective date of termination of this Agreement. Such notice will set forth the circumstances that Business Associate believes makes the return or destruction of PHI infeasible and the measures that Business Associate will take for assuring the continued confidentiality and security of the PHI. Covered Entity promptly will notify Business Associate of whether it agrees that the return or destruction of PHI is infeasible. If Covered Entity agrees that return or destruction of PHI is infeasible, Business Associate may keep the PHI but will extend all protections, limitations and restrictions of this Agreement to Business Associate's Use or Disclosure of the PHI retained after termination of this Agreement and will limit further Uses or Disclosures of such PHI to those purposes that make the return or destruction of the PHI infeasible. Business Associate will also ensure that any such extended protections, limitations and restrictions apply to its Subcontractors for whom return or destruction of PHI is determined by Covered Entity to be infeasible. If Covered Entity does not agree that the return or destruction of PHI from Business Associate or its subcontractors is

infeasible, Covered Entity will provide Business Associate with written notice of its decision, and Business Associate and its Subcontractors and agents will proceed with the return or destruction of the PHI pursuant to the terms of this Section within thirty (30) days of the date of Covered Entity's notice.

11. RESTRICTIONS ON USE OR DISCLOSURE OF PROTECTED HEALTH INFORMATION

If Covered Entity advises Business Associate of any changes in, or restrictions to, the permitted Use or Disclosure of PHI, Business Associate will restrict the Use or Disclosure of PHI consistent with the Covered Entity's instructions.

12. MITIGATION PROCEDURES

Business Associate will mitigate, to the maximum extent practicable, any deleterious effect from its or its Subcontractors' Use or Disclosure of PHI in a manner that violates this Agreement.

13. MISCELLANEOUS

- a. INSURANCE:** Business Associate shall obtain and maintain during the term of this Agreement insurance covering claims based on a violation of this Agreement or any applicable state or federal law or regulation concerning the privacy or security of patient information, including a Breach of Unsecured PHI, in an amount not less than \$5,000,000 per claim. Such insurance shall be on a claims-made basis with tail coverage and name Covered Entity as an additional insured. A copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity upon written request.
- b. INDEMNIFICATION:** Business Associate shall indemnify, defend, and hold harmless Covered Entity and its subsidiaries and affiliates from any and all claims, causes of action, liabilities, judgments, fines, assessments, damages, awards or other expenses of any kind, including without limitation, reasonable attorneys' fees, costs of investigation, litigation or dispute resolution to which Covered Entity may become subject resulting from or relating to (1) any breach of this Agreement by Business Associate; (2) a Breach of Unsecured PHI caused by Business Associate or its agents, representatives or subcontractors; (3) failure of Business Associate to perform its obligations hereunder; or (4) negligence or legal fault of Business Associate, its directors, officers, agents, employees, representatives or subcontractors. Any limitation of liability contained in the underlying service agreement shall not apply to indemnification requirements of this section or section 4(c). This section shall survive the termination of this Agreement.
- c. COMPLIANCE WITH LAWS:** The parties are required to comply with federal and state laws. If this Agreement must be amended to secure such compliance, the parties will meet in good faith to agree upon such amendments. If the parties cannot agree

upon such amendments, then either party may terminate this Agreement upon thirty (30) days' written notice to the other party.

- d. **CONSTRUCTION OF TERMS:** The terms of this Agreement will be construed in light of any applicable interpretation or guidance on the Privacy Rule, the Security Rule or the Breach Notification Rule issued by HHS.
- e. **NO THIRD PARTY BENEFICIARIES:** Nothing in this Agreement will confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- f. **NOTICES:** All notices required under the Agreement will be given in writing and will be delivered by (1) personal service, (2) first class mail, or (3) messenger or courier. All notices shall be addressed and delivered to the contact designated in the preamble above, or other address provided by the party from time to time in writing to the other party. Notices given by mail will be deemed for all purposes to have been given forty-eight hours after deposit with the United States Postal Service. Notices delivered by any other authorized means will be deemed to have been given upon actual delivery.
- g. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties with regard to the Privacy Rule, the Security Rule and the Breach Notification Rule, there are no understandings or agreements relating to this Agreement that are not fully expressed in this Agreement and no change, waiver or discharge of obligations arising under this Agreement will be valid unless in writing and executed by the party against whom such change, waiver or discharge is sought to be enforced.
- h. **WRITTEN AGREEMENT:** This Agreement will be considered an attachment to the underlying agreement or arrangement and is incorporated as though fully set forth within the underlying agreement or arrangement. This Agreement will govern in the event of conflict or inconsistency with any provision of the underlying agreement or arrangement.
- i. **COUNTERPARTS AND SIGNATURE:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and when taken together shall constitute one agreement. Facsimile and electronic signatures shall be deemed to be original signatures for all purposes of this Agreement.
- j. **CHOICE OF LAW:** The validity, construction and effect of this Agreement will be governed by the laws of the State of Illinois, without giving effect to that state's conflict of laws rules. Any Dispute will be resolved in a forum located in the State of Illinois.
- k. **RELATIONSHIP OF THE PARTIES:** In the performance of the Services and the duties and obligations described in this Agreement, the parties acknowledge and agree that each party is at all times an independent contractor and at no time shall the relationship between the parties be construed as a partnership, joint venture, employment, principal/agent relationship, or master/servant relationship.

[Signature Pages Follow]

IN WITNESS THEREOF, each party has caused this Agreement to be executed by its duly authorized representative as of the Effective Date.

COVERED ENTITY:

THE BOARD OF SUPERVISORS OF THE COUNTY OF STEPHENSON AND STATE OF ILLINOIS, A UNIT OF LOCAL GOVERNMENT, AKA: STEPHENSON CO NURSING CENTER

By: _____

Name:

Title: Chairman

[Signature Continue on Next Page]

IN WITNESS THEREOF, each party has caused this Agreement to be executed by its duly authorized representative as of the Effective Date.

BUSINESS ASSOCIATE:

FREEPORT NURSING, LLC,
an Illinois limited liability company

By: _____
Name: Jennifer Daugherty
Title: Manager

MANAGEMENT OPERATIONS TRANSFER AGREEMENT

This **MANAGEMENT OPERATIONS TRANSFER AGREEMENT** (this “Agreement”) is entered into as of September 1, 2025 (the “Effective Date”) by and between The Board of Supervisors of the County of Stephenson and State of Illinois, a unit of local government, AKA: Stephenson Co Nursing Center (“Licensee” or “Seller”), and Freeport Nursing, LLC, an Illinois limited liability company (together with those successors, designees and assigns as may be expressly permitted herein, “Manager” or “Purchaser”).

RECITALS

WHEREAS, concurrently herewith, Seller and Purchaser (or its Affiliate) have entered that certain Asset Purchase Agreement (as the same may be amended from time to time, the “APA”) of even date herewith, pursuant to which Seller is selling to Purchaser and Purchaser is purchasing from Seller substantially all of the business assets used in connection with the operation of that certain senior living and skilled nursing community commonly known as Stephenson Nursing Center, consisting of one hundred forty eight (148) beds and located at 2946 South Walnut Road, Freeport, IL 61032 (“Facility”) as well as the real property (“Real Property”) on which the Facility operates. Capitalized terms that are not defined in this Agreement shall have the meanings ascribed to such terms in the APA;

WHEREAS, as of the transfer of the Real Property under the APA, any existing leases for the lease of the Facility will be terminated and replaced in their entirety by new a lease agreement entered into by and among Purchaser (and/or an affiliate of Purchaser, as the fee owner of the applicable real property as of Closing), and Manager (or affiliate), providing for the lease of the Facility by Purchaser, or an affiliate thereof, to Manager, or Affiliate (the “New Lease”);

WHEREAS, the parties have agreed that the entity or individual that Purchaser chooses to take record title fee ownership of the Real Property (the “Affiliate”), once formed or otherwise identified by Purchaser, shall execute an instrument assuming or otherwise fully obligating itself to indemnify, defend, protect and hold Seller harmless as provided hereunder in Section 11.1; and Purchaser, by signing below and due to its affiliation, acknowledges that Affiliate is the recipient of benefit from Seller entering into this Agreement and the APA;

WHEREAS, in connection with the closing of the transactions contemplated under the APA and as a condition to Purchaser’s and Seller’s obligations to consummate the transactions contemplated under the APA, and in furtherance of a desire by the parties hereto to ensure a smooth transition of operations of the Facility, the parties hereto desire to enter into this Agreement.

WHEREAS, Manager or its affiliate intends to apply for a license to operate the Facility as an skilled nursing facility from IDPH under its own name (the “New License”).

WHEREAS, in connection with the transfer of operational and financial responsibility for the Facility to Manager, Licensee and Manager shall execute, as and when applicable, (i) the Assignment and Assumption of Resident Agreements, the form of which is attached hereto as **Exhibit A**, (iv) the Business Associate Agreement, the form of which is attached here to as **Exhibit**

B, and (v) such other documentation as is reasonably required for processing of Manager's New License application.

WHEREAS, until IDPH issues the New License to Manager, Licensee wishes to retain Manager to manage the Facility under the existing license ("Existing License") as a co-licensee, and Manager wishes to manage the Facility for Licensee under the existing License as co-licensee, as/if such concept is acceptable under applicable law, on the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the facts referenced above and the covenants and conditions contained herein, and for other valuable consideration, Licensee and Manager agree as follows:

1. Interim Term. The consummation of the transactions contemplated hereby, including without limitation, the transfer of operations of the Facility from Licensee to Manager, shall take place concurrently with the initial "Closing" of the phased transaction contemplated under the APA (as defined in the APA). All references to the "Closing Date" and "Closing" herein shall mean the date of the Closing in the APA. For purposes of this Agreement, the Closing shall be effective as of 12:01 a.m. (local time) on September 1, 2025 or such later date as the parties agree as the Closing under the APA. In the event that the APA terminates for any reason other than Licensee default/breach (see below), this Agreement shall automatically terminate as of the effective date of such termination. The term of the management component this Agreement (the "Term") shall begin effective as of 12:01 a.m. on the Closing (the "Commencement Date"), and continue until the effective date Manager is granted the New License (the "Conversion Date"), subject to any permitted earlier termination of this Agreement in accordance with the terms of this Agreement. The obligations of the parties with respect to the handling of receipts by Licensee under Section 9.4 hereunder shall continue until Manager has received its "tie-in" notifications with respect to Manager's government/payor reimbursement accounts following the Conversion Date (the "Tie-In Date"). In the event that the Tie-In Date has not occurred as of May 31, 2027, Licensee shall be entitled to terminate its obligations under Section 9.4 after providing a thirty (30) day written notification to Manager. Licensee shall provide reasonable cooperation to Manager in facilitating/enabling any and all alternative payment channels during the notice period reference in the prior sentence. Notwithstanding the foregoing, if the APA is terminated or fails to close due to Licensee's breach, default, or for any reason outside of Purchaser's control, Manager shall have the sole and absolute right, in its discretion, to extend the term of this Agreement for up to five (5) years from the Commencement Date ("Purchaser Extension Option"). During any, if any, Purchaser Extension Option period, Licensee shall maintain the license in good standing and fully comply with all terms and obligations of this Agreement. Prior to ceasing to provide management services hereunder for any reason (i.e. whether this Agreement is to be terminated after an exercise of the Purchaser Extension Option or not), Purchaser shall fully cooperate in a smooth transition of operations prioritizing the continuity of resident care and avoiding any situation that could materially adversely affect the license or provider standing of Licensee.

2. Condition to Close: Affiliate Undertaking. As conditions precedent and subsequent to the Closing of this Agreement, Affiliate shall take and hold sole fee simple title to the Real

Property in a timely manner as provided in the APA and shall assume or otherwise obligate itself jointly and severally to all indemnity obligations of the Purchaser under Section 11 of this Agreement. The assumption or co-obligation shall, at Seller's request, be memorialized by an executed written instrument provided to Seller that, to Seller's reasonable satisfaction, creates a legally enforceable obligation as provided above.

3. Existing Condition and Maintenance of Facility. Manager has inspected and accepts the Facility in its "as-is" condition as of the Commencement Date, with no obligation for Licensee to provide or pay for any work or services related to the improvement of the Facility and without any representation or warranty from Licensee regarding the condition of the Facility, parking lot(s) or real property.

4. Management Responsibility. Commencing on the Commencement Date and continuing until the earlier of the Conversion Date or the date of this Agreement is terminated in accordance herewith (the "Management Period"), Manager shall have full management responsibility for the operation of the Facility and hereby agrees and covenants to assume and discharge all responsibilities related to the Facility and the Licensee which accrue during or subsequent to the Management Period in connection with properly operating and maintaining the Facility in accordance with the regulations and standards required of a facility so licensed in full and scrupulous adherence to all applicable State and Federal laws and payor guidelines, including but not limited to the following services:

(a) Staffing and employment of employees, including all professional staff requirements. (All employees hired by the Manager for the Facility shall be the Manager's employees or employees of an affiliate of Manager.)

(b) Maintenance of the Facility in full compliance with any facility lease, as well as any and all maintenance, repairs, replacements, and other economic, life safety or other obligations of Licensee in accordance with applicable law.

(c) Invoicing and collection services utilizing Licensee's admission agreements and presenting claims under Licensee's admission agreements with residents at the Facility and billing.

(d) All resident care as required under the applicable regulations and standards for a skilled nursing facility.

(e) Timely payment of all payroll, payroll taxes, rents, insurance, taxes, operating costs, all other equipment lease contract payments, etc., before delinquency or penalty.

(f) Management of all employees and staff, including the administrator, establishing staffing schedules, wage structures and personnel policies for all employees and the administration of the same.

(g) Purchasing in its own name all supplies and other items necessary for the efficient operation of the Facility.

(h) Complying with all statutes and regulations of governmental authorities applicable to the operation of the Facility.

(i) Providing all necessary bookkeeping and accounting for the operation of the Facility.

5. Covenants of Manager. Notwithstanding Section 4, Manager agrees and covenants that during the Term of this Agreement:

(a) Manager will not, without Licensee's prior written approval (which consent may be granted or withheld in its sole and absolute discretion), incur any debt or liability in the name of Licensee or cause Licensee to become liable for any debt or liability;

(b) Manager shall maintain in good working order, condition and repair the Facility and its component systems, and all furniture, furnishings, equipment and other property located therein which need repair or replacement, in order to maintain a high standard of operation, at least equivalent to those now prevailing, normal wear and tear excepted. Manager shall make all necessary replacements of personal property and repairs of personal property and to the Facility, as required by applicable law. Manager shall comply with all statutes, rules and regulations of governmental authorities applicable to the operations of the Facility and Manager shall coordinate all operations with appropriate governmental agencies;

(c) Manager agrees and covenants that it shall manage the Facility so as to provide compliance with all statutes and regulations pertaining the licensed use thereof as a skilled nursing facility and shall provide the highest and best standard of resident care thereat. Manager shall not reduce the staffing levels of the Facility below levels necessary to maintain resident care consistent with that provided by Licensee prior to the Commencement Date or according to applicable law. Manager shall use best efforts to avoid any citations or complaints against the Facility or Licensee's Existing License by any governmental authority or any resident representative with regard to resident care or the operation and maintenance of the Facility. Manager agrees and covenants that it shall be responsible for, and will hold Licensee harmless from, all fines, penalties, and legal fees arising from the operation and control of the Facility which result from Manager's acts, or failure to act, during or subsequent to the Management Period; and

(d) Manager shall have filed a change of ownership licensing application ("CHOW") for the Facility with the IDPH in the time frame provided under the APA, and shall thereafter diligently pursue re-licensure of the Facility in Manager's name. Manager shall periodically report to Licensee in writing on the progress of its New License application, in any event within three (3) calendar days of written request by Licensee.

(e) Manager shall comply with all of tenant's obligations under the New Lease, when applicable.

6. Payment of Expenses.

6.1 All expenses incurred in the operation of the Facility on and after the Commencement Date, including but not limited to, personnel salaries and benefits, sick pay, vacation pay, the cost of supplies and equipment for the Facility, rent, taxes and all other items shall be the sole responsibility of and be paid by Manager. Licensee makes no representation or warranty regarding the amount, character or status (i.e. paid or unpaid) of operating expenses prior to September 1, 2025.

6.2 All expenses incurred in the operation of the Facility which accrue on and after the Commencement Date, including but not limited to, personnel salaries and benefits, the cost of supplies and equipment for the Facility, rent, taxes, and all other items including, but not limited to those listed in Section 4 above, shall be the responsibility of and paid by Manager either from the revenues of the Facility or from working capital contributions made by the Manager as required hereunder, which contributions are not subject to repayment by Licensee under any circumstances.

7. Resident Agreements. On the Commencement Date, if requested by Licensee, Licensee and Manager will enter into an Assignment and Assumption of Resident Agreements in the form attached hereto as Exhibit A pursuant to which Licensee will assign to Manager and Manager will assume in accordance with applicable law, all of Licensee's right, title and interest in and to and obligations accruing on and after the Commencement Date under the admission agreements with the persons who are residing at the Facility on the Commencement Date (the "Assigned Resident Agreements").

8. Transfer of Resident Trust Property. Immediately or within five (5) "Business Days" (as defined below) after Licensee and Manager agree upon the accounting provided for hereinabove, and in any event no later than the Commencement Date or such later date as provided by applicable law, Licensee agrees to (i) remit to the parties entitled thereto all resident property held by Licensee in trust for the residents ("Resident Trust Property"), if any, which Licensee or the Facility are no longer entitled or permitted to hold, and (ii) transfer all remaining Patient Trust Property, if any, to Manager, and Manager hereby agrees that it will hold such remaining Patient Trust Property in trust for the residents entitled thereto, in accordance with applicable statutory and regulatory requirements. For purposes of this Agreement, the term "Business Day" shall mean any day other than a Saturday, Sunday or legal holiday in the State of Illinois.

9. Accounts Receivable.

9.1 Pre-Commencement Date Accounts Receivable. Provided Purchaser (or its proxy) fully complies with the provisions of the APA, Manager shall be responsible for diligently collecting and may retain all unpaid Facility accounts receivable which relate to periods prior to the Commencement Date.

9.2 Post-Commencement Date Accounts. As of the Commencement Date, provided Manager is not in default hereunder, Licensee shall permit Manager the authority and power to bill and collect all post-transfer accounts provided such accounts are used solely for the operation of the Facility.

9.3 Intentionally Omitted

9.4 Handling of Receipts by Licensee. Payments received by Licensee after the Commencement Date from third parties, if any, shall be forwarded to Manager by Licensee, along with the applicable remittance advice, within five (5) business days after receipt thereof

9.5 Private Pay. Any payments received by either party after the Commencement Date from or on behalf of private pay residents (including without limitation self-pay, HMO and other private insurance payors) with outstanding balances as of the Commencement Date which fail to designate the period to which they relate, will be applied to reduce any balances due for services rendered by Licensee before the Commencement Date (and applied pursuant to the terms of the APA) and any excess will go to the Manager for any balances due from residents after the Commencement Date.

9.6 Misapplication of Payments. In the event that any payment hereunder is misapplied by the parties, except as otherwise provided herein, the party which erroneously received said payment shall remit the same to the other within ten (10) days after such determination is made.

9.7 Cooperation in Processing of Claims. If reasonably necessary, Manager and Licensee agree to provide each other, upon request and in a timely manner, with copies of all reimbursement/payment requests pertaining to the Facility submitted to any third party payor whether before or after the Commencement Date. Each party agrees to take all reasonable steps to assist the other in processing claims and obtaining payments for services rendered (i) in the case of Manager, from and after the Commencement Date, and (ii) in the case of Licensee, prior to the Commencement Date. The party being assisted agrees to reimburse the party rendering assistance for any reasonable documented out of pocket expenses incurred by the assisting party in rendering such assistance beyond the obligations set forth in this Agreement.

9.8 Access. For the period of one hundred eighty (180) days following the Commencement Date, after providing advance notice to Manager in each instance, Licensee shall have reasonable access during business hours to such medical records, resident contracts, resident status reports, medical necessity documentation, services documentation, account documentation, remittance advice documentation, and other documents and records as reasonably necessary to confirm the division of the accounts receivable, payments or accounts payable, to facilitate billing and collection of Licensee's receivables, to handle any of Licensee's accounts payable or reconcile any financial information.

10. Continued Responsibility of Licensee. Notwithstanding the statutory liability and responsibility of Licensee for the continued operation of the Facility, it is recognized that under this Agreement, the Manager shall be actually in day-to-day charge of the operation and maintenance of the Facility and of resident care and of residents' funds in accordance with the terms of this Agreement. In the event that any violation of any statute, law, regulation or obligation or claim is made, for any reason by any person or entity, arising from or applicable to the operation or maintenance of the Facility by Manager during or after the Management Period, including but not limited to resident care, or the handling of residents' funds, whether such violations or claims may result in the imposition of penalties, fines, court or administrative orders, litigation, including third party and governmental claims, or revocation of the Existing License or decertification as to the Facility or as to Licensee, Manager shall (i) immediately notify Licensee of any such event,

and (ii) take all actions reasonably necessary to protect, defend, indemnify and hold harmless the Licensee, and its officers, directors, shareholders and employees, including but not limited to the contesting of any such actions against the Licensee and the Facility at the sole cost of Manager, whether administrative or court proceedings. Licensee retains the right, at Manager's expense, to join Manager in contesting said action(s).

11. Indemnification. Manager covenants and agrees to indemnify, defend (with counsel acceptable to Licensee in its reasonable discretion) and hold harmless Licensee from and pay to Licensee all direct and indirect losses, costs, rent, taxes, insurance, expenses, reasonable attorneys' fees, fines, judgments, liens, liabilities, claims, damages or sums incurred by Licensee resulting from or in any way connected to (a) any failure by Manager to perform any of Manager's obligations under this Agreement; (b) the acts or omissions of Manager or its employees, agents, contractors, guests or invitees in connection with the operation of the Facility or the Existing License on or after the Commencement Date; or (c) the failure of Manager or its affiliates to act diligently to make application and pursue the issuance of the New License. Such amounts shall be payable by Manager upon demand of Licensee.

12. Compensation. Beginning on or after the Commencement Date, and only after the payment of any and all expenses incurred in the operation of the Facility, Manager shall be entitled to retain one hundred percent (100%) of the profits or tax benefits from any losses of the Facility which are accrued during the Management Period. As provided above, Manager shall be solely responsible for all operating costs, including contributing capital to cover any shortfall between operating revenues and operating expenses for any accounting period, such that all operating costs are paid in full and in a timely fashion. Manager shall not be entitled to reimbursement for any such contribution, whether during or after the Term, and such contributions shall not be treated as loans or advances to Licensee or otherwise repayable or reimbursable by Licensee.

12.1 No Additional Compensation. Except as expressly provided in this Agreement, Manager shall not be entitled to any other fees, compensation, reimbursements, or distributions of any kind, whether for overhead, administrative expenses, or otherwise.

13. Termination of This Agreement.

13.1 This Agreement will terminate as described below and at the earlier of:

(a) Automatically on the Conversion Date as to all Licensee obligations with the exception of the obligations contained in Section 9.4 (which will be terminated as provided in Section 1);

(b) At the discretion of Licensee, upon an unequivocal denial of Manager's CHOW as to all Licensee obligations;

(c) At the discretion of Licensee, (i) upon the breach of any obligation of Manager herein which is not cured within thirty (30) days after receipt of written notice from Licensee as to all Licensee obligations or (ii) in the event of any breach or inaccuracy in any of the representations, warranties, or covenants made by Buyer in the APA (subject to any cure rights provided therein); or

(d) Automatically, as to all Licensee obligations, upon Manager's failure to operate the Facility in accordance with all applicable laws, rules, and regulations applicable to an assisted living facility in the State of Illinois, if such failure places in "Imminent Jeopardy" (as defined below) the continued licensing of the Facility as then currently licensed, and if, within seventy-two (72) hours after receipt of written notice thereof from Licensee to Manager, Manager shall not have either (i) cured such failure, (ii) obtained an injunction or other order preventing revocation or suspension of licensing and/or decertification of the Facility by virtue of such failure or alleged failure, or (iii) provided Licensee with assurances reasonably satisfactory to Licensee that the Facility and Existing License will not be subject to suspension or revocation and/or decertification as a result of such failure or alleged failure. In the event that this Agreement terminates on account of this provision, Manager agrees to leave all resident records and business records in place in the Facility. As used in this paragraph, the term "Imminent Jeopardy" shall mean initiation by the IDPH of a proceeding to suspend or revoke the License.

13.2 In the event of a termination of this Agreement pursuant to clauses (c) or (d) of Section 13.1, then Manager shall leave in place in the Facility all resident and business records, contracts and other documents required for Licensee to resume operation of the Facility.

13.3 Notwithstanding the termination of this Agreement, the obligations and/or liabilities of the parties hereunder, relating to events occurring during the term of the Agreement, to which the parties' indemnification obligations under Section 11 apply, shall continue in full force and effect after the Agreement terminates, subject to applicable Illinois statutes of limitation.

13.4 Manager may terminate this Agreement upon thirty (30) days' additional written notice (i.e. in addition to the cure period) if Licensee materially breaches any of its obligations hereunder and which breach is not cured within thirty (30) days after receipt of written notice from Manager.

14. Covenants of Licensee. Commencing on the Effective Date and continuing until the Commencement Date or the earlier termination of this Agreement, Seller shall use commercially reasonable efforts to:

14.1 Conduct the business of the Facility with all material laws, licenses and orders;

14.2 Maintain the Facility in compliance with all material and applicable laws, rules, and regulations applicable to an assisted living facility in the State of Illinois in their present operating condition (ordinary wear and tear and casualty excepted) and in a manner consistent with Licensee's maintenance of the Property and the Facility during the period that the Licensee has managed the Facility;

14.3 Maintain in full force and effect substantially the same liability and casualty insurance coverage that Seller now maintains in effect with respect to the Facility;

14.4 Diligently respond and address any deficiencies or violations known by Seller that are cited in writing by any governmental authority having jurisdiction over the Facility; and

14.5 Continue to perform in all material respects all obligations of Seller under all Resident Agreements and contracts for the operation of the Facility.

15. Insurance.

15.1 Manager, at its sole cost, shall take out and keep in force during the term of this Agreement all insurance coverages that: (a) as of the Commencement Date, the Licensee maintains immediately prior to the Commencement Date and as required by applicable law; and, (b) additionally and when applicable, that Manager (as Tenant) is required to maintain under the New Lease with Landlord. The required coverages shall include, without limitation commercial general liability, professional liability, employment practices liability insurance, cyber liability insurance and workers' compensation, all at coverage levels no less than the greater of levels maintained by Licensee immediately before the Commencement Date or as required by applicable law. At least five (5) business days prior to the Commencement Date, Manager shall deliver to Licensee satisfactory evidence of the existence of such insurance naming Licensee as an additional insured that will bind and be in force no later than the Commencement Date.

15.2 In the event Manager does not maintain the foregoing policies of insurance, Licensee may, but shall not be obligated to, pay the premiums therefor and such premiums shall be reimbursable hereunder and immediately payable to Licensee upon demand. Licensee's election to make said payments shall not be deemed a waiver of any other remedy, or an election of remedies by Licensee, nor as liquidated damages. Notwithstanding anything to the contrary contained herein, Licensee may (but is not required to) continue its presently existing comprehensive general liability insurance during the term of this Agreement.

15.3 Notwithstanding anything herein to the contrary, the availability or lack thereof of insurance does not limit the indemnification obligations of the Manager under this Agreement.

16. Assignment. Any time prior to the Commencement Date, upon prior written notice, Seller shall not unreasonably withhold consent to Purchaser assigning this Agreement to any entity controlling, controlled by or under common control with Purchaser. Thereafter, neither party hereto may assign this Agreement to any other party or parties without the prior written consent of the other party, and no such assignment made at any time shall release a party from any obligations under this Agreement. In the event Manager fails to obtain or is otherwise denied a New License, Licensee agrees that the real property owner (if the transfer of the Real Property has occurred) may designate a substitute Manager to manage the Facility and Licensee agrees to reasonably approve the assignment by Manager of this Agreement to such designee so long as Licensee is not required to suffer any out of pocket expenses and substantive assurances are made and indemnity is provided, to Licensee's reasonable satisfaction, to protect Licensee from expense, liability and other adverse exposure.

17. Records.

17.1 Delivery of Records. On the Commencement Date, Licensee shall deliver to Manager all of the records of the Facility in Licensee's possession. With respect to resident information, such transfer and delivery shall be in accordance with all applicable laws, rules and

regulations governing the transfer of medical and other resident records. Nothing herein shall be construed as precluding Licensee from removing from the Facility on the Commencement Date the financial records that relate to its operations at the Facility prior to the Commencement Date and/or to its overall corporate operations. Licensee shall permit Manager reasonable access to such records regarding the operation of the Facility for the period of time prior to the Commencement Date as are in Licensee's possession.

17.2 Access to Records.

17.2.1 Subsequent to the Commencement Date, Manager shall allow Licensee and its agents and representatives to have reasonable access to (upon reasonable prior notice and during normal business hours), and to make copies of, the books and records and supporting material of the Facility relating to the period prior to and including the Commencement Date, to the extent reasonably necessary to enable Licensee to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns and to verify accounts receivable collections due Licensee.

17.2.2 Licensee shall be entitled to remove the originals of any records delivered to Manager, for purposes of litigation involving a resident or employee to whom such record relates. Any record so removed shall promptly be returned to Manager following its use.

17.2.3 Manager agrees to maintain such books, records and other material comprising records of the Facility's operations prior to the Commencement Date that have been received by Manager from Licensee or otherwise, including, but not limited to, resident records and records of resident funds, to the extent required by law, but in no event less than three (3) years, and shall allow Licensee a reasonable opportunity to remove such documents, at Licensee's expense, at such time as Manager shall decide to dispose of such documents.

17.3 Business Associate Agreement. On or before the Commencement Date, Manager and Licensee shall each execute and deliver to the other party a HIPAA Business Associate Agreement in the form attached hereto as **Exhibit B.**

18. Warranties of Manager. Manager hereby makes the following warranties and representations to Licensee in connection with Licensee's entry into this Agreement:

18.1 Manager has the power and authority to enter into this Agreement. The persons executing this Agreement on behalf of Manager have the power and authority to do so and to bind Manager. No consents of any third party are required in order for Manager to enter into this Agreement.

18.2 There is no pending litigation or, to the knowledge of Manager, no pending claims, whether asserted or unasserted, against Manager.

18.3 Manager is not aware of any fact, nor is there any fact that Manager could be aware of with the exercise of a diligent investigation, that would or could preclude Manager from being approved as a manager of a licensed skilled nursing facility in Illinois or as a successor enrollee/provider to Licensee in the third party governmental and private payor programs applicable to the Facility.

19. Miscellaneous.

19.1 Limitation of Representations/Warranties. Manager acknowledges that by execution hereof, Licensee is making no representation or warranty that (i) Manager will be permitted to operate the Facility using the Existing License; (ii) the Existing License will remain valid and in force during the Management Period; or (iii) the terms of this Agreement are in compliance with applicable laws and regulations of any governmental organization having jurisdiction over the Facility. Any costs to renew or extend the Existing License shall be paid by Manager from Manager's funds.

19.2 Expenses. Each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement. Should Licensee's Existing License be required to be renewed during the Term, Manager shall bear all expenses in connection with such renewal. Manager shall have no obligation to reimburse Licensee for any prorated portion of the licensing fee it may have paid to date in connection with its Existing License.

19.3 Notices. Any and all notices, demands, requests and other communication required or provided under this Agreement by any party or their attorneys to any other party must be in a separate writing and shall be deemed only if deposited in the United States mail, sent by certified or registered mail, postage prepaid, return receipt requested, or if made by Federal Express or other similar reputable national courier service keeping records of deliveries and attempted deliveries. Service by mail or courier shall be conclusively deemed made on the first Business Day delivery is attempted or upon receipt, whichever is sooner. Notices may also be given by e-mail to the e-mail address of the intended recipient as hereinafter set forth, provided that in connection therewith a responsive e-mail is returned to the party giving notice that acknowledges receipt of such e-mailed notice.

All such notices, demands, requests and other communications shall be addressed to the addressee at its address set forth below or at such other address as such party may have previously specified by notice delivered in accordance with this Section:

To Manager:

OpCo and PropCo:
1 WESTBROOK CORPORATE CENTER SUITE 300
WESTCHESTER, IL 60154
Attn: Jennifer Daugherty

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

Jotkus Law Group LLC
3400 Dundee Road, Suite 215
Northbrook, IL 60062
Attn: Alena Jotkus
Email: alena@jotkuslg.com

To Licensee:

Stephenson County Administration Office
50 W. Douglas St., Suite 1002
Freeport, IL, 61032
Attn: County Board Chairman

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

Polsinelli PC
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606
Attn: Lisa Katz
Email: LKatz@polsinelli.com

Any person or entity may change their address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the others. Such notice of change of address shall not become effective, however, until the actual receipt thereof by the others. Counsel for a Party may give notice on behalf of such party.

19.4 Applicable Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Illinois without regard to conflict of law principles.

19.5 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be delivered by facsimile or email transmission with the same effect as if originally executed copies of this Agreement were personally delivered to the parties hereto.

19.6 Effect of Captions. The captions of paragraphs and subparagraphs of this Agreement have been inserted solely for the purposes of convenience and reference, and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

19.7 Recovery of Legal Expenses. In the event of any controversy, claim or dispute between the parties arising out of or relating to this Agreement, the prevailing party or parties shall be entitled to recover from the non-prevailing party or parties its/their reasonable expenses, including, but not by way of limitation, reasonable attorneys' fees and costs of suit.

19.8 Waiver. Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of any other covenant, condition or promise contained herein. The waiver of either or both parties of the time for performing any act shall not be construed as a waiver of any other act required to be performed at a later date.

19.9 Severability. Should any part of this Agreement be declared invalid for any reason, such decision shall not affect or impair the validity of the remaining part or parts hereof,

and, this Agreement shall remain in full force and effect as to all parts not declared invalid or unenforceable as if the same had been executed with the invalid or unenforceable portion(s) thereof eliminated.

19.10 Entire Agreement. This Agreement contain the entire Agreement between the parties hereto with respect to the subject matter hereof, and this Agreement may not be amended, modified or terminated except by written instrument signed by all of the parties hereto.

19.11 Incorporation of Recitals. The Recitals set forth above are incorporated herein by this reference.

19.12 HIPAA. Notwithstanding anything to the contrary in this Agreement, Manager and Licensee agree that all information, records and data collected or maintained regarding Facility residents shall be confidential. Manager, Licensee and their respective employees and agents shall maintain the confidentiality of all resident information received in accordance with applicable California and federal laws, including the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-91) and the regulations issued in connection therewith as amended, (collectively, "HIPAA"). No employee or agent of Manager or Licensee shall discuss, transmit or narrate in any manner any resident information of a personal, medical, or other nature except as a necessary part of providing services to the resident pursuant to this Agreement. The obligations under this Section 19.12 shall survive the termination of this Agreement, whether by rescission or otherwise.

19.13 Licensed Healthcare Provider. To the maximum extent, if any, allowed by applicable law, Manager shall be deemed a "Licensed Healthcare Provider" in performing services and duties at the Facility during the Management Period.

19.14 Limitation on Claims. Notwithstanding anything to the contrary contained herein:

19.14.1 Limitation of Liability of Licensee. Notwithstanding any other provision set forth in this Agreement, Licensee shall have no liability under this Agreement, or any other liability to Manager or its affiliates, successors or assigns resulting from, connected with, or arising out of, any breach or default except with respect to a Post-Closing Breach (as such term is hereinafter defined). With respect to any Post-Closing Breach, no claim shall be actionable or payable unless Manager delivers to Licensee written notice and demand describing with specificity such breach within the Survival Period (as defined below) and Manager commences an action for such breach within twenty (20) days after expiration of the Survival Period, time being of the essence, otherwise such breach or default will be deemed waived. Manager's recourse obligations under this Agreement, and the APA with respect to any breach or default by Licensee which occurs or is discovered, brought, claimed or alleged by Manager following Closing (in any event a "Post-Closing Breach"), shall not exceed the aggregate sum of \$100,000.00 (the "Breach Cap"). The Breach Cap shall be a total aggregate across this Agreement and the APA, and shall be only in excess of any applicable assumption of liabilities in the APA. Notwithstanding anything to the contrary contained herein, Licensee shall have no liability to Manager after Closing for a breach or default of any of Licensee's undertakings unless the valid claims for all such breaches and defaults amount, in the aggregate, to more than \$5,000.00 (the "Breach Floor"). Manager agrees

to first seek recovery, if applicable, under any insurance policies and warranties prior to seeking recovery from Licensee, and Licensee shall not be liable to Manager if Manager's claim is satisfied from such sources. Notwithstanding anything to the contrary contained in this Agreement, (a) Manager's recourse against Licensee for any liability of Licensee under this Agreement shall be strictly limited to Licensee's proceeds from the sale of the Property received from Manager (between the Breach Floor and the Breach Cap) and Manager shall have no recourse against any of Licensee's other assets, and (b) in no event shall any entity or person, other than Licensee itself, be liable for any obligations of Licensee under this Agreement. No claim for a breach of any representation or warranty of Licensee which is first discovered after Closing shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter which was actually known to Manager prior to the Closing or was disclosed to Manager prior to Closing. Notwithstanding anything to the contrary contained in this Agreement, **MANAGER ACKNOWLEDGES AND AGREES THAT THE BREACH CAP REPRESENTS LICENSEE'S AGGREGATE MAXIMUM POTENTIAL LIABILITY UNDER THIS AGREEMENT FOR A POST-CLOSING BREACH AND, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IN NO EVENT SHALL LICENSEE'S AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR ANY POST-CLOSING BREACH EXCEED THE BREACH CAP, REGARDLESS OF THE NUMBER OF POST-CLOSING BREACHES WHICH MAY OCCUR OR HAVE OCCURRED AND REGARDLESS OF THE NUMBER OF DEMANDS MADE BY MANAGER WHETHER RELATED TO ONE OR MULTIPLE POST-CLOSING BREACHES.** Except as expressly provided in this Section, neither Licensee nor any other Seller Parties shall have any liability of any kind to Manager for any Post-Closing Breach. This Section shall survive the Closing and any termination of this Agreement.

19.14.2 Survival. Although the Parties have agreed and intend that Licensee shall not make any representation or warranty in this Agreement, should it be construed in the future that Licensee has made a representation or warranty in or in relation to this Agreement, such representation, warranty, and covenant shall survive the Closing and shall remain in full force and effect until the date that is thirty (30) days after the applicable Closing Date ("Survival Period"). To preserve any claim for any alleged breach of a representation or warranty under this Agreement, the party alleging the breach shall give written notice to the other setting forth a specific claim with respect to the particular representation or warranty at issue, in any case within the Survival Period. The Survival Period shall shorten any applicable statute of limitations in the jurisdiction in which the Property is located and govern any claim limited by the Survival Period, whether or not known or knowable on the Closing Date.

[Remainder of Page Left Blank Intentionally; Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

PURCHASER:

Freeport Nursing, LLC
an Illinois limited liability company

By: _____

Name: Jennifer Daugherty

Title: Manager

[Signatures Continue on Next Page]

CO-OBLIGOR:

Freeport Realty, LLC,
an Illinois limited liability company

By: _____
Name:
Title:

[Signatures Continue on Next Page]

LICENSEE:

The Board of Supervisors of the County of
Stephenson and State of Illinois,
a unit of local government,
AKA: Stephenson Co Nursing Center

By: _____

Name:

Title: Chairman

EXHIBIT A

FORM ASSIGNMENT AND ASSUMPTION OF RESIDENT AGREEMENTS

EXHIBIT B

FORM BUSINESS ASSOCIATE AGREEMENT