

**Change in Effective Control Application**

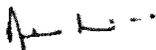
Version 11.23.12

Name of Applicant: 100 Wampanoag Trail Operating Company, LLC
Name of Facility: Chestnut Terrace Nursing & Rehabilitation Center
Date Application Submitted: December 18, 2012; March <u>22</u> , 2013
Amount of Fee: \$8,605.67

All questions concerning this application should be directed to the Office of Health Systems Development at (401) 222-2788

Please have the appropriate individual attest to the following:

*"I hereby certify that the information contained in this application is complete, accurate and true."*



signed and dated by the President or Chief Executive Officer

**Jeffrey Rubin**  
**President**



signed and dated by Notary Public

March 22, 2013

**CHERYL E. GERBER**  
**Notary Public, State of New York**  
**No. 01GE6256810**  
**Qualified in Queens County**  
**Commission Expires March 5, 2016**

## Table of Contents:

Question Number/Appendix	Page Number/Tab Index
Q1	1
Q2	1
Q3	2
Q4	2
Q5	2
Q6	2
Q7	2
Q8	3
Q9	3
Q10	3
Q11	3
Q12	3
Q13	3
Q14	3
Q15	4
Q16	4
Q17	4
Q18	5
Q19	5
Q20	5
Q21	5
Q22 A	6
Q22 B	6
Q22 C	6
Q23	6
Q24	7
Q25	7
Q26	7
Q27	7
Q28	8
Q29	8
Q30	8
Q31	8
Tab A	
Tab C	
Tab D	
Tab F	
Tab G	

1. Please provide an executive summary describing the nature and scope of the proposal. Additionally, please include the following: (1) identification of all parties, (2) description of the applicant and its licensure track record, (3) the type of transaction proposed including description of the transaction and relevant costs, (4) summary of all transfer documents, and (5) summary of the organizational structure of the applicant and its affiliates.

100 Wampanoag Trail Operating Company, LLC, a Delaware limited liability company (the "Applicant"), is requesting approval of the acquisition of the facility commonly known as Chestnut Terrace Nursing and Rehabilitation Center. The facility is a Rhode Island licensed skilled nursing facility located at 100 Wampanoag Trail, East Providence, RI, with a current licensed capacity of 58 beds. Ventas Realty Limited Partnership ("Ventas") currently owns the real estate where the facility is located. Ventas leases the real estate to Kindred Healthcare, Inc. and Kindred Healthcare Operating, Inc. (the "Kindred Entities"). The Kindred entities currently operate the facility. As such, Applicant will purchase the facility's real estate pursuant to that certain Purchase and Sale Agreement by and between Applicant and Ventas dated November 28, 2012 and the facility's operating assets pursuant to an Operations Transfer Agreement by and between Applicant and the Kindred Entities (see Attachment 14). The total purchase price for the real estate, operations, and all other included assets, as set forth in the Purchase and Sale Agreement is \$650,000, subject to applicable adjustments and prorations. The portion of the purchase price attributable to the purchase of the real estate is \$537,600, and for the operating assets is \$112,400, subject to applicable adjustments and prorations. The Applicant plans to pay the entire purchase price in cash, which will result in a 100% equity position.

The Applicant is a newly formed entity, but its ultimate owners, Jeffrey Rubin and Warren Cole, have a solid record of operating nursing facilities and commitment to regulatory compliance. Common ownership affiliates of the Applicant currently own and operate seven health care facilities in two states as more particularly identified in response to questions 20-23 below. Locally, the Applicant's parent company currently owns and operates the Scallop Shell Nursing and Rehabilitation Center ("Scallop Shell"). Scallop Shell is currently licensed and in good standing with the Rhode Island Department of Health. In addition, as is more particularly set forth in response to Appendix B below, Mr. Rubin and Mr. Cole hold minority ownership interests in a number of facilities in other states which are independent of and in no way affiliated with this applicant. As disclosed and discussed in connection with Dr. Rubin's and Mr. Cole's CEC application for the Scallop Shell facility two years ago, these ownership interests were acquired through their association with an unaffiliated company from which they both separated over three years ago. These interests are passive in nature and afford them no control or ability to control the operations of those facilities.

The Applicant plans to engage Post Acute Partners Management, LLC (the "Management Company"), to manage the facility. The Applicant and the Management Company are independent entities, but they share a similar ownership structure.

The Applicant also plans to file a Certificate of Need ("CON") application in connection with this transaction. The CON application will seek approval to construct a new facility and ultimately move the current facility to the new location. The proposed acquisition is not contingent upon the Applicant receiving approval for the proposed Certificate of Need application.

2. Name and address of the applicant:

Name: 100 Wampanoag Trail Operating Company, LLC	Telephone: 212-802-7600
Address: 641 Lexington Avenue, 31 <sup>st</sup> Floor, NY, NY	Zip Code: 10022

3. Name and address of facility (if different from applicant):

Name: Chestnut Terrace Nursing & Rehabilitation Center	Telephone: 401-438-4275
Address: 100 Wampanoag Trail, Riverside, RI	Zip Code: 02915

4. Information of the President or Chief Executive Officer of the applicant:

Name: Jeffrey Rubin	Telephone: 212-802-7600
Address: 641 Lexington Avenue, 31 <sup>st</sup> Floor, NY, NY	Zip Code: 10022
E-Mail: JRubin@postacute.com	Fax: 212-802-7640

5. Information for the person to contact regarding this proposal:

Name: Stephen D. Zubiago, Esq.	Telephone: 401-454-1017
Address: Nixon Peabody LLP, One Citizens Plaza, Suite 500, Providence, RI	Zip Code: 02903
E-Mail: SZubiago@Nixonpeabody.com	Fax: 401-454-1030

6.

A. **EXISTING ENTITY:**

License category: Nursing Facility	
Name of Facility: Chestnut Terrace Nursing & Rehabilitation Center	License #: LTC00717
Address: 100 Wampanoag Trail, Riverside, RI 02915	Telephone: 401-438-4275
Type of Ownership: ___ Individual ___ Partnership <u>_X_</u> Corporation ___ Limited Liability Co.	
Tax Status: <u>_X_</u> For Profit ___ Non-Profit	

B. **PROPOSED ENTITY:**

License category: Nursing Facility	
Name of Facility: Chestnut Terrace Nursing & Rehabilitation Center	License #: LTC00717
Address: 100 Wampanoag Trail, Riverside, RI 02915	Telephone: 401-438-4275
Type of Ownership: ___ Individual ___ Partnership ___ Corporation <u>_X_</u> Limited Liability Co.	
Tax Status: <u>_X_</u> For Profit ___ Non-Profit	

7. Does this proposal involve a nursing facility? Yes \_X\_ No \_\_\_

- If response to Question 7 is 'Yes', please complete Appendix C.

8. Will the facility be operated under management agreement with an outside party? Yes X  
No \_\_\_

**RESPONSE:** A copy of the Management Agreement is attached hereto as Attachment 8.

9. Will the proposal involve the facility/ies providing healthcare services under contract with an outside party? Yes \_\_\_ No X

- If response to Question 9 is "Yes", please identify and describe those services to be contracted out.

10. Estimate the date (month and year) for the proposed transfer of ownership, if approved:

April 1, 2013

11. Please provide a concise description of the services currently offered by the licensed entity and identify any services that will be added, terminated, expanded, or reduced and state the reasons therefore:

The facility provides a full range of nursing care and social services. It also provides specialty programs, rehabilitation therapy programs (physical, occupational, and speech-language), health management (nutrition, diabetes care, and infectious disease care), and support services. The Applicant does not currently plan to alter or modify the type of services provided at the facility.

12. Please identify the long-term plans of the applicant with respect to the health care programs and health care services to be provided at the facility:

There are no immediate plans at this time to change the health care programs or health care services provided at the facility. However, as noted in Question 1, the Applicant ultimately plans to relocate the facility upon approval of a certificate of need application by the RIDOH and completion of construction of a replacement facility. Any short-term operating losses will be covered by the Applicant through utilization of its owners' assets.

13. Does the entity seeking licensure plan to participate in Medicare or Medicaid (Titles XVIII or XIX of the Social Security Act)?

MEDICARE: Yes X No \_\_\_

MEDICAID: Yes X No \_\_\_

- If response to Question 13 for either Medicare and/or Medicaid is 'No', please explain.

14. Please provide all appropriate signed legal transfer documents (i.e. purchase and sale agreement, affiliation agreement); **NOTE:** these documents must cause both parties to be legally bound.

**RESPONSE:** Attached hereto as Attachment 14 is the Purchase and Sale Agreement related to the purchase of the facility's real estate and the Operations Transfer Agreement related to the purchase of the facility's operating assets.

15. Please provide organization charts of both agencies (existing entity and the applicant) for prior to transfer and post transfer, identifying all "parent" legal entities with direct or indirect ownership in or control, all "sister" legal entities also owned or controlled by the parent(s), and all "subsidiary" legal entities.

**RESPONSE:** Organization charts are attached hereto as Attachment 15.

16. If the proposed owner, operator or director owned, operated or directed a health care facility (both within and outside Rhode Island) within the past five years, please demonstrate the record of that person(s) with respect to access of traditionally underserved populations.

**RESPONSE:** Nursing facilities managed and/or owned by the Applicant's ultimate owners have an excellent track record with respect to access of traditionally underserved populations, as indicated by the current census numbers for these populations. Presently, Jeffrey Rubin and Warren Cole directly own and operate the Norm Care Facilities listed on Attachment 16(a) attached hereto (the Pennsylvania entities' avg. census shows more than 90% Medicaid recipients). Each of these facilities provides charity care on a regular basis consistent with applicable law and charity care policies. In Rhode Island, the Scallop Shell facility's census dated December 1, 2012 shows that Medicare and Medicaid residents comprised 21.4% and 28.6% of the residents at the facility, respectively. In addition, Jeff Rubin and Warren Cole have a passive ownership interest in the facilities listed on Attachment 16(b) attached hereto. As they are not active in the operation and management, they have no information regarding access to traditionally underserved populations.

17. Please identify the proposed immediate and long-term plans of the applicant to ensure adequate and appropriate access to the program and health care services to be provided by the health care facility/ies to traditionally underserved populations.

**RESPONSE:** As of December 16, 2012, Medicare and Medicaid residents currently comprise approximately 11% and 84% of the facility's residents, respectively (See Appendix C #1). The Applicant expects the facility's payor mix to remain similar following its proposed acquisition of the facility and prior to relocation of the facility. Applicant also plans to comply with its Charity Care Policy set forth below in response to Question 18. The Applicant does not anticipate significant changes to the current population, and hence the current payer mix, of the Chestnut Terrace facility prior to the proposed relocation. Upon relocation, the Applicant will seek to address the needs of its new community and to the extent the demographics and needs of that community are different from that of the current facility community, changes to payer mix may result. The Applicant does not anticipate significant changes to the current population, and hence the current payer mix, of the Chestnut Terrace facility. As mentioned above, the proposed acquisition is not contingent upon the Applicant receiving approval for the proposed Certificate of Need application. Although the Applicant filed a Letter of Intent to file a Certificate of Need application, the Applicant ultimately decided not to proceed with the Certificate of Need application at this time.

At this time, Applicant has not had sufficient opportunity to evaluate the existing resident and staff population at the facility so as to assess population diversity and the need for "Culturally and Linguistically Appropriate Services (CLAS)," or the policies and procedures that the current operator may have put in place to address those needs. The Applicant is familiar with the fourteen CLAS standards of the US Department of Health and Human Services, Office of Minority Health, and intends to implement and abide by those mandated, recommended and suggested standards to the extent appropriate for the resident population at the facility and the community in which the facility operates.

In addition, to the extent not currently in place at the facility, Applicant will adopt and implement all non-discrimination policies required for Medicare certification compliance by the US Department of Health and Human Services Office for Civil Rights specifically including but not limited to those regarding persons with limited English proficiency (see CLAS mandated standards 4,5,6, and 7). Attached as Attachment 17 is a copy of the LEP policy from the applicant's Scallop Shell Nursing & Rehabilitation Center addressing, among other items, interpreter and translation services. To the extent no such policy is in place at the Chestnut Terrace facility, a similar policy will be adopted.

18. Please provide a copy of charity care policies and procedures and charity care application form.

**RESPONSE:** A copy of the Charity Care Policy is attached hereto as Attachment 18.

19. After the proposed change in effective control, will the facility/ies provide medically necessary services to patients without discrimination, including the patients' ability to pay for services? Yes X No.

- If response to Question 19 is 'No', please explain.

20. Please identify any state or federal licensure or certification citations and/or enforcement actions taken against the applicant and their affiliates within the past 3 years and the status or disposition of each.

**RESPONSE:** A list of facilities owned and/or operated by affiliates of Applicant is attached hereto as Attachment 16(a). Each of these facilities is subject to routine inspections by their pertinent state and/or federal licensing and certification agencies from time to time and survey deficiencies may be imposed as a result of any such inspection. In all such cases these deficiencies have been corrected to the satisfaction of the licensing and/or certification agency within required time frames. None of these deficiencies have resulted in any actions against the facility's licensure or certification nor have they resulted in any other "citations, violations or charges" against any of the affiliated entities. Copies of survey reports and clearance letters from the pertinent agencies have been requested and will be provided upon receipt.

21. Please provide a list of pending or adjudicated citations, violations or charges against the applicant and their affiliates brought by any governmental agency or accrediting agency within the past 3 years and the status or disposition of each.

**RESPONSE:** Please see response to Question 20 above. Additionally, the survey and enforcement history for the Scallop Shell Nursing and rehabilitation Center since it was acquired by affiliates of the current applicant is that any and all deficiencies have been addressed and timely corrected to the satisfaction of the survey agency. A survey ending 4/12/12 found minor deficiencies in the following areas:

F281 ss=D (Professional Standards); F329 ss=E (Unnecessary Drugs); F371 ss=F (Dietary Sanitation); F428 ss=E (Drug Regimen Report); and (There was 1 state tag M870: Resident Care Services).

All deficiencies were corrected forthwith and to the satisfaction of the survey agency.

A survey ending 7/14/11 was deficiency free.

Survey and enforcement histories for affiliates of the applicant operating the five pediatric care facilities and one personal care home licensed by the Pennsylvania department of Public Welfare (DPW) are attached as Attachment 21.

22. Please provide a list of any investigations by federal, state or municipal agencies against the applicant and their affiliates within the past 3 years and the status or disposition of each.

**RESPONSE:** None

23. Please identify any planned actions of the applicant to reduce, limit, or contain health care costs and improve the efficiency with which health care services are delivered to the citizens of this state.

**RESPONSE:** The Applicant will strive to deliver high quality, cost-effective health care services to all of its patients. In order to do so, it will strive to hire skilled health care professionals and implement its Quality Assurance Policy, as set forth in response to Question 24. Additionally, Post Acute Partners, LLC, the parent company to the Applicant, was formed to capitalize on what Mr. Cole and Dr. Rubin enthusiastically embrace as an historic convergence of challenge and opportunity in health care generally, and in the delivery of post-acute care in particular. As a fundamental operating principle, the Applicant and Post Acute Partners share the core objectives of current State, Federal, and private sector health care reform initiatives, to redesign the delivery system so as to provide better access to post-acute care services, with better outcomes, and at lower costs.

At its core, Post Acute Partners is firmly committed to the idea that attainment of these objectives in a rapidly evolving health care marketplace requires a singular focus throughout the organization, on the quality of care and quality of life it provides. They believe further that continuity of care, achieved through enhanced coordination and integration between providers has a significant impact on the ability to deliver high quality and cost efficient care. Accordingly, Post Acute Partners' long-term growth strategy is to develop, acquire and operate high-quality senior living and post-acute care facilities and complementary services with strong regional concentration. Acquisition of the Chestnut Terrace facility and long term plans to upgrade its services with a new physical plant and related clinical improvements, and to integrate those initiatives with Post Acute's existing and proposed future acquisitions in Rhode Island represent the embodiment of the company's commitment to those business principles and the State of Rhode Island in general.

As documented in the charts at Appendix A2 and A3, the Applicant projects a significant decrease in the operating losses experienced by the current operator due to reductions in certain expenses, notwithstanding an increase in budgeted expenses for direct care staff. These changes alone further the goal of a reduction in overall health care costs and an improvement in operating efficiencies.

As the RIDOH is aware, however, while this acquisition is not contingent upon the Applicant receiving certificate of need approval to relocate the facility license, it is being made in contemplation of relocation to a new, purpose-built facility. To a significant degree, the age, size and configuration of the existing physical plant imposes practical constraints on the Applicant's ability to make the substantial investments necessary to achieve the more significant health care improvements and efficiencies that may be contemplated by this question. It is anticipated that through rigorous RIDOH review and ultimate approval of a subsequent certificate of need application permitting the relocation of the facility license to a new, purpose built physical plant,

these practical constraints will be removed, and the Applicant's operating philosophies, as set forth above, can be better implemented to effect the overall improvements in health care services addressed by this question.

24. Please provide a copy of the Quality Assurance Policies (for the services) and a detailed explanation of how quality assurance for patient services will be implemented at the facility/ies by the applicant.

**RESPONSE:** A copy of the proposed Quality Improvement Policy is attached hereto as Attachment 24. The plan contains a detailed explanation of the planned implementation of this policy.

25. Please provide a detailed description about the amount and source of the equity and debt commitment for this transaction. (**NOTE:** If debt is contemplated as part of the financing, please complete Appendix E). Additionally, please demonstrate the following:

- A. The immediate and long-term financial feasibility of the proposed financing plan;
- B. The relative availability of funds for capital and operating needs; and
- C. The applicant's financial capability.

**RESPONSE:** The Applicant will purchase the facility and its operations in cash without financing any portion of the purchase price. As for capital and operating needs, and the applicant's financial capability, the Applicant will have access to a working capital line of credit through its parent company and the Applicant will be adequately funded to cover all capital and operating needs of the facility. Capital funding plans for the replacement facility will be set forth in the CON application.

- a.) The source of funds for the equity portion of the purchase price is the owners' personal assets. As stated in the Operating Agreement, the owners will capitalize the entity in order to fund the purchase price.
- b.) As previously stated, the Applicant will have access to resources of its parent company for capital and operating needs. With respect to any projected losses from operations of the facility, the Applicant points out that its parent company funded initial operating losses at Scallop Shell (its other RI facility) immediately following its acquisition. If necessary, Applicant will do the same at Chestnut Terrace.
- c.) As stated above, the Applicant will fund any losses with resources of its parent company, equity, and personal assets, as needed. However, the Applicant also states that the projected losses are *de minimus*, are projected only in the short-term, and are less than the historical losses of the current operator.

26. Please provide legally binding evidence of site control (e.g., deed, lease, option, etc.) sufficient to enable the applicant to have use and possession of the subject property, if applicable.

**RESPONSE:** Please refer to the Purchase and Sale Agreement included as Attachment 14.

27. If the facility is not-for-profit and/or affiliated with a not-for-profit, please provide written approval from the Rhode Island Department of Attorney General of the proposal.

**RESPONSE:** Not applicable.

28. Please provide each of the following documents applicable to the applicant's legal status:

- Certificate and Articles of Incorporation and By-Laws (for corporations)
  - Certificate of Partnership and Partnership Agreement (for partnerships)
  - Certificate of Organization and Operating Agreement (for limited liability corporations)
- If any of the above documents are proposed to be revised or modified in any way as a result of the implementation of the proposed change in effective control, please provide the present documents and the proposed documents and **clearly identify** the revisions and modifications.

**RESPONSE:** Attached hereto as Attachment 28 is a copy of the Applicant's Certificate of Formation and Operating Agreement.

29. If the applicant and/or one of its parent companies (or ultimate parent) is a publicly traded corporation, please provide copies of its most recent SEC 10K filing.

**RESPONSE:** Not applicable.

30. Please provide audited financial statements (which should include an income statement, balance sheet and cash flow statement) for the last three years for the applicant, and/or its ultimate parent, and for the existing facility.

**RESPONSE:** The Applicant is a newly formed entity and does not have any financial statements. The Applicant's parent company, Post Acute Partners, LLC, was formed in 2010 to invest in the Scallop Shell facility; due to its lack of operations it does not maintain full financial statements. Financial statements for Post Acute Partners, LLC show only its ownership interests in Scallop Shell and the Applicant. The existing facility provided unaudited financials which are attached hereto as Attachment 30.

31. All applicants must complete Appendix A, D, F and G.

A

## APPENDIX A

All applicants must complete this Appendix.

**For hospital proposals, in place of this Appendix A, please complete the Appendix A of the Hospital Conversions Application located at:**

<http://www.health.state.ri.us/programs/hospitalconversionsmerger/index.php>

1. Please indicate the financing mix for the capital cost of this proposal. **NOTE:** the Health Services Council's policy requires a minimum 20 percent equity investment in CEC projects.

Source	Amount	Percent	Interest Rate	Terms (Yrs.)
Equity*	\$650,000	100%		
Debt**	\$0	0%	N/A%	N/A
Lease	\$N/A	N/A%	N/A%	N/A
<b>TOTAL</b>	<b>\$650,000</b>	<b>100%</b>		

\* Equity means non-debt funds contributed towards the capital cost related to a change in owner or change in operator of a healthcare facility which funds are free and clear of any repayment or liens against the assets of the proposed owner and/or licensee and that result in a like reduction in the portion of the capital cost that is required to be financed or mortgaged.

\*\* If debt financing is indicated, please complete Appendix E.

2. Please identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) required to staff this proposal in the last full year and as projected in the first full year after the implementation of the proposal.

PERSONNEL	CURRENT YEAR 2012		<-- FIRST FULL OPERATING YEAR 2013-->			
	EXISTING		ADDITIONS/(REDUCTIONS)		NEW TOTALS	
	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringes	Number of FTEs	Payroll W/Fringe
Medical Director(contract)	0	\$12,000	0	\$0	0	\$12,000
Physicians	0	\$0	0	\$0	0	\$0
Administrator	1.0	\$108,000	0	\$0	1	\$108,000
RNs	12.4	\$630,000	1.1	\$43,000	13.5	\$673,000
LPNs	3.4	\$155,000	(.2)	\$(7,000)	3.2	\$148,000
Nursing Aides	35.7	\$712,000	4.2	\$66,000	39.9	\$778,000
PTs (contract)	0	\$221,000	0	\$0	0	\$221,000
OTs	0	\$0	0	\$0	0	\$0
Speech Therapists	0	\$0	0	\$0	0	\$0
Clerical	1.2	\$53,000	1.2	\$71,000	2.4	\$124,000
Housekeeping (contracted)	0	\$203,000	0	\$0	0	\$203,000
Other:(Activities)	1.5	\$58,000	0	\$(2,000)	1.5	\$56,000
(Admissions)	0	\$0	0	\$0	0	\$0
(Dietary)	6.1	215,000	.3	\$10,000	6.4	\$225,000
(Indirect Nursing)	6.2	349,000	0	\$1,000	6.2	\$350,000
(Maintenance)	1.0	55,000	0	\$(1,000)	1.0	\$54,000
(Social Service)	1.0	79,000	(.1)	\$(5,000)	.9	\$74,000
<b>TOTALS</b>	<b>69.5</b>	<b>\$2,850,000</b>	<b>6.5</b>	<b>\$176,000</b>	<b>76</b>	<b>\$3,026,000</b>

**APPENDIX A (CONT.)**

3. Please complete the following table for the facility for the last full year, the current year and for the first year after the implementation of the proposal. Round all amounts to the nearest dollar.

	ACTUAL PREVIOUS YEAR 2011	ACTUAL CURRENT YEAR 2012	<-- FIRST FULL OPERATING YEAR 2013 -->		
			CEC DENIED	CEC APPROVED	INCREMENTAL DIFFERENCE
<b>REVENUES:</b>					
Net Patient Revenue	\$4,272,549	\$4,236,076	\$4,236,076	\$4,298,028	\$61,952
Other: ( )	\$4,897	\$4,680	\$4,680	\$4,791	\$111
<b>Total Revenue</b>	<b>\$4,277,446</b>	<b>\$4,240,756</b>	<b>\$4,240,756</b>	<b>\$4,302,819</b>	<b>\$62,063</b>
<b>EXPENSES:</b>					
Payroll w/Fringes	\$3,048,468	\$3,024,053	\$3,024,053	\$3,026,000	\$1,947
Bad Debt	\$63,486	\$63,612	\$63,612	\$64,990	\$1,378
Supplies	\$443,505	\$410,366	\$410,366	\$422,756	\$12,390
Office Expenses	\$79,277	\$93,391	\$93,391	\$94,058	\$667
Utilities	\$81,058	\$78,515	\$78,515	\$80,324	\$1,809
Insurance	\$100,534	\$214,025	\$214,025	\$208,524	(\$5,501)
Interest	\$0	(\$13)	(\$13)	(\$13)	\$0
Depreciation/Amortization	\$72,249	\$49,788	\$49,788	\$49,714	(\$74)
Leasehold Expenses	\$327,387	\$189,261	\$189,261	\$109,890	(\$79,371)
Other: (Management Fee)	\$258,884	\$226,114	\$226,114	\$216,634	(\$9,480)
Other: (Property Tax)	\$48,455	\$49,352	\$49,352	\$50,273	\$921
Other: (Provider Tax)	\$229,527	\$230,020	\$230,020	\$234,632	\$4,612
<b>Total Expenses:</b>	<b>\$4,752,830</b>	<b>\$4,628,483</b>	<b>\$4,628,483</b>	<b>\$4,557,782</b>	<b>(\$70,701)</b>
<b>OPERATING PROFIT:</b>	<b>(\$475,384)</b>	<b>(\$387,727)</b>	<b>(\$387,727)</b>	<b>(\$254,963)</b>	<b>\$132,764</b>

4. Please provide utilization statistics (both as a dollar value and percentage) for the existing facility by completing the table below for the requested years.

PAYOR SOURCE:	ACTUAL (PAST 3 YEARS)						BUDGETED CURRENT			PROJECTED (IF CEC APPROVED)		
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2012	FY 2013	FY 2014	FY 2015	
Medicare	\$1,226K 31%	\$1,006K 26%	\$1,000K 23%	\$1,052K 25%	\$760,568 18%	\$785K 18%	\$801K 18%					
Medicaid	\$2,388K 61%	\$2,557K 66%	\$2,850K 67%	\$2,881K 68%	\$3,364,157 78%	\$3,432K 78%	\$3,500K 78%					
Blue Cross	\$0K 0%	\$0K 0%	\$0K 0%	\$0K 0%	\$0K 0%	\$0K 0%	\$0K 0%					
Commercial	\$72K 2%	\$60K 1%	\$91K 2%	\$321K 8%	\$96,867 2%	\$99K 2%	\$101K 2%					
Self Pay	\$140K 4%	\$129K 3%	\$113K 3%	\$0K 0%	\$0K 0%	\$0K 0%	\$0K 0%					
Other: ( )	\$41K 1%	\$61K 2%	\$143K 3%	\$0K 0%	\$0K 0%	\$0K 0%	\$0K 0%					
Ancillary	\$76K 2%	\$75K 2%	\$75K 2%	\$0K 0%	\$76,436 2%	\$77K 2%	\$77K 2%					
<b>TOTAL</b>	<b>\$3,943K</b> 100%	<b>\$3,888K</b> 100%	<b>\$4,272K</b> 100%	<b>\$4,254K</b> 100%	<b>\$4,298,028</b> 100%	<b>\$4,392K</b> 100%	<b>\$4,479K</b> 100%					
Charity Care*	\$	\$	\$	\$	\$43K	\$44K	\$45K					

\*Charity Care does not include bad debt, and is based on costs (not charges). For Home Nursing Care Providers the statewide community standard shall be one percent (1%) of net patient revenue earned on an annual basis.

**NOTE:** The 'Ancillary' payor source category consists of therapy services paid by Medicare Part B an commercial Part B plans. The 'Other' payor source category consists of private pay guest meals and other vending.

C

**Appendix C**

**Nursing Home Proposals**

All change in effective control applications, which involve nursing homes, must be accompanied by responses to the questions posed herein.

1. Please provide the current patient census at the facility by payor source in the table below.  
Date of Census: December 16, 2012, Licensed bed capacity 58

<b>Payor Source</b>	<b>Number of Patients</b>	<b>Percent of Total</b>
Medicaid	47	84%
Medicare	6	11%
Commercial	0	0.0%
Private Pay	3	5%
Other: ( )	0	0%
<b>TOTAL:</b>	<b>56</b>	<b>100%</b>

2. Please complete the following Medicaid per diem worksheet for the facility.

<b>Expense</b>	<b>COSTS</b>		<b>REIMBURSEMENT</b>		<b>MAXIMUM RATE</b>	
	<b>Current FY 2012</b>	<b>First FY 2013 Project Approved*</b>	<b>Current FY 2012</b>	<b>First FY 2013 Project Approved*</b>	<b>Current FY 2012</b>	<b>First FY 2013 Project Approved*</b>
Pass Through Cost Center	\$133,648	Please See Attached*	\$7.01	Please See Attached*	N/A	Please See Attached*
Fair Rental Cost Center	N/A		\$12.88		N/A	
Direct Labor Cost Center	\$2,396,866		\$125.76		144.47	
Other Operating Expenses	\$561,061		\$29.44		38.21	
<b>TOTAL:</b>	<b>\$3,091,578</b>		<b>\$174.89</b>		<b>182.68</b>	

- Current FY 2010 numbers from Medicaid rate letter dated January 18, 2012.
- \* Please see 2013 figures attached as Attachment C-2. The new figures include additional cost centers and information that does not fit the format of this chart.

3. Please demonstrate that the applicant or proposed license holder shall have sufficient resources to operate the nursing facility at licensed capacity for thirty (30) days, evidenced by an unencumbered line of credit, a joint escrow account established with the Department, or a performance bond secured in favor of the state or a similar form of security satisfactory to the Department.

**RESPONSE:** The Applicant will enter into a performance bond or similar form of security satisfactory to the Department prior to closing that will ensure the availability of sufficient cash to operate the facility for 30 days at its licensed capacity.

A draft surety bond prepared and quoted by RLI Insurance Company in the sum of \$377,249 is attached as Attachment Appendix C #3. This sum represents 30 days operating costs. Applicant will execute a surety bond in substantially similar form upon approval of this application and prior to the closing of the proposed transaction.

**Appendix C (CONT.)**

4. Please complete the following itemization of projected utilization and net patient revenue.

<b>&lt;-- FIRST FULL OPERATING YEAR 2013 --&gt;</b>			
<b>PAYOR</b>	<b>CEC APPROVED</b>	<b>CEC NOT APPROVED</b>	<b>DIFFERENCE</b>
<b>MEDICAID*:</b>			
Per Diem Revenue	\$190.95	\$190.95	\$0
Patient Days	17,618	17,618	0
Total Revenue	\$3,364,157	\$3,364,157	\$0
<b>MEDICARE:</b>			
Per Diem Revenue	\$416.75	\$416.75	\$0
Patient Days	1,825	1,825	0
Total Revenue	\$760,568	\$760,568	\$0
<b>COMMERCIAL:</b>			
Per Diem Revenue	\$419.34	\$419.34	\$0
Patient Days	231	231	0
Total Revenue	\$96,867	\$96,867	\$0
<b>PRIVATE PAY:</b>			
Per Diem Revenue	\$0	\$0	\$0
Patient Days	0	0	0
Total Revenue	\$0	\$0	\$0
<b>VETERANS:</b>			
Per Diem Revenue	\$0	\$0	\$0
Patient Days	0	0	0
Total Revenue	\$0	\$0	\$0
<b>OTHER: (Ancillary Revenue):</b>			
Per Diem Revenue	\$0	\$0	\$0
Patient Days	0	0	0
Total Revenue	\$76,436	\$76,436	\$0
<b>TOTAL PATIENT REVENUE:</b>	<b>\$4,298,028</b>	<b>\$4,298,028</b>	<b>\$0</b>
<b>TOTAL PATIENT DAYS:</b>	<b>19,674</b>	<b>19,674</b>	<b>0</b>

- Medicaid includes Hospice

## Appendix C (CONT.)

5. Based on the format below, please provide a summary of the applicant's administrative and operational policies and procedures to provide individualized and resident-centered care, services, and accommodations, and a sense of peace, safety, and community, and clearly identify how the proposal would advance these areas:

- a. Resident's physical environment:
  - i. Accommodations for privacy vs. congregate and common areas;
  - ii. Choice and autonomy in personal space, fixtures, furniture;
  - iii. Access to and involvement in decentralized services, such as, community kitchen(s), laundry, activities;
  - iv. Access to outdoors and outdoor activities (e.g., sunrooms, patios, gardens and gardening);
  
- b. Resident-centered systems of care:
  - i. Security systems and care delivery systems to foster autonomy, choice, and negotiated risk;
  - ii. Individualized daily/nightly scheduling (e.g., daily rhythm, going to bed, waking);
  - iii. Dining flexibility (e.g., time, access to dining style and menu choice);
  - iv. Lifestyle/activities flexibility;
  
- c. Workforce administration:
  - i. How do staffing schedules and assignments ensure consistent delivery of resident services and foster relationship building?
  - ii. Administrative status strategies for dealing with licensed staff turn-over (e.g. Registered nurses, Licenses Practical nurses, Nursing Assistants)

**RESPONSE:** Please see Attachment 24 for policies responsive to this question. To a degree, the ability to achieve significant improvements in resident-centered care objectives, particularly those related to privacy and space considerations or those otherwise implicating the fundamental systems and components of the facility itself, are constrained by the size, age and configuration of the existing physical plant. Accordingly, some of these improvements can perhaps be more appropriately addressed in the context of an anticipated subsequent certificate of need application to relocate the licensed facility. That said, as many of the goals of resident-centered care are service rather than space oriented, the applicant will, to the greatest extent possible, seek to implement and/or expand upon, pertinent policies and procedures which it has successfully adopted at its Scallop Shell facility, as more fully described below. Additionally, the Applicant states that:

- a.) The Applicant is committed to fostering a comfortable and hopefully "homelike" physical environment for residents. In furtherance of this goal, the facility will continue to offer various coordinated activities tailored to residents' individual interests and abilities, whenever possible. Examples include outdoor pursuits, entertainment and audience participation, games and other activities, and spiritual enhancement. Residents are also given the opportunity to personalize their living spaces.

Clearly providing appropriate private and common areas is one of the issues that will be largely subject to space and configuration considerations at the existing Chestnut Terrace facility. At the Scallop Shell facility, however, there are four general areas (Dining Room, Lounge w/ seating and Salt Water aquarium, Living Room/Library, and the Activity Room) that serve as “common areas” and are periodically used for a variety of planned activities and events. Facility staff are encouraged to and routinely do accommodate requests for privacy in these and other facility common areas for unique situations or special functions. The Activity Director manages these requests and communicates to the rest of the team when a room will need to be reserved for a private function. Families also have the ability to request and reserve the Conference Room for a more intimate dining experience when a resident is celebrating an anniversary or birthday with family and/or friends, etc. There are numerous other smaller seating areas set aside throughout the facility to accommodate the desire for smaller group gatherings and private conversation. During warm weather months, there are also several outdoor areas that have been created to accommodate the needs or desires of residents and their families for more private visits. The Applicant plans to implement similar policies and make available similarly private spaces at Chestnut Terrace, within the existing space, and at any new, relocated facility following approval of a CON application.

Upon admission, all residents at Scallop Shell are notified that the facility offers inclusive laundry and housekeeping services. Residents have the option to utilize these services, but are also entitled to have family wash their laundry if they prefer. At present, space limitations preclude individual unit laundry facilities. We anticipate the same space constraints at the Chestnut Terrace facility; however, decentralized laundry will be a consideration for any replacement facility to the extent consistent with the residents’ abilities and safety.

While Scallop Shell offers a full range of organized dining options (see item (c) (iii) below), including full dietary services and all meals and snacks, a community refrigerator for residents, family and visitors to store personal food items consistent with any resident’s dietary restrictions, which may be brought in from outside. This refrigerator is monitored to be sure all items are properly labeled and disposed of timely. The activity room is set up complete with a kitchen that is considered a community area although for safety considerations, use of the stove/oven is subject to oversight by facility personnel at all times. Residents are free to choose among various groups and/or one on one activities and preferences are determined at the time of the Activities Assessment that is completed for each new admission. If a resident prefers solitary activities, books, movies, puzzles, and card games are always available. Activities personnel also conduct room visits with activities for residents who prefer to stay in their room. To the extent space permits, these policies will be incorporated at Chestnut Terrace.

- b.) The Applicant is committed to fostering a resident centered culture at its facility. The current facility prides itself on providing a great dining experience and encourages resident participation in menu suggestions. Socializing in the dining room is also encouraged. Examples of resident-centered amenities at the facility include onsite mobile x-ray, dental, optometry, and podiatry services, home therapy assessment, emergency call system, evening assistance, personal laundry, transportation services, admission 24/7, WiFi, desktop computers, free, in-room cable television, beautician, in-room phone, patio, pet visits, and free parking.

Balancing resident interest in autonomy with the facility’s obligation to maintain the health, safety and well-being of a resident community with potentially a broad range of cognitive and/or physical abilities, is of course one of the more challenging dynamics of

introducing resident/person centered care concepts into a highly regulated health care facility environment. It is one that requires flexibility on the part of all concerned parties: residents themselves, resident families and representatives, facility staff, and facility regulators, all of whom may have differing if not conflicting views on what is in the best interest of the resident.

As a top priority, the Applicant will assess the physical security systems of the existing facility to ensure that it can maintain the health, safety and well-being of its residents. To the extent improvements are required to meet that standard they will be made. The extent to which concessions to facility security can be made to accommodate individual residents' desires for greater physical autonomy, and the willingness of residents and their families or legal representatives to accept the risk of such greater autonomy through "negotiated risk" agreements, will depend largely on an assessment of each individual resident's preferences and abilities. To the extent the existing operator has not conducted and documented such assessments they will be completed by the Applicant post-closing. The Applicant is committed to the concept of creating as home-like and accommodating a setting as possible for its long-term care residents consistent with its legal obligation to keep them secure. While committing in advance to the concept of greater autonomy and physical freedom, the Applicant cannot commit to specific concessions to that concept without fully understanding the needs and abilities of all its residents.

Resident Rights and Resident Choice are always promoted and supported at Scallop Shell and will be at the Chestnut Terrace facility as well. Scallop residents have input in scheduling bath days and may negotiate therapy treatment schedule when at all possible. Residents have a variety of activities to choose from on a daily basis. Activities are offered from morning to evening. Resident Counsel meetings are held monthly to discuss food, activities, events etc. Social Services personnel are available for specialized care planning that requires further flexibility than what is already offered.

Here again, the balance between physical security and personal autonomy may ultimately be more easily achieved in the design and construction of a purpose built replacement facility than in the existing physical plant. Nonetheless, to the extent that balance can be achieved in the existing facility through greater discussion with residents and their representatives on the development of preferences and care plans, through re-evaluation of facility care delivery policies and procedures, and through staff education on resident rights and preferences and the importance of self-determination, the Applicant is committed to do so.

Pre-admission assessments of and respect for resident preferences regarding waking in the morning and going to sleep at night are standard procedure at Scallop Shell. To the extent that is not the case at the Chestnut Terrace facility those policies and procedures will be implemented immediately. Similarly, medication pass times are liberalized at Scallop to accommodate resident sleep patterns and eliminate waking residents up unnecessarily or against their wishes. For example, AM meds are given "upon awakening" or "upon going to bed" versus a designated time. These policies will also be extended to Chestnut Terrace as necessary.

Regarding resident choice, as with resident preferences on other matters addressed above, staff will interview each new admission for food preferences and indicate likes/dislikes on meal tickets. At Scallop, alternate meals are offered on a daily basis at each meal. A variety of menu choices are always available and menus run on a 4-week cycle. This 4-week menu cycle gets updated seasonally. An elaborate “Continental Breakfast” is served restaurant style in the Main Dining room each morning from 7:30-9am where residents can come at their leisure and not be subject to the delivery of the meal carts that serve the in-room dining residents on a more structured schedule. Dining room meal service is offered for lunch and dinner as well. Residents who wish to “dine in” have meals delivered to their rooms. With the assistance of our Registered Dietician, we have liberalized diet plans and eliminate specialized diets where possible. In addition, as above, options are available for resident food preferences beyond the “organized” dining choices. Similar policies and procedures on dining flexibility will be adopted at Chestnut Terrace.

- c.) The Applicant will strive to design staff assignments to create consistent delivery of care and to encourage relationships by focusing on individualized care. The Applicant believes this approach improves clinical outcomes and overall resident morale.

The Scallop Shell facility operates on the principle of “Consistent Assignment”, for direct care staff, a practice at the heart of the person centered care movement. This will be adopted at the Chestnut Terrace facility as well to the extent not already in practice. Notwithstanding this goal, staff turnover is inevitable so recruiting for high-quality, experienced, clinical staff will always be ongoing. At Scallop, applications for employment are always accepted and kept on file. Referral bonuses are offered and paid for employee-referred new hires who maintain successful employment for a minimum of 6 months. Overtime will of course be available to those willing to pick-up additional shifts to cover potential open shifts. A weekly Nursing Administration “on-call” rotation, consisting of four RN managers, is in place to provide direct assistance and/or coverage for call-outs that result in falling below our “critical staffing” levels (based on occupancy). Similar policies and procedures will be adopted at the Chestnut Terrace facility as needed.

In addition, as a licensed CNA training facility, the Scallop facility has the ability to organize and initiate a CNA class that provides hands-on help, through the use of the CNA trainees, after just one week of classroom time. This resource can be extended to address needs at the Chestnut Terrace facility as well.

C2

Chestnut Terrace Nursing & Rehab. Center  
 Appendix C #2 Attachment  
 First FY 2013 Project Approved

	<u>Cost</u>	<u>Assigned</u>	<u>Maximum</u>
Medicaid Cost Center			
Direct Care	\$1,666,698	\$100.44	\$100.44
Average CMI		1.00	N/A
CMI Adjusted Direct Care		100.44	N/A
Other Direct Care	941,045	23.74	23.74
Indirect Care	1,489,662	53.53	53.53
Policy Adjuster	N/A	(12.30)	N/A
Fair Rental Value	353,953	12.88	N/A
Property Tax	50,288	2.56	N/A
subtotal	<u>4,501,646</u>	<u>180.85</u>	
Health Care Provider Tax	237,100	10.53	N/A
total	<u>\$4,738,746</u>	<u>\$191.38</u>	



**State of Rhode Island Department of Health**

**Surety Bond for Licensing as a Nursing Facility**

Know all persons by these presents, that we 100 Wampanoag Trail Operating Company, LLC, 100 Wampanoag Trail, Riverside, RI 02915, hereinafter referred to as the Principal, and RLI Insurance Company, 9025 N. Lindbergh Drive, Peoria, IL 61615, as Surety, are held and firmly bound unto State of Rhode Island Department of Health, 3 Capitol Hill, Providence, RI 02908, hereinafter referred to as the Obligee, in the sum Three Hundred Seventy Seven Thousand Two Hundred Forty Nine and no/100 Dollars (\$377,249.00) for the payment of which we bind ourselves, our legal representatives, successors and assigns, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas, the Principal has made application for a license to the Obligee for the purpose of operating as a Nursing Facility.

Now, therefore, if the Principal shall faithfully comply with all ordinances, rules and regulations pursuant to the General Laws of Rhode Island, Rules and Regulations for Licensing of Nursing Facilities (R23-17-NF), and shall save and keep harmless the Obligee from all loss or damage which it may sustain or for which it may become liable on account of the issuance of said license to the Principal, then this obligation shall be void; otherwise to remain in full force and effect.

This bond will expire the \_\_\_\_\_, but may be continued by continuation certificate signed by the Principal and Surety. The Surety may at any time terminate its liability by giving thirty (30) days written notice to the Principal and Obligee, and the Surety shall not be liable for any default after such thirty day notice period, except for defaults occurring prior thereto.

Signed, Sealed and Dated this \_\_\_\_\_.

**100 Wampanoag Trail Operating Company, LLC**

BY: \_\_\_\_\_

NAME & TITLE: \_\_\_\_\_

**RLI Insurance Company**

BY: \_\_\_\_\_

Robin L. Amstutz, Attorney-in-Fact

D

**Appendix D**

**Source of Funds**

All applicants must complete this Appendix.

I. Please provide the total expenditures necessary to implement this proposal and allocate this amount to the sources of funds categories listed below:

TOTAL PROJECT COST: \$650,000 \_\_\_\_\_ \*

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>
a. Funded depreciation	\$ _____
b. Other restricted funds (specify) _____	_____
c. Unrestricted funds (specify) _____	_____
d. Owner's equity	\$650,000
e. Sale of stock/other equity	_____
f. Unrestricted donations or gifts	_____
g. Restricted donations or gifts	_____
h. Government grant (specify) _____	_____
i. Other non-debt funds (specify) _____	_____
<b>j. Sub-Total Equity Funds</b>	<b>\$650,000</b>
k. Subsidized loan (e.g. FHA etc.) _____	_____
l. Tax-exempt bonds (specify) _____	_____
m. Conventional mortgage	_____
n. Lease or rental	_____
o. Other debt funds	_____
<b>p. Sub-Total Debt Funds</b>	<b>\$0</b>
<b>q. Total Source of Funds</b>	<b>\$650,000</b>

\* should equal the response for line "q"

F

## Appendix F

### **Disclosure of Ownership and Control Interest**

All applicants must complete this Appendix.

I. Please answer the following questions by checking either 'Yes' or 'No'. If any of the questions are answered 'Yes', please list the names and addresses of individuals or corporations.

- A. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the applicant, that have been convicted of a criminal offense related to the involvement of such persons or organizations in any of the programs established by Titles XVIII, XIX of the Social Security Act? Yes \_\_\_ No X
  
- B. Will there be any directors, officers, agents, or managers of the applicant (or facility) who have ever been convicted of a criminal offense related to their involvement in such programs established by Titles XVIII, XIX of the Social Security Act? Yes \_\_\_ No X
  
- C. Are there (or will there be) any individuals employed by the applicant (or facility) in a managerial, accounting, auditing, or similar capacity who were employed by the applicant's fiscal intermediary within the past 12 months (Title XVIII providers only)? Yes \_\_\_ No X
  
- D. Will there be any individuals (or organizations) having direct (or indirect) ownership interests, separately (or in combination), of 5 percent or more in the applicant (or facility)? (Indirect ownership interest is ownership in any entity higher in a pyramid than the applicant) Yes X No \_\_\_ (Note, if the applicant is a subsidiary of a "parent" corporation, the response is 'Yes')
  
- E. Will there be any individuals (or organizations) having ownership interest (equal to at least 5 percent of the facility's assets) in a mortgage or other obligation secured by the facility? Yes \_\_\_ No X
  
- F. Will there be any individuals (or organizations) that have an ownership or control interest of 5 percent or more in a subcontractor in which the applicant (or facility) has a direct or indirect ownership interest of 5 percent or more. (Also, please identify those subcontractors.) Yes \_\_\_ No X
  
- G. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the applicant (or facility), who have been direct (or indirect) owners or employees of a health care facility against which sanctions (of any kind) were imposed by any governmental agency? Yes X No \_\_\_

**RESPONSE:** Jeffrey Rubin and Warren Cole, 641 Lexington Avenue, 31<sup>st</sup> Floor, NY, NY 10022. Please see Attachment F-1 for narrative of the owners' non-affiliated health care holdings and see Attachment 16(b) for listing of those holdings.

H. Will there be any directors, officers, agents, or managing employees of the applicant (or facility) who have been direct (or indirect) owners or employees of a health care facility against which any sanctions were imposed by any governmental agency? Yes X No \_\_\_

**RESPONSE:** Please see response to Appendix F, Question G above.

F1

CHESTNUT TERRACE NURSING & REHABILITATION  
CENTER

CHANGE IN EFFECTIVE CONTROL APPLICATION

SUPPLEMENTARY RESPONSE TO APPENDIX F

DISCLOSURE OF OWNERSHIP AND CONTROL INTERESTS

JEFFREY RUBIN/WARREN COLE

The sole members of Post Acute Partners, LLC, (“PostAcute”) the parent company of the Applicant in the present matter, are Dr. Jeffrey Rubin and Mr. Warren Cole, each of whom owns 50% of PostAcute. Prior to the formation of PostAcute on May 5, 2010, both Dr. Rubin and Mr. Cole held minority ownership interests, and in some circumstances also held management positions, in a group of affiliated, privately held companies which owned and operated various health care facilities and/or services in various states other than the State of Rhode Island (“the companies”).

Upon their separation from the companies more than three years ago in 2009, to form PostAcute, a new company entirely independent of and unaffiliated with “the companies,” both Dr. Rubin and Mr. Cole retained their minority ownership interests in “the companies;” however, they relinquished their management positions and since that time they have no authority or ability to direct, influence or otherwise affect the operations of “the companies” holdings.

In some cases “the companies” simply owned the real property assets of the health care facilities or services and leased them to independent tenant operators. In those cases neither Mr. Cole nor Dr. Rubin held any ownership or managerial interest or otherwise exercised any control or ability to control the day to day operational activities of these independent tenant entities. In other cases, “the companies” developed the facilities as start up operations and owned both the facility property and the facility operations from the outset. In still other cases the companies acquired the facility property ownership first and at a later date also acquired the facility

operations usually through some default on the part of the independent facility tenant operators. As indicated above, in those cases where the companies owned both the real property assets and the operations of the facility or service either Dr. Rubin and/or Mr. Cole may have held management positions that involved them in the day to day operations of the facilities or services to varying degrees. ***As indicated above, however, any such managerial positions held by Dr. Rubin and/or Mr. Cole in these healthcare facilities ended more than three years ago when they left the prior companies to form PostAcute and since that time, they have retained only minority, passive ownership interests in the facilities.*** All of these non affiliated ownership interests were disclosed and reviewed by RIDOH in connection with the Scallop Shell Nursing and Rehabilitation Center CEC filing in 2010. To the extent required, survey and sanction histories for these facilities updated through 2012 can be provided again.

G

## Appendix G

### **Ownership Information**

All applicants must complete this Appendix

1. List all officers, members of the board of directors, and trustees, stockholder of the applicant and/or ultimate parent entity. For each individual, provide their home and business address, principal occupation, position with respect to the applicant and/or ultimate parent entity, and amount, if any, of the percentage of stock, share of partnership, or other equity interest that they hold.

**RESPONSE:** 1.) Warren Cole, 641 Lexington Avenue, 31<sup>st</sup> Floor, NY, NY 10022, nursing home owner/operator, owner of parent entity (50%), Treasurer of Applicant. 2.) Jeffrey Rubin, 641 Lexington Avenue, 31<sup>st</sup> Floor, NY, NY 10022, nursing home owner/operator, owner of parent entity (50%), President/Secretary of Applicant.

2. For each individual listed in response to Question 1 above, list all (if any) other health care facilities or entities within or outside Rhode Island in which he or she is an officer, director, trustee, shareholder, partner, or in which he or she owns any equity or otherwise controlling interest. For each individual, please identify: A) the relationship to the facility and amount of interest held, B) the type of facility license held (e.g. nursing facility, etc.), C) the address of the facility, D) the state license #, E) Medicare provider #, F) any professional accreditation (e.g. JACHO, CHAP, etc.), and G) complete Appendix B 'Compliance Report' and submit it to the appropriate state agency.

**RESPONSE:** Please see Attachment 16(a) and Attachment 16(b).

3. If any individual listed in response to Question 1 above, has any business relationship with the applicant, including but not limited to: supply company, mortgage company, or other lending institution, insurance or professional services, please identify each such individual and the nature of each relationship.

**RESPONSE:** Not applicable.

4. Have any individuals listed in response to Question 1 above been convicted of any state or federal criminal violation within the past 20 years? Yes \_\_\_ No X.

- If response to Question 4 is 'Yes', please identify each person involved, the date and nature of each offense and the legal outcome of each incident.

5. Please list all licensed healthcare facilities (in Rhode Island or elsewhere) owned, operated or controlled by any of the entities identified in response to Question 15 of the application. For each facility, please identify: A) the entity, applicant or principal involved, B) the type of facility license held (e.g. nursing facility, etc.), C) the address of the facility, D) the state license #, E) Medicare

provider #, F) any professional accreditation (e.g. JACHO, CHAP, etc.), and G) complete Appendix B 'Compliance Report' and submit it to the appropriate state agency.

**RESPONSE:** Please see Attachment 16(a).

6. Have any of the facilities owned, operated or managed by the applicant and/or any of the entities identified in Question 5 above during the last 5-years had bankruptcies and/or were placed in receiverships?

Yes \_\_\_ No X.

- If response to Question 6 is 'Yes', please identify the facility and its current status.

8

**SKILLED NURSING FACILITY MANAGEMENT AGREEMENT**

**between**

**100 WAMPANOAG TRAIL OPERATING COMPANY, LLC**

**a Delaware limited liability company**

**(Operator)**

**and**

**POST ACUTE PARTNERS MANAGEMENT, LLC**

**a Delaware limited liability company**

**(Manager)**

**Dated As Of**

**April 1, 2013**

## TABLE OF CONTENTS

	<b>Page</b>
SECTION 1. APPOINTMENT OF MANAGER.....	1
SECTION 2. TERM .....	2
SECTION 3. RESPONSIBILITIES OF MANAGER.....	2
3.1 Regulatory Approvals .....	2
3.2 Operation and Affairs .....	2
3.3 Compliance with Operator Policies .....	2
3.4 Management and Employees .....	3
3.5 Administrator and Director of Nursing.....	3
3.6 Personnel Policies, Salaries and Benefits .....	4
3.7 Billing, Accounting and Collection .....	4
3.8 Repairs and Maintenance.....	4
3.9 Supplies and Services .....	5
3.10 Payment Services .....	5
3.11 Standards for Admissions and Marketing.....	5
3.12 Employee Relations .....	5
3.13 Cost Reports and Tax Returns .....	5
3.14 Evaluations.....	6
3.15 Accounting and Control Systems.....	6
3.16 Quality Control .....	6
3.17 Management Plan.....	7
3.18 Corporate Compliance .....	7
3.19 Operator Consultants .....	7
3.20 Proprietary Property.....	7
3.21 Non-Solicitation of Employees.....	7
SECTION 4. RESPONSIBILITIES OF OPERATOR .....	8
4.1 Cooperation.....	8
4.2 Operations Control.....	8
4.3 Inspection of Documents .....	8
SECTION 5. COOPERATION BETWEEN OPERATOR AND MANAGER .....	8
5.1 Mutual Cooperation and Restrictive Covenants .....	8
5.2 HIPAA Compliance .....	10
SECTION 6. FEES .....	10
6.1 Management Fee.....	10
6.2 Other Fees and Reimbursements .....	11

SECTION 7.	BUDGETS AND REPORTS.....	11
7.1	Annual Budget.....	11
7.2	Capital Expenditures.....	12
7.3	Operating Budget.....	12
7.4	Reports.....	12
SECTION 8.	BANK AND RESIDENT TRUST ACCOUNTS AND WORKING CAPITAL .....	13
8.1	General.....	13
8.2	Operating Account.....	13
8.3	Patient Trust Accounts.....	13
SECTION 9.	UTILITIES AND TAXES.....	13
9.1	Utilities.....	13
9.2	Taxes.....	13
SECTION 10.	LICENSES, PERMITS, CERTIFICATIONS AND LEGAL PROCEEDINGS. .....	14
10.1	Licenses, Permits and Approvals.....	14
10.2	Government Actions.....	14
10.3	Legal Proceedings.....	14
10.4	Compliance.....	14
SECTION 11.	TRANSACTIONS WITH SPECIALISTS.....	15
SECTION 12.	REPRESENTATIONS AND WARRANTIES.....	15
12.1	Status.....	15
12.2	Authority and Due Execution.....	15
12.3	Litigation.....	15
12.4	Program Representations.....	15
SECTION 13.	TERMINATION.....	16
13.1	Operator’s Right To Terminate.....	16
13.2	Manager’s Right To Terminate.....	18
13.3	Termination by Either Party.....	18
13.4	Transitional Obligations.....	19
13.5	Effect of Termination.....	19
SECTION 14.	NOTICES.....	19
SECTION 15.	COSTS AND EXPENSES; INDEMNITY AND INSURANCE.....	20

15.1	Costs and Fees.....	20
15.2	Indemnification by Operator.....	20
15.3	Indemnification by Manager.....	20
15.4	Insurance.....	21
SECTION 16. MISCELLANEOUS .....		21
16.1	Government Regulations .....	21
16.2	Good Faith Effort by Manager.....	22
16.3	Assignment .....	22
16.4	Retention of Control by Operator .....	22
16.5	Force Majeure .....	22
16.6	Binding Agreement.....	22
16.7	Relationship of Parties .....	23
16.8	Entire Agreement; Amendments.....	23
16.9	Captions and Headings .....	23
16.10	Governing Law .....	23
16.11	Arbitration of Accounting Matters.....	23
16.12	Maintenance of Books, Records and Documents .....	23
16.13	Further Assurances.....	24
16.14	Certain Definitions.....	24
16.15	Severability .....	24
16.16	Waivers .....	24
16.17	No Third-Party Rights.....	25
16.18	Surviving Obligations .....	25
16.19	No Personal Liability .....	25
16.20	Counterparts.....	25
Exhibit A	Privacy Agreement	
Exhibit B	Insurance Requirements	

## **SKILLED NURSING FACILITY MANAGEMENT AGREEMENT**

THIS SKILLED NURSING FACILITY MANAGEMENT AGREEMENT (the "Agreement"), is effective as of April 1, 2013 by and between 100 WAMPANOAG TRAIL OPERATING COMPANY, LLC, a Delaware limited liability company ("Operator") and POST ACUTE PARTNERS MANAGEMENT, LLC., a Delaware limited liability company ("Manager").

### **BACKGROUND**

A. As of the Commencement Date (as hereinafter defined), Operator is the licensee of Chestnut Terrace Nursing & Rehabilitation Center, a duly licensed 58-bed nursing home located at 100 Wampanoag Trail, Riverside, Rhode Island, and is the Operator of the nursing home business conducted on said premises (the "Center") pursuant to that certain Lease Agreement between 100 Wampanoag Trail, LLC (the "Landlord") and Operator, dated as of October 1, 2010 as amended.

B. Operator desires to engage Manager to manage the operations of the Center on Operator's behalf.

C. Manager is in the business of operating and managing long-term care facilities and providing operational, accounting and financial services to such facilities and Manager is willing to provide management services with respect to the Center on the basis, terms and conditions set forth below.

### **TERMS**

NOW, THEREFORE, in consideration of the mutual representations, covenants and agreements set forth below, and intending to be legally bound, Operator and Manager agree as follows:

#### **SECTION 1. APPOINTMENT OF MANAGER.**

Operator hereby appoints and engages Manager as manager of the Center, and Manager agrees to act as manager of the Center, and to supervise, direct and control the day-to-day business activities, management and operation, expansion, repair and renovation of the Center and all phases of its operations in the name of and on behalf of Operator and for Operator's account during the term of this Agreement upon the terms and conditions hereinafter stated. In providing services hereunder, Manager shall exercise the same degree of diligence and skill as is usual and customary for managers of nursing facilities in the general geographic area of the Center. Manager shall comply with Operator's policies made known to Manager by Operator. In the absence of any such policy, Manager shall exercise its reasonable judgment in performing its services hereunder. Any policy for the Center prepared by Manager, and any subsequent amendments or additions, hereunder shall be subject to Operator's approval which approval shall not be unreasonably withheld or delayed. In providing services hereunder, Manager shall cause the Center to operate in compliance with the requirements of governmental authorities and third

party payors; cause the Center to provide quality care to residents; and cause the Center to maintain and preserve necessary licenses, permits and approvals.

During the term of this Agreement, Operator shall retain authority over the Center as required by law to reside in a nursing home licensee. Nothing in this Agreement shall require or obligate Manager to perform any service or to undertake any responsibility with respect to any matter that by law, regulation or requirement of a governmental authority or third party payor is required to be the direct responsibility or obligation of a nursing home licensee.

## **SECTION 2. TERM.**

The term of this Agreement shall commence on the date that Operator closes on its purchase of the assets used to operate the Center, or such other date agreed to by the parties (the "Commencement Date") and, unless the Agreement is sooner terminated pursuant to Section 13, shall continue for a period of two (2) years from the Commencement Date (the "Initial Term"). On the Commencement Date, Operator shall execute a written affirmation confirming the specific date of the Commencement Date. After the expiration of the Initial Term, or any subsequent term, this Agreement shall automatically renew for a period of one (1) year, unless the Agreement is sooner terminated pursuant to Section 13, or upon either Operator or Manager notifying the other party in writing of its intention to terminate this Agreement at the end of the Initial Term or the then current term and such notice is given at least thirty (30) days prior to the expiration of the Initial Term or the then current term.

## **SECTION 3. RESPONSIBILITIES OF MANAGER.**

In connection with the supervision, direction and management of the Center, Manager shall (either directly or through supervision of employees of the Center), as agent and on behalf of Operator, perform or cause to be performed, the following services:

3.1 Regulatory Approvals. Manager shall assist Operator in its application for, in the name of Operator, all necessary licenses, certifications, accreditations, permits and approvals, and renewals thereof, to operate the Center to comply with all applicable laws, rules and regulations and to be eligible for participation in the state's Medicaid Program, the federal Medicare Program and third-party payor programs. Such assistance shall include preparation and filing of applications, financial projections and other materials reasonably related to the regulatory approvals; preparation for on-site inspections; preparation of plans of correction or consent orders; and review and recommendation of agreements. Any and all materials prepared by Manager shall be subject to Operator's approval.

3.2 Operation and Affairs. Manager shall manage the operations and business affairs of the Center, including, but not limited to, the provision of nursing care and services to residents of the Center, staffing, accounting services (but not audit services), billing, collection, rate setting, and general on-site administration. Rate setting shall be performed by Manager and approved by Operator.

3.3 Compliance with Operator Policies. Manager shall comply with Operator's policies made known to Manager by Operator.

### 3.4 Management and Employees.

(a) Subject to the provisions herein, Manager shall recruit, hire, employ, train, supervise, evaluate and, when appropriate, discharge an adequate staff, as required by law, including an Administrator, Director of Nursing, nurses, certified nurse aides, office and other employees. All Center employees shall be employees of Manager and subject to Manager's personnel policies, which shall be reviewed and approved by Operator.

(b) Consistent with each budget approved by Operator, direct and indirect employee-related costs with respect to employees physically located at or performing services for the direct benefit of the Center (but excluding employees physically located at the company office in New York, New York), such as compensation, salary, bonuses, reasonable business expense reimbursements approved by Manager, employer's FICA payments, unemployment compensation and other employment taxes, bonuses, automobile allowances, vacation, personal and sick leave benefits, workers' compensation, group life, health and accident insurance premiums, disability and other benefits (collectively, "Employment Costs"), shall be paid by Manager from the Center Operating Account (hereinafter defined).

(c) Manager shall neither knowingly employ, continue in employment nor contract with, any individuals or entities who have been excluded from participation in any Federal or state health care program, and shall cause nurse and other applicable registry lists to be consulted, criminal background checks to be performed and federal and state program exclusion and debarment lists to be checked ("Background Checks") prior to employing or contracting with any person or entity.

### 3.5 Administrator and Director of Nursing.

(a) The selection and discharge of the Administrator and Director of Nursing shall require the prior approval of Operator, which approval shall not be unreasonably withheld or delayed. Manager shall evaluate the performance of the Administrator and the Director of Nursing and provide each such evaluation to Operator. Notwithstanding the foregoing, the Administrator will be directly responsible to the Operator for Administrator's management and operating of the Center. The Director of Nursing shall be supervised by the Administrator. Manager shall notify Operator in writing if the license of the Administrator or the Director of Nursing is (or ever has been) revoked, restricted or suspended, or if any action is pending or instituted against the applicable state board of nursing, state board of registration of nursing home administrators, the Office of the Inspector General of the U.S. Department of Health and Human Services. If, with good reason, Operator requires that the Administrator or the Director of Nursing be replaced, Manager shall have a reasonable time to supply a suitable replacement, provided that Operator may replace any Administrator or any Director of Nursing who has not been replaced by Manager in a reasonable time.

(b) The compensation payable to the Administrator and Director of Nursing shall be reasonable and in line with compensation payable by other similar nursing home operators to administrators and nursing directors of comparable facilities in the Center's general market area.

3.6 Personnel Policies, Salaries and Benefits.

(a) Center employees shall be subject to Manager's personnel policies. Operator shall review Manager's personnel policies, employee benefit plans, job descriptions, staffing schedules, and in-service training programs and may make recommendations to Manager with respect thereto. Such recommendations shall include where appropriate alternatives to or changes in existing programs and policies.

(b) Manager shall diligently and promptly address any employee misconduct.

(c) Subject to Operator's approval, which shall not be unreasonably withheld or delayed, Manager shall implement general salary scales. Manager shall ensure that the Center's salary scales and employee benefits are competitive with, but not excessive with respect to, salaries and benefits paid by other nursing facilities in the Center's general market area.

(d) With the prior written consent of the Operator, which shall not be unreasonably withheld, Manager shall amend from time to time, general salary scales, personnel policies and appropriate employee benefits for all employees of the Center.

3.7 Billing, Accounting and Collection. Manager shall cause the Center to issue appropriate bills for services and materials furnished by the Center and collect accounts receivable and monies owed to the Center; design and maintain accounting, billing, patient and collection records; and prepare and file, or supervise the preparation and filing of, insurance, Medicare Part A, Medicare Part B, Medicaid and any and all other necessary or desirable applications, reports and claims related to revenue production. Operator expressly constitutes Manager, to the extent permitted by applicable law, as its agent to administer, process and collect, on Operator's behalf and in its name, all Medicare and Medicaid receivables. Manager shall have the right to enforce Operator's rights as creditor under any contract relating to the Center or in connection with rendering any services at the Center for the purposes of collecting accounts receivable and monies owed the Center, and Manager shall make reasonable efforts to collect all such receivables and monies at Operator's expense. Subject to Operator's approval, Manager shall recommend the write-off of, or refer to collection, any Center receivable. Manager shall obtain Operator's prior written approval before placing any collection matter into litigation and before instituting any rate appeal. Manager shall oversee the Center's record keeping functions for compliance with the record keeping requirements of governmental authorities and third party payors. The compliance program to be developed by Manager hereunder shall make provision for Manager to monitor, through the use of statistically valid random sample or other means acceptable to governmental authorities, the accuracy of bills and reimbursement claims with the requirements of governmental authorities and third party payors.

3.8 Repairs and Maintenance. Manager shall plan, supervise and conduct a program of regular maintenance and repair. Manager shall make all necessary and appropriate repairs to the building, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the commencement of the Agreement. Major capital improvements or structural alterations, as well as any single physical improvement or series of related improvements costing more than Ten Thousand Dollars (\$10,000) for the Center shall be subject to the prior written approval of Operator.

3.9 Supplies and Services. (a) Manager shall purchase food, beverage, medical, cleaning and other supplies, equipment, furniture and furnishings necessary for the operation and maintenance of the Center and contract for all necessary supplies and materials. Manager shall administer, supervise, coordinate and schedule all patient and other services of the Center, including the provision of food, barber/beautician and other ancillary services and shall contract for all necessary services.

(b) When purchasing supplies, services, goods and equipment for the Center, Manager shall consider the reasonableness of such purchases to the end that the Center is a prudent buyer. Consistent with each budget approved by Operator, Manager is hereby authorized to expend the Center's funds for the purchase and lease of any and all supplies, goods, services and equipment reasonably necessary to the Center's operations. The purchase of any single item or service or series of related items of equipment, furniture, furnishings, supplies or services which cost more than Ten Thousand Dollars (\$10,000) for the Center shall be subject to the prior written approval of Operator.

(c) Manager shall negotiate and enter into, in the name of and on behalf of Operator, such agreements, contracts and orders as Manager may deem necessary or advisable for the furnishing of services, concessions and supplies for the operation and maintenance of the Center; provided, however, that any and all third party vendor contracts are subject to Operator's prior approval, which approval shall not be unreasonably withheld or delayed and provided further that Manager shall contract with any and all third party vendors recommended by Operator.

3.10 Payment Services. Manager shall exercise reasonable care in approving payment for the Center's accounts payable, and for the Center's employee payroll, taxes, insurance premiums and other obligations of the Center.

3.11 Standards for Admissions and Marketing. With the prior consent of the Operator, which shall not be unreasonably withheld, Manager shall institute standards and procedures for admitting and discharging patients, for charging patients for services and for collecting the charges from patients or third parties. The Manager shall supervise and coordinate for the Center an appropriate census enhancement/public awareness program in accordance with Operator's policies designed to familiarize the communities serviced by the Center with the Center's goods and services.

3.12 Employee Relations. The managerial and supervisory employees of the Center shall handle and settle non-union employee relation matters under the direction of the Manager. Operator shall be responsible for negotiating with any labor union lawfully entitled to represent Operator's employees who work at the Center, and any collective bargaining agreement or labor contract must be approved and signed the Operator. Only Operator is authorized, in its sole discretion, to approve and institute any labor litigation and any labor settlement for the Center.

3.13 Cost Reports and Tax Returns. Subject to Operator's prior written approval, Manager shall engage on behalf of Operator, qualified consultants to prepare and submit (i) cost reports and other documents required in connection with third party payor reimbursement or payment, including, as appropriate, annual and semi-annual Medicare and Medicaid cost reports,

budget cost reports for setting the Center's initial rate and interim rate increase requests; (ii) audited financial statements for the Center; and (iii) tax returns. The engagement of any and all consultants is subject to Operator's prior approval, which approval shall not be unreasonably withheld or delayed; provided, however, Manager agrees that (a) it will prepare and file the documents referenced in clause (i) in the ordinary course using its own personnel and (b) where the urgency or complexity of a required report is such that it would be normal and customary in the industry to engage a qualified consultant to prepare or assist in the preparation of such documents rather than for the Manager to prepare same internally, then Manager may engage such qualified consultant to prepare or assist in the preparation of such documents as provided in this Section 3.13 (and the parties acknowledge that the cost of preparing cost reports referenced in clause (i) is estimated to be in the range of \$5,000 per facility). Manager shall contract with any and all consultants recommended by Operator.

3.14 Evaluations. Manager shall make periodic evaluations of the performances of all departments of the Center and provide written notification to Operator in the event of any material substandard performances.

3.15 Accounting and Control Systems. Manager shall implement and maintain accounting and internal control systems using accounts and classifications consistent with those used in similar facilities in the long-term care industry and consistent with generally accepted accounting principles. Manager shall provide complete financial services on a continuous basis for all periods covered during the term of this Agreement, up to and including the final month of service. Financial services shall include preparation of monthly financial statements (profit and loss on a month and year to date basis, cash flow and balance sheets); maintenance of a fully integrated general ledger system at the Center (admissions, census, accounts receivable, accounts payable and payroll); on-site management and oversight of the Center's business office staff to ensure that records are maintained appropriately (to be performed by a controller-level employee of Manager); training of existing and new personnel as well as new system implementation.

(b) Manager's monthly reports to Operator under Section 7 shall include a report of accounts receivable collections, accounts receivable aging, cash flow, and cash flow projections.

3.16 Quality Control. Manager shall implement and maintain a program to provide objective measurements of the quality of healthcare provided at the Center (the "QA Program"), which may utilize resident questionnaires and interviews, periodic inspection, and such other techniques as Manager may reasonably deem necessary to maintain the quality of healthcare at the Center. Manager shall provide Operator (and/or Operator's designee, upon request) with copies of all QA Program reports generated at the Center as and when the same are prepared. Manager shall provide at its expense a licensed registered nurse QA Program specialist to be on-site at the Center on a weekly basis. The Manager's QA Program shall include the following: (a) annual mock surveys for the Center to establish OBRA compliance and quality improvement benchmarks, with the first such mock survey to occur within thirty (30) days of the Commencement Date; (b) monthly compliance status updates for specifically designated key survey items based on scope and severity indexing; (c) periodic reviews of specifically designated quality indicators to identify improvement areas and to initiate corrective actions and education in any such improvement areas; (d) monthly review of selected MDS documentation

for accuracy; (e) quarterly resident assessment turnaround document oversight; (f) general implementation of Manager's QA Program. Manager shall notify Operator immediately of the start of any survey and shall provide Operator with copies of all licensure, certification or complaint inspections conducted at the Center immediately upon receipt of any survey deficiency report (Form 2567), but in no event later than three (3) business days after they are received by the Manager or the Center. Manager will provide on-site support consulting services to implement any plan of correction required of the Center to remedy deficiencies cited as a result of a regulatory survey of the Center (and Manager shall promptly provide Operator with copies of all such surveys and plans of correction).

3.17 Management Plan. Manager shall develop a management plan for the Center to include, at a minimum, an operating budget, a capital budget, a marketing action plan and a QA plan. Manager shall identify and prioritize operational issues affecting the Center and the short-term and long-term plans to address such issues. Such plan shall be reviewed on a quarterly basis with Operator and/or Operator's designee. The initial management plan shall be completed sixty (60) days after the Commencement Date and reviewed and revised quarterly thereafter.

3.18 Corporate Compliance.

(a) Manager shall prepare and establish a corporate compliance plan for the Center consistent with OIG Compliance Program Guidance for Nursing Center published by the Office of Inspector General of HHS, and otherwise in accordance with applicable laws and regulations. Initial drafts of such compliance plan shall be completed as soon as possible but no later than sixty (60) days from the Commencement Date.

(b) Manager shall not knowingly employ or contract with any individuals or entities that have been excluded from participation in any federal health care program. Manager shall consult applicable licensure, registry, exclusion and debarment lists and perform criminal background checks prior to employing or contracting with any person or entity.

3.19 Operator Consultants. Operator shall have the right to direct consultants to the Center, at the Center's expense, in Operator's sole and absolute discretion, including without limitation if a state or federal regulatory agency shall have determined that the Center is not in compliance with any applicable regulatory requirements.

3.20 Proprietary Property. Manager retains all ownership and other rights in all proprietary systems, policy and other manuals, materials and other information, in whatever form, developed by Manager prior to this Agreement. Operator retains all ownership and other rights in all proprietary systems, policy and other manuals, materials and other information, in whatever form, developed in connection with the operation of the Center, whether by Operator or Manager. Nothing contained in this Agreement shall be construed as a license or transfer of such information either during the term of this Agreement or otherwise. Upon termination of this Agreement, or earlier upon Operator's request, Manager shall immediately return all such information to Operator.

3.21 Non-Solicitation of Employees. During the term of this Agreement and for a period of twenty-four (24) months following the termination of this Agreement, Manager shall

not, directly or indirectly (for Manager or on behalf of any other person or business entity), solicit, recruit, entice or persuade any employee of Operator, its Affiliates or the Center to leave the employ of Operator, its Affiliates or the Center to contract with Manager or any other person, except as provided herein. Furthermore, Manager shall not transfer, assign or relocate any Center-based employee of Manager, engaged in the operation of the Center, without the prior approval of the Operator. In the event that this Agreement is terminated, (i) Operator shall have the right to solicit the continued employment of those Center employees who are employees of the Manager at the time of termination, and (ii) Manager shall not solicit, recruit, entice or redirect any Center employee away from the Center until such time as Operator has made, or has exercised its discretion not to make, an offer of employment to the employee.

#### **SECTION 4. RESPONSIBILITIES OF OPERATOR.**

Operator makes the following covenants that are material covenants and upon which Manager relies as an inducement to enter into this Agreement:

4.1 Cooperation. Operator shall cooperate with Manager in every respect to allow Manager to perform its services under this Agreement and will furnish Manager with all information required by it for the performance of its services under this Agreement. Operator shall permit Manager full access to the Center and will allow Manager to examine and copy any data in the possession and control of Operator affecting management and/or operation of the Center.

4.2 Operations Control. During the term of this Agreement, Operator shall retain authority over the Center as required by law to maintain a skilled nursing home licensee.

4.3 Inspection of Documents. Operator shall examine documents submitted by Manager and render reasonable decisions pertaining thereto, when required, promptly, to avoid unreasonable delay in the progress of Manager's work, and, in any event, if Operator shall not respond negatively in writing to a written notice from Manager within thirty (30) days after the notice is sent, Operator shall be deemed to have approved the matter submitted to Operator. In any emergency situation (as reasonably determined by Manager), Manager shall not be required to seek or obtain Operator's approval for any actions which Manager, in its sole judgment, deems necessary or appropriate to respond to such situations, provided Manager promptly thereafter reports such action to Operator in writing. Operator shall execute and deliver any and all applications and other documents that may be deemed by Manager to be necessary or proper to be executed by Operator in connection with the operation of the Center.

#### **SECTION 5. COOPERATION BETWEEN OPERATOR AND MANAGER.**

Manager and Operator shall mutually cooperate with each other as follows:

5.1 Mutual Cooperation and Restrictive Covenants. Manager and Operator shall mutually cooperate with each other as follows:

(a) Compliance - On and after the Commencement Date, neither Operator nor Manager shall knowingly take any action or fail to take any action which may cause any governmental authority or third party payor having jurisdiction over the operation of the Center

to institute any proceeding for the suspension, rescission or revocation of any necessary license, permit, consent, certification or approval.

(b) Non-Diversion of Residents – Manager shall not permit residents of the Center to be moved to another nursing facility or facilities owned or managed by it or any Affiliate thereof, or divert persons seeking admission as residents into the Center to such other facility, unless the care requirements of such residents cannot be met at the Center, the Center is fully occupied, or the person unilaterally requests an alternative admission. Manager shall use its best efforts to operate the Center at maximum capacity.

(c) Non-Competition – Manager, without the prior written consent of Operator in each instance (which consent may be withheld in Operator’s sole and absolute discretion), shall not manage or operate in the Center service area any other facility that maintains any of the licenses maintained by the Center, except for those previously disclosed to Operator.

(d) No Borrowing/Security Interest — Manager, without the prior written consent of Operator in each instance (which consent may be withheld in Operator’s sole and absolute discretion), shall not enter into any lease agreement with respect to the Center, borrow money in the name of or on behalf of the Center, or grant any party a security interest in or lien upon equipment, accounts receivable, or licenses and permits related to the operation of the Center.

(e) Affiliate Agreements — Manager, without the prior written consent of Operator in each instance (which consent shall not be unreasonably withheld or delayed), shall not enter into any agreement with respect to the Center with any third party providing goods or services to the Center that is an Affiliate of Manager. In the event of Operator approval, the fees under any such affiliate agreements shall be at market rates and the affiliate agreements shall have a thirty (30) day termination without penalty provision.

(f) Subordination — The management agreement, including all management fees or other payments for services provided in connection with the operation of the Center, shall be subordinated to all liens, mortgages, leases and encumbrances of record as of the date of the agreement. Manager shall execute the form consent and subordination agreement of any lender of Landlord.

(g) Distributions — Any payments or distributions made by Manager from the Center Operating Account to Manager or to Manager’s Managers, Shareholders, Directors, Principals or Affiliates shall be subordinated to all of the obligations of Manager due under the agreement.

(h) Submanagement Agreements — Manager shall not enter into any submanagement agreement without the prior written consent of Operator in each instance, which consent may be withheld in Operator’s sole and absolute discretion.

(i) No Changes in Licensure or Certification Status — Except as expressly agreed by Operator in writing, Manager shall have no right to take any action to transfer, assign or change the number of licensed and certified beds at the Center.

(j) Compliance With Law — Manager and Operator shall each use its best efforts to abide by all relevant laws, ordinances, rules and regulations of federal, state and local governing authorities, and any third party payors.

(k) Records — Operator and Manager shall each afford the other reasonable access to records so as to permit the other to discharge its obligations hereunder. Operator and Manager shall each use its best efforts to comply with all applicable federal and state laws and regulations relating to the confidentiality of medical records and other personal information. Operator and Manager shall each treat information relating to the Center's financial condition, businesses, and operations as confidential provided, however, that Operator or Manager may disclose information necessary to the performance of its obligations hereunder or as required by law or court order. Any subpoena for records served on the Center shall be forwarded by Manager to Operator for response. For a period of four (4) years after the termination of this Agreement, Operator and Manager will provide each other with reasonable access to records relating to the subject matter of this Agreement.

5.2 HIPAA Compliance. Manager acknowledges that it is a "Business Associate" as defined by the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Rule") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Manager shall comply with HIPAA and protect the privacy of individually identifiable health information pursuant to the Privacy Agreement set forth in Exhibit A hereto, which is incorporated by this reference as if fully set out herein.

## **SECTION 6. FEES.**

### 6.1 Management Fee.

(a) Operator shall with respect to the Center pay to Manager a monthly management fee (the "Monthly Management Fee") on a monthly basis following the Commencement Date, and the Monthly Management Fee shall be payable in advance on the first (1<sup>st</sup>) day of each month.

(b) The Monthly Management Fee shall be five (5) percent of the Net Revenue of the Center for the month then ended.

(c) For the purposes of this section, "Net Revenue" means, for any applicable period, all operating revenues (including but not limited to fees paid or payable by residents or patients of the Center) and non-operating revenues, receipts, rentals and income and other moneys of, or received by or on behalf of, the Center from all sources, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights and all proceeds thereof, whether now existing or hereafter coming into existence and whether now owned or hereafter acquired, and the proceeds thereof; less contractual adjustments with third party payors. For the avoidance of doubt, unless such proceeds awards or funds compensate for lost operating revenues, Net Revenue shall not include (i) insurance proceeds and condemnation awards payable or paid in respect of the Center, (ii) proceeds from any financing or refinancing received by Operator or the Center, or (iii) funds

provided by Operator or any direct or indirect member of Operator. Net Revenue shall be determined in accordance with generally accepted accounting principles, consistently applied.

(d) In the event that this Agreement is terminated prior to the expiration of the Initial Term or any subsequent term, the Monthly Management Fee shall be prorated on a daily basis based upon the actual number of days between the most recent Monthly Management Fee period and the date the Center operations are transferred to a new manager or to a new operator in accordance with Section 13.4.

(e) Within thirty (30) days after the calculation by Operator, which calculation shall be based upon the annual review by Operator of the actual Center's Net Revenues for the prior calendar year, Operator shall remit to Manager, or Manager shall remit to Operator, as the case may be, without interest, any deficit or excess, as the case may be, in the Management Fee paid for the prior calendar year over the sum of all monthly installments therefor previously paid by Operator to Manager.

6.2 Other Fees and Reimbursements. The Management Fee shall be in addition to any and all other reimbursements due Manager, including, without limitation, Employment Costs, tax contests, costs for filing and expenses related to preparing or contracting for filing special reports or requests to Medicare, its intermediary or Medicaid and costs incurred by Manager in representing Operator in connection with any and all appeals of Medicare and Medicaid Cost Reports or similar reimbursement documents, if applicable; provided, that, (a) costs for preparation and filing of Medicaid and Medicare Cost Reports for the Center, including any audits or reviews prior to issuance of the Notice of Program Reimbursement shall be at no additional cost to Operator (and the costs of any consultants engaged by Manager on behalf of Operator pursuant to Section 3.13 shall be paid by Manager from the Center Operating Account) and (b) Manager shall be entitled to reimbursement solely for costs and expenses relating to on-site services provided with respect to the Center. For the avoidance of doubt, the Manager shall pay all of its expenses in connection with maintaining its offices and the costs of preparing the budgets and monthly reports required under Section 7 and those items shall not be separately reimbursable.

## **SECTION 7. BUDGETS AND REPORTS.**

7.1 Annual Budget. Within sixty (60) days of the date of this Agreement, and no later than sixty (60) days prior to the end of each fiscal year of the Center, Manager shall submit to Operator an annual budget (each an "Annual Budget") covering the operations of and proposed capital expenditures to be made with respect to the Center for the next fiscal year (or the remainder of the current fiscal year, in the case of the initial budget). Operator shall approve or disapprove the Annual Budget submitted by Manager no later than thirty (30) days from receipt or thirty (30) days prior to the end of the Center's fiscal year whichever is later, provided, however, that Operator shall not unreasonably withhold, deny or delay such approval. Unless and until the Annual Budget for any year is approved by Operator, Manager shall operate the Center on the basis of the prior year's approved Annual Budget (excluding any extraordinary items) increased by the percentage change in the consumer price index ("CPI") released by the United States Department of Labor, Bureau of Labor statistics in the previous twelve (12)

months. If the CPI shall no longer be published or cannot be readjusted, then another index, generally recognized as authoritative, shall be substituted by agreement between the parties.

7.2 Capital Expenditures. The Annual Budget shall include a capital budget (the "Capital Budget") outlining a program of capital expenditures as may be required by applicable law, Operator, or in Manager's reasonable business judgment during the next fiscal year (or the remainder of the current fiscal year, in the case of the initial budget), in which each proposed capital expenditure will be designated as either mandatory, highly recommended or desirable. Operator may approve or reject, in its discretion, each proposed capital expenditure. Manager shall be responsible for designating as a mandatory capital expenditure any expenditure which, if not made would, in Manager's reasonable judgment: (a) place at risk the Center's license; (b) place at risk the safety of a resident, resident or employee of the Center; (c) cause the ineligibility of the Center under any third party payor program applicable to the Center; (d) cause the issuance of a formal notice that the operating license for the Center or any substantial portion of the Center will be revoked or suspended or qualified in any material adverse respect; (e) subject Operator to criminal prosecution.

7.3 Operating Budget. The Annual Budget shall include an operating budget (the "Operating Budget") setting forth an estimate of operating revenues and expenses for the Center for the next fiscal year (or the remainder of the current fiscal year, in the case of the initial budget), together with an explanation of anticipated changes in the Center. Manager shall provide to the Operator upon written request such other reports, including a cost comparison report, and all appropriate Medicare and Medicaid reports, as may be required under these programs, as are normally provided by Manager to the Operators of other similar nursing home facilities.

7.4 Reports. As soon as available and in any event within twenty (20) days after the end of each month, Manager shall provide to Operator a report reconciling the actual operating expenses incurred during such month to the operating expenses shown on the Operating Budget for such month. Manager shall also furnish or arrange for the preparation of such other reports as may be reasonably required from time to time which may include: (a) unaudited monthly financial statements, including per resident day information, of the Operator for the month then ended, prepared on a basis consistent with the annual statements; (b) monthly census and revenue information of the Center as of the end of such month in sufficient detail to show by resident-mix and revenue-mix (i.e., private, Medicare, Medicaid and Managed Care/V.A.) the average monthly census of the Center; and (c) an aged accounts receivable report from the Center in sufficient detail to show amounts due from each class of resident-mix by the account age classifications of 30 days, 60 days, 90 days, 120 days, and over 120 days; (d) audited annual financial statements of the Operator prepared by a nationally recognized certified public accounting firm or other independent certified public accounting firm, prepared in accordance with generally accepted accounting principles, and including a balance sheet, a statement of income and expenses for the year then ended; and (e) any other reports reasonably requested by Operator. Each report in (a), (b), (c) and (e), if appropriate, shall show variances between actual and budgeted expenses and revenue. In addition, Manager shall prepare and deliver to Operator a written report providing an operational overview of significant events and circumstances at the Center during the prior month including but not limited to clinical events, employee relations and staffing matters.

**SECTION 8. BANK AND RESIDENT TRUST ACCOUNTS AND WORKING CAPITAL.**

8.1 General. Manager shall oversee the Center's maintenance of any and all of the Center's bank accounts, including accounts held in trust for residents in compliance with the requirements of Governmental authorities and third party payors.

8.2 Operating Account. (a) Manager, in the Center's name and on behalf of Operator, shall transfer all operating revenues of the Center for deposit into a bank account established exclusively for that purpose by Manager ("Operating Account") within a reasonable time after receipt of such revenues but in no event later than one week after receipt.

(b) Costs and expenses (including the Management Fee and other amounts due Manager) incurred in the operation of the Center shall be paid out of the Operating Account. Manager shall supervise the disbursements from the Operating Account on behalf of Operator of such amounts and at such times as the same are required in Manager's reasonable business judgment. Manager shall not cause any expense costing more than Ten Thousand Dollars (\$10,000) to be paid from the Operating Account without the prior written approval of Operator. Manager shall discharge such supervisory responsibilities in accordance with reasonable and customary business standards and practices.

(c) Manager shall specify, with the approval of Operator, which approval shall not be unreasonably withheld, the signatory or signatories of Manager required on all checks or other documents of withdrawal submitted by Manager on the Operating Account, but a signatory designated by Operator may also be an authorized signatory on Operating Account.

(d) If at any time the funds in the Operating Account are insufficient to pay the current operating expenses of the Center (a "Deficit"), the Operator shall, within two (2) business days after receipt of notice from Manager identifying such Deficit, deposit into such Operating Account an amount equal to the Deficit; provided, that Manager shall with such notice provide adequate supporting documentation to substantiate such Deficit, and provided further that all such current operating expenses shall have been incurred consistent with the terms of this Agreement.

8.3 Patient Trust Accounts. Manager shall oversee the Center's maintenance of accounts held in trust for residents to the end that said accounts are maintained in compliance with the requirements of governmental authorities and third party payors.

**SECTION 9. UTILITIES AND TAXES.**

9.1 Utilities. Any public utility charges imposed on the Center and arising from Operator's period of ownership are the obligations of Operator, not of Manager. Manager shall pay or cause to be paid from the Center Operating Account all charges for utilities used on or related to the Center and premises.

9.2 Taxes. Any federal, state or local taxes, assessments or other governmental charges imposed on the Center and arising from Operator's period of ownership are the obligations of Operator, not of Manager. Manager shall pay or cause to be paid from the Center

Operating Account all such taxes, assessments or other governmental charges. With the Operator's prior written consent, Manager may (and at Operator's discretion, Manager shall at the Operator's expense) contest the validity or amount of any such tax or imposition on the Center.

**SECTION 10. LICENSES, PERMITS, CERTIFICATIONS AND LEGAL PROCEEDINGS.**

10.1 Licenses, Permits and Approvals. Manager, shall assist Operator in its application for, in the name of Operator, and to obtain and maintain, on behalf of Operator, all necessary licenses, certifications, accreditations, permits and approvals, and renewals thereof, to operate the Center to comply with all applicable laws, rules and regulations and to be eligible for participation in the state's Medicaid Program, the federal Medicare Program and third-party payor programs. Such assistance shall include preparation and filing of applications, financial projections and other materials reasonably related to the regulatory approvals; preparation for on-site inspections; preparation of plans of correction or consent orders; and review and recommendation of agreements. Any and all materials prepared by Manager shall be subject to Operator's approval.

10.2 Government Actions. Neither Operator nor Manager shall knowingly take any action or fail to take any action which such party knows will cause any governmental authority having jurisdiction over the operation of the Center to institute any proceeding for the suspension, termination, rescission or revocation of any necessary license, permit, certification or approval. Manager shall not knowingly take any action or fail to take action which Manager knows will adversely affect Operator's right to accept and obtain payments under Medicare, Medicaid or any other public or private third party medical payment programs.

10.3 Legal Proceedings. Manager shall, with the approval of and at the cost of Operator, have the right, on behalf of Operator, to contest by appropriate legal proceedings, diligently conducted in good faith in the name of Operator, the validity or application of any agreement, law, ordinance, rule, ruling, regulation, order or requirement of any governmental agency having jurisdiction over the operation of the Center. Operator shall fully cooperate with Manager with regard to the contest and Operator shall pay from the Operating Account all reasonable attorneys' fees incurred with regard to the contest. Counsel for any such contest shall be selected by Manager subject to Operator's approval which shall not be unreasonably withheld or delayed. Manager shall, with the consent of Operator and at Operator's expense, process all third party payment claims and appeals for the services provided at the Center, including without limitation, exhaustion of all applicable administrative proceedings or procedures, adjustment and denials by governmental agencies or their fiscal intermediaries and other third-party payors.

10.4 Compliance. Operator shall comply with all federal, state and local laws, rules and regulations and requirements which are applicable to Operator provided that Operator, at its sole expense and without expense to Manager, shall have the right to contest by proper legal proceedings the validity, so far as applicable to it, of any such law, rule, regulation or requirement, provided that such contest shall not result in a suspension of operations of the Center, and provided, further, Operator shall not be deemed to be in breach of this covenant if

Operator's failure to comply with any such law, rule, regulation or requirement is the result of the gross negligence or willful misconduct of Manager.

**SECTION 11. TRANSACTIONS WITH SPECIALISTS.**

In addition to the other managerial services provided for in this Agreement, Manager shall make available to the Center for consultation and advice, when necessary, specialists in accounting, budgeting, management, nursing, personnel, purchasing, quality assurance, policies and procedures, and third-party reimbursement. With the Operator's prior written consent, provided that such services would be customarily provided by consultants and would be charged at prevailing market rates, Manager may charge Operator separately for the services of consultants in the referenced areas who are employees of Manager or of any of its Affiliates.

**SECTION 12. REPRESENTATIONS AND WARRANTIES.**

Operator and Manager make the following representations and warranties to the other party:

12.1 Status. The representing party is duly organized and validly existing in good standing under the laws of its state of formation, and has all necessary power to carry on its business as now being conducted, to operate its properties as now being operated, to carry on its contemplated business, to enter into this Agreement and to observe and perform its terms.

12.2 Authority and Due Execution. The representing party has full power and authority to execute and to deliver this Agreement and all related documents and to carry out the transactions contemplated by this Agreement. The execution of this Agreement by such party will not, with the passing of time, the giving of notice, or both, result in a default under or a breach or violation of such party's (i) organizational documents; or (ii) any law, regulation, court order, injunction or decree of any court, administrative agency or governmental body; or (iii) any mortgage, note, bond, indenture, agreement, lease, license, permit or other instrument or obligation to which such party is now a party or by which such party or any of its assets may be bound or affected. This Agreement constitutes a valid and binding obligation of the representing party, enforceable against such party in accordance with its terms, except to the extent that its enforceability is limited by applicable bankruptcy, reorganization, insolvency, receivership or other laws of general application or equitable principles relating to or affecting the enforcement of creditors' rights.

12.3 Litigation. There is no litigation, claim, investigation, challenge or other proceeding pending or, to the knowledge of the representing party, threatened against such party, its properties or business which seeks to enjoin or prohibit it from entering into this Agreement.

12.4 Program Representations. With respect to any federal health care program as defined in section 1128B of the Social Security Act (42 U.S.C. 1320a-7b(f)) or any State health care program as defined in section 1128B of the Social Security Act (42 U.S.C. 1320a-7b(h)) (collectively, the "Programs"), neither party, nor any individual with a direct or indirect ownership or control interest of five percent (5%) or more of such party, nor any director, officer, agent or employee of such party has ever (i) been debarred, suspended or excluded from any Program; or (ii) been sanctioned under any Program. Each party covenants to immediately notify the other in writing if this representation is no longer true.

**SECTION 13.        TERMINATION.**

13.1    Operator's Right To Terminate.

(a)        During the second year of the term of this Agreement, and notwithstanding any term or provision of this Agreement to the contrary, Operator shall have the right to deliver notice to the Manager stating that Operator desires to terminate this Agreement without cause. Upon receipt of such notice, Manager shall deliver to Operator a schedule of past and noncancellable future costs incurred by Manager pursuant to this Agreement and which have not been reimbursed or otherwise covered by the Management Fee previously paid to Manager. Upon receipt of such schedule of costs, Operator shall have the right to terminate this Agreement by delivery of notice of such termination to Manager and concurrent payment of such costs to Manager.

(b)        From and after the third anniversary of the date of this Agreement, and notwithstanding any term or provision of this Agreement to the contrary, Operator shall have the right to terminate this Agreement without cause upon providing Manager with thirty (30) days' advance notice of termination.

(c)        In addition to all other remedies given to Operator at law or in equity, Operator may by written notice to Manager, terminate the management agreement at any time upon the following occurrences:

(i)        If Manager causes the Center to be levied upon under execution or be liened or attached and such levy, lien or attachment is not removed within thirty (30) days of the date Manager receives notice of it;

(ii)       If Manager makes an assignment for the benefit of creditors;

(iii)      If a receiver be appointed for the Center or any property of the Center;

(iv)       If Manager abandons the Center;

(v)        If the Center receives a state or federal licensure or certification survey in which there is a finding that the nursing home's residents are in jeopardy as defined under state and federal law, then and in any such event, Operator may, if Operator so elects, forthwith terminate this agreement unless the Center takes, within time periods specified under applicable law or reasonably satisfactory to Operator, corrective action reasonably satisfactory to the Operator to prevent any of the same from occurring or continuing;

(vi)       If any malpractice award or judgment exceeding any applicable malpractice insurance coverage by more than FIVE HUNDRED THOUSAND DOLLARS (\$500,000) shall be rendered against Operator or Manager and either (i) enforcement proceedings shall have been commenced by any creditor upon such award or judgment or (ii) such award or judgment shall continue unsatisfied and in effect for a period of ten (10) consecutive days without an insurance company satisfactory to Operator (in its sole and absolute discretion) having agreed to fund such award or judgment in a manner satisfactory to Operator

(in its sole and absolute discretion) and in either case such award or judgment shall, in the reasonable opinion of Operator, have a material adverse affect on the Center;

(vii) If any license, accreditation or participation, provider or reimbursement agreement material to the operation or financial condition of Operator or the Center shall be revoked, suspended or terminated prior to the expiration of the term thereof or shall not be renewed or extended upon the expiration of the stated term thereof or shall be qualified in any material adverse respect;

(viii) If a state or federal regulatory agency shall have (i) made a substandard quality of care determination of the Center, which determination is not deemed corrected in sixty (60) days (unless such correction cannot be made within sixty (60) days and the Center has commenced action to correct within sixty (60) days and completes such correction within seventy-five (75) days), provided, however, that the Center license is not in jeopardy of being revoked as reasonably determined by Operator following the Center's receipt of notice of such designation, determination or action); (ii) made a determination that the Center is not in substantial compliance with any applicable regulatory requirements, which determination is not corrected within the period specified in such determination, or if no such period is specified, within sixty (60) days (unless such correction cannot be made within sixty (60) days and the Center has commenced action to correct within sixty (60) days and completes such correction within seventy-five (75) days), provided, however, that the Center license is not in jeopardy of being revoked as reasonably determined by Operator; (iii) designated any portion of Center or the entire Center as part of a "poor performing chain" and the Center fails to have such designation withdrawn within sixty (60) days; (iv) cited deficiencies at the scope and severity of a "G", or higher with respect to the Center and for which no plan of correction is filed with the applicable state or federal regulatory agency within thirty (30) days of receipt of such deficiency statement; or (v) taken adverse regulatory action with respect to the Center including, without limitation, the imposing of civil money penalties, bans on admissions or denials of payment, with such designation, determination or action continuing unremedied for a period of sixty (60) days (unless such correction cannot be made within sixty (60) days and the Center has commenced action to correct within sixty (60) days and completes such correction within seventy-five (75) days), provided, however, that the Center license is not in jeopardy of being revoked as reasonably determined by Operator following the Center's receipt of notice of such designation, determination or action; or

(ix) If a state or federal regulatory agency shall have cited deficiencies at the scope and severity of "G", or higher with respect to the Center for which a plan of correction has been filed but not approved by such state or federal regulatory agency, with such designation, determination or action continuing unremedied for a period of sixty (60) days (unless such correction cannot be made within sixty (60) days and the Center has commenced action to correct within sixty (60) days and completes such correction within seventy-five (75) days), provided, however, that the Center license is not in jeopardy of being revoked as reasonably determined by Operator) following the Center's first receipt of notice of such designation, determination or action;

(x) If, after receipt of notice, any threatened ban or limitation upon the admission of residents to the Center by any governmental agency having jurisdiction over the

licensure or Medicare or Medicaid certification of the Center is not cleared fifteen (15) days prior to the effective date of any threatened ban or limitation on admission;

(xi) The denial, refusal to issue, or loss of any licenses, approvals or certifications necessary or required to operate the Center in accordance with this agreement or the issuance of any notice stating the Center is not in substantial compliance with all licensure and Medicare/Medicaid requirements, which compliance notice remains uncured for sixty (60) days;

(xii) If Operator's lease is terminated;

(xiii) If Landlord leases or sells the Center to another operator or Operator no longer is the licensed operator of the Center; and

(xiv) If for any reason performance of the obligations under the management agreement is made impossible by operation of or requirement of law.

13.2 Manager's Right To Terminate. Manager may by giving thirty (30) days prior written notice to Operator, terminate the management agreement upon the following occurrences:

(a) If Operator fails to pay Manager any fee due under the management agreement within thirty (30) days when due; or

(b) If Operator fails to provide sufficient funds to make up any Deficit in any Operating Account funds necessary to pay current operating expenses of the Center within two (2) business days of notice of the existence of such Deficit.

13.3 Termination by Either Party. Either party may by giving written notice to the other party, terminate the management upon the following occurrences:

(a) Bankruptcy, etc. In the event of a filing by or against either party of a petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or other relief.

(b) Default. If either party defaults in the prompt and full performance of any other of the covenants, obligations or agreements hereunder or under the Operations Transfer Agreement, and fails to correct such failure within fifteen (15) days of receipt of written notice from the non-defaulting party of such default (unless such default cannot reasonably be cured within fifteen (15) days, in which event such period shall be extended for an additional fifteen (15) days, provided the defaulting party shall have commenced in good faith to cure such default within the first such fifteen (15) day period and shall proceed with all due diligence to correct such default thereafter).

(c) Condemnation. If the Center is damaged or destroyed or taken by condemnation.

13.4 Transitional Obligations. In the event of the termination of this Agreement, Manager shall cooperate with Operator in transferring operations of the Center to a new manager identified by Operator or any agreement executed by Operator. Manager agrees to work cooperatively with the new manager or new tenant until all responsibilities are effectively transferred. Upon termination and to the extent not in the possession of the Center, Manager shall provide to the Center copies or originals of all books and records relating to the operation of the Center, and in particular, all financial and operational records of the Center. Manager shall make available to Operator and the new manager or new tenant any and all other information that may be required in the future to the extent not in the possession of the Center, (i) in order for a new manager or new tenant to assume responsibility for the management or operation of the Center; (ii) for the preparation of any and all governmental filings, cost reports, and financial records for the Center; (iii) to respond to any audit, governmental inquiry or investigation; or (iv) for any other reasonable purposes that may arise. Such documents, records and information shall be timely provided upon receipt of a written request and shall be provided in a form that is reasonably useable and acceptable. In the event that any such books and records are in computer useable form, Manager shall provide Operator and the new manager or new tenant with reasonable access to the software or computer system necessary to effectively use or review such information including, without limitation, a copy of the electronic records of the Center in the Manager's possession and a copy of the applicable software.

13.5 Effect of Termination. Upon any termination of this Agreement for any reason whatsoever, (i) all amounts payable to Manager from Operator under this Agreement or otherwise shall be immediately due and payable, including, without limitation, all accrued but unpaid Management Fees, and all Employment Costs which accrued prior to such termination but have not yet been paid by Manager out of the Operating Account, and (ii) Operator shall have no further obligation or liability to pay any Management Fee, unless such Management Fee accrued prior to the transfer of operations of the Center to a new manager or a new operator and as a result of services provided to the Center by Manager pursuant to this Agreement (as set forth in Section 6.1(d)).

#### **SECTION 14. NOTICES.**

Any notice, communication or demand requiring or permitted to be given under this Agreement shall be in writing (including facsimile communications) and shall be sent by first-class mail, or by nationally-recognized overnight courier, or by facsimile transmission or by personal delivery. All notices shall be sent to the applicable party at the following addresses addressed as follows:

To Operator, by addressing the same to:

100 Wampanoag Trail, Riverside, Rhode Island  
100 Wampanoag Trail, LLC  
100 Wampanoag Trail Operating Company, LLC  
Attention: President and Chief Executive Officer

With copies to:

Nixon Peabody LLP  
One Citizens Plaza  
Providence, RI 02903  
Attention: Stephen D. Zubiago, Esq.

To Manager by addressing the same to:

Post Acute Care Partners, LLC  
590 Madison Avenue, 21<sup>st</sup> Floor  
New York, New York 10027  
Attention: President and Chief Executive Officer

Any such properly given notice shall be effective on the earliest to occur of receipt, telephone confirmation of receipt of facsimile communication, one business day after delivery to a nationally recognized overnight courier, or five business days after deposit in the mail, return receipt requested.

**SECTION 15. COSTS AND EXPENSES; INDEMNITY AND INSURANCE.**

15.1 Costs and Fees. Except as otherwise expressly provided in this Agreement, all fees, costs, expenses and purchases arising out of, relating to or incurred in the operation of the Center, including, without limitation, the fees, costs and expenses of consultants and professionals, shall be the sole responsibility of Operator. Except as otherwise expressly provided in this Agreement, Manager, by reason of the execution of this Agreement or the performance of its services under this Agreement, shall not be liable for or deemed to have assumed any liability for such fees, costs and expenses, or any other liability or debt of Operator whatsoever, arising out of or relating to the Center or incurred at any of its administrative offices in the performance of its obligations hereunder. Manager shall have no obligations to advance any sums required to maintain necessary licenses and permits and to otherwise keep the Center operating as a long-term care center, without assurances that the necessary funds for the discharge of any such liability of any such obligation will be punctually paid by Operator.

15.2 Indemnification by Operator. Operator shall indemnify and hold Manager harmless from and against any and all claims, losses, costs, damages, and liabilities, including reasonable attorneys' fees, incurred, caused or occasioned by, in connection with or arising out of gross negligence or willful misconduct of Operator, except if such claim, loss, cost, damage or liability results from the gross negligence or willful misconduct of Manager.

15.3 Indemnification by Manager. Manager shall indemnify and hold Operator harmless from and against any and all claims, losses, costs, damages, and liabilities, including reasonable attorneys' fees, incurred, caused or occasioned by, in connection with or arising out of the gross negligence or willful misconduct of Manager, its agents, employees or contractors, including, without limitation, Manager's violation or failure to perform, or misrepresentation with respect to, any of the terms, covenants or conditions of this Agreement, except if such claim, loss, cost, damage or liability results from the gross negligence or willful misconduct of Operator.

#### 15.4 Insurance.

15.4.1 Coverage. At Operator's election, (i) Operator shall obtain and maintain, at the Center's expense, general liability, professional liability and property insurance for the Center or (ii) Manager shall obtain and maintain the insurance coverage required under the Agreement and more particularly described in Exhibit B attached hereto. Prior to executing the Agreement, Manager shall provide Operator with evidence satisfactory to Operator that Manager is able to obtain and maintain the insurance coverage required under the Agreement. Operator and its lender shall be named as an additional insured under any and all of Manager's insurance policies. If Manager obtains a claims made insurance policy, Manager shall be required to obtain tail insurance to cover claims that are reported after the expiration of the claims made policy. Any deductibles under Manager's insurance policies shall not exceed \$50,000.00 and Manager shall not be permitted to use a fronting arrangement without prior written approval of Operator. Manager shall agree to maintain such additional insurance as may be required by Operator, and in no event shall Manager's insurance coverage be less than any coverage amounts that may be required for licensure or certification.

15.4.2 Certificates of Insurance. Upon the Commencement Date, Manager shall furnish Operator and other third parties which Operator shall designate with appropriate certificates of insurance on the ACORD 27 form, together with an additional insurance endorsement showing that each type of insurance required under this Section 15.4 is in full force and effect and not cancellable or modifiable without thirty (30) days prior written notice to the Operator. Manager acknowledges that all such certificates shall name Landlord and Operator and their successors and assigns as additional insureds.

15.4.3 Other. A duplicate original of each Policy and certificates of renewal shall timely be provided by Operator or Manager to the other upon request. If any Policy is a claims-made policy and not an occurrence policy, either appropriate claims made or tail insurance shall be maintained in full force for that period of time, after termination of this Agreement, required under applicable law to continue to provide insurance protection to the other party pursuant to this Agreement, with respect to occurrences prior to the termination of this Agreement.

### **SECTION 16. MISCELLANEOUS.**

16.1 Government Regulations. In accordance with its obligations under this Agreement, Operator and Manager shall operate and maintain the Center in compliance with the requirements of any statute, ordinance, law, rule, regulation or order of any governmental or regulatory body having jurisdiction over the Center. Notwithstanding anything to the contrary contained in this Agreement, in the event that any Medicare and/or Medicaid law, rule, regulation or payment policy, or any other applicable law or regulation, or any interpretation thereof, at any time, is modified, implemented, threatened to be implemented, or determined to prohibit, restrict or in any way materially change the terms of this Agreement, or by virtue of the existence of this Agreement has or will have a material adverse affect on either party, then Operator and Manager agree to negotiate in good faith to amend this Agreement in a manner consistent with such change and the intent of the parties. If for any reason any term or condition

of this Agreement is found to be invalid or contrary to government laws, rules, regulations or orders, Operator and Manager agree to immediately and in good faith modify such term or condition to comply with such government law, rule, regulation or order.

16.2 Good Faith Effort by Manager. Manager shall act in good faith and use its reasonable efforts to perform its obligations under this Agreement, but shall have no liability to Operator for any decisions made with respect to or any actions taken or in the omission of any actions in connection with the Center's operations, so long as such decisions, actions or omissions were made or taken in good faith and met the standard of care set forth herein. Any action taken or omitted by Manager in reliance on written advice from accountants with respect to financial reporting matters or legal counsel with respect to legal questions shall be conclusively deemed to have been taken in good faith. Each party's liability hereunder shall be limited to actual damages suffered as a direct and proximate result of the other party's breach under any provision of this Agreement. Manager makes no warranties, express or implied, and shall not assume any financial or other responsibilities in connection with its obligations under this Agreement, except as specifically provided in this Agreement. Manager shall be responsible for managing the Center and all of its assets and services with the same diligence and skill as is employed by prudent Operators and managers in the management of similar healthcare facilities, and consistent with the provisions of this Agreement and in substantial compliance with all obligations imposed on Operator which are known to Manager.

16.3 Assignment. Neither Manager nor Operator shall assign its rights or obligations under this Agreement without prior written consent of the other, except that Operator may at any time assign its rights and obligations under this Agreement to an Affiliate of Operator or any party acquiring substantially all of its assets, stock or membership interest.

16.4 Retention of Control by Operator. Operator shall at all times continue to exercise control over the assets and operations of the Center, and Manager shall perform its responsibilities as described in this Agreement. By entering into this Agreement, Operator does not delegate to Manager any of the powers, duties and responsibilities vested in the Operator by law, or by its governance documents. Operator may, according to the terms of this Agreement, (a) direct Manager to implement existing Center policy, (b) adopt as Center policy, recommendations or proposals made by Manager, or (c) adopt as Center policy the Operator's own proposals notwithstanding any objection by Manager; provided that any such policy shall be consistent with the terms of this Agreement. Operator shall have the right to approve the Annual Budget.

16.5 Force Majeure. Neither Manager nor Operator shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations under this Agreement for any reason beyond its control including, without limitation, strikes, lockouts, acts of God, unavailability of patients, personnel or supplies, unforeseen changes in statutes, regulations or rules of appropriate governmental or other regulatory authorities.

16.6 Binding Agreement. The terms, covenants, conditions, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of Operator and Manager, their successors and assigns.

16.7 Relationship of Parties. Nothing contained in this Agreement shall constitute or be construed to be or to create a partnership, joint venture or lease between Operator and Manager with respect to the Center. Manager at all times shall act as an independent contractor to the Operator and shall not hold itself out to third parties as a partner, joint venturer, or employee of the Operator.

16.8 Entire Agreement; Amendments. This Agreement (including the Exhibits attached to and a part of this Agreement) contains the entire agreement between the parties hereto with respect to the subject matter, and no prior oral or written, and no contemporaneous oral, representations or agreements between the parties with respect to the subject matter of this Agreement shall be of any force and effect. Any additions, amendments or modifications to this Agreement shall be of no force and effect unless in writing and signed by both Operator and Manager.

16.9 Captions and Headings. The captions and headings throughout this Agreement are for convenience of reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this Agreement nor in any way affect this Agreement.

16.10 Governing Law. This Agreement is made under, and shall be construed and enforced in accordance with, the laws of the state in which the Center is located applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law.

16.11 Arbitration of Accounting Matters. If any controversy should arise between the parties in the performance, interpretation and application of this Agreement which involves accounting matters, either party may serve upon the other a written notice stating that such party desires to have the controversy reviewed by an arbitrator, who shall be a representative of a firm specializing in accounting in the nursing home area of medical services. If the parties cannot agree within 15 days from the service of such notice, upon the selection of such an arbitrator, the arbitrator shall be selected or designated by the American Arbitration Association upon the written request of either party hereto. Arbitration of such controversy, disagreement or dispute shall be conducted in accordance with the rules then in force of the American Arbitration Association and the decision and award of the arbitrator so selected shall be binding upon Operator and Manager.

16.12 Maintenance of Books, Records and Documents. Pursuant to section 1395x(v)(1)(1) of Title 42 of the United States Code and applicable rules and regulations thereunder, until the expiration of four years after the termination of this Agreement, Manager shall make available, upon appropriate written request by the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States General Accounting Office, or the applicable state agencies or departments, or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by Manager under this Agreement. Manager shall immediately notify Operator if such access is requested. Manager further agrees that in the event it carries out any of its duties under this Agreement

through a subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a 12 month period, such subcontract shall contain a clause identical to that contained in the first sentence of this Section.

(a) Until the expiration of four years after the furnishing of services pursuant to this Agreement, Manager shall, as provided in Section 952 of the Omnibus Reconciliation Act of 1980 and regulations promulgated thereunder make available, upon written request, to the Secretary of the United States Department of Health and Human Services, or upon request, to the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement, and all books, documents and records of Manager that are necessary to verify the nature and extent of the costs of any services furnished pursuant to this Agreement for which payment may be made under the Federal Medicare Program.

(b) If Manager carries out any of the duties of this Agreement through a subcontract or subcontracts with an aggregate value or cost of Ten Thousand Dollars (\$10,000) or more over a 12 month period with a related organization, such subcontract or subcontracts shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract or subcontracts, the related organization shall, as provided in Section 952, make available, upon written request, to the above referenced Federal officials, or any of their duly authorized representatives, the subcontract or subcontracts, and all books, documents and records of such organization that are necessary to verify the nature and extent of the costs of any services furnished pursuant to such subcontract or subcontracts for which payment may be made under the Medicare program.

16.13 Further Assurances. At any time and from time to time during the term of this Agreement, at either party's request, each party shall promptly execute and deliver all such further agreements, certificates, instruments and documents, including a certificate of Operator in a form reasonably satisfactory to Manager stating that this Agreement is in effect with respect to, and is binding against, Operator, and each party shall perform such further actions, as the other party may reasonably request in order to fully consummate the transactions contemplated by this Agreement and carry out the purposes and intent of this Agreement.

16.14 Certain Definitions.

(a) Affiliate. The term "Affiliate," as used in this Agreement, means a person that, directly or indirectly, controls or is controlled by, or is under common control with, the person specified.

(b) Person. The term "person," as used in this Agreement means any individual, sole proprietorship, joint venture, corporation, partnership, governmental body, regulatory agency or other entity of any nature.

16.15 Severability. If any provision of this Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto.

16.16 Waivers. No party's waiver of any term, provision, or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to

be or construed as a further and continuing waiver by such party of any such term, provision or condition of this Agreement.

16.17 No Third-Party Rights. This Agreement shall not confer any rights or benefits to or upon any person or entity not a party to this Agreement.

16.18 Surviving Obligations. Upon termination or expiration of Operator's appointment of Manager under this Agreement, Manager's obligation to provide services and Operator's obligations to pay for such services shall cease after such termination or expiration date. Other terms and provisions of this Agreement shall survive any such termination or expiration to the extent necessary for the implementation thereof.

16.19 No Personal Liability. Neither this Agreement nor any term or provision hereof shall create any personal liability whatsoever on the part of any officer, director, manager, shareholder, partner, member, trustee, or employee of any party hereto.

16.20 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original hereof, and it shall not be necessary in making proof of this Agreement to produce or account for more than one original counterpart hereof.

[remainder of page intentionally blank]

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on their behalf their duly authorized representatives, as of the day and year first above written.

OPERATOR:

100 WAMPANOAG TRAIL OPERATING  
COMPANY, LLC

\_\_\_\_\_  
Jeffrey Rubin  
Manager

MANAGER:

POST ACUTE PARTNERS MANAGEMENT,  
LLC

By: \_\_\_\_\_  
Jeffrey Rubin  
Manager

## Exhibit A

### Privacy Agreement

#### 1. Terms and Terminology.

1.1 Terms. Terms used, but not defined in this Privacy Agreement shall have the same meaning as those terms in 45 CFR Part 160 and Part 164, Subparts A and E.

1.2 Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

#### 2. Obligations and Activities of Manager.

2.1 Manager agrees not to use or further disclose Protected Health Information other than as permitted or required by this Privacy Agreement or as required by law.

2.2 Manager agrees to use appropriate safeguards to prevent use or disclosure of Protected Health Information other than as provided for by this Privacy Agreement or the Privacy Rule.

2.3 Manager agrees to mitigate, to the extent practicable, any harmful effect that is known to Manager of a use or disclosure of Protected Health Information in violation of the Privacy Rule.

2.4 Manager agrees to report to Operator any use or disclosure of Protected Health Information made in violation of the Privacy Rule.

2.5 Manager shall prepare a Notice of Information Practices for the Center on behalf of Operator in accordance with 45 CFR § 164.520. Such Notice of Information Practices shall be subject to the approval of Operator, which approval shall not be unreasonably withheld or delayed.

2.6 Manager shall ensure that Center personnel provide each resident of the Center with a copy of the Center's Notice of Information Practices upon each resident's admission to the Center. If the Manager modifies the Center's Notice of Information Practices, Manager shall provide each resident with a copy of such revised Notice of Information Practices.

2.7 Manager shall ensure that the personnel of the Center obtain such acknowledgement of the Center's Notice of Information Practices or consent from each resident on behalf of Operator as the Privacy Rule requires the Operator to obtain.

2.8 Manager shall ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Manager in each case on behalf of Operator, agrees to the same restrictions and conditions that apply through this Privacy Agreement to Manager with respect to such information.

2.9 Manager agrees to provide access, at the request of Operator, and in the time and manner designated by Operator, to Protected Health Information in a Designated Record Set, to Operator or, as directed by Operator, to an Individual in order to meet the requirements of 45 CFR § 164.524.

2.10 Manager agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that Operator directs or agrees to pursuant to 45 CFR § 164.526 at the request of Operator or an Individual, and in the time and manner designated by Operator.

2.11 Manager agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Manager on behalf of, Operator available to the Operator, or at the request of, Operator to the Secretary of HHS (the "Secretary"), in a time and manner designated by the Operator or the Secretary, for the purposes of the Secretary determining the Operator's compliance with the Privacy Rule.

2.12 Manager agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Operator to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

2.13 Manager agrees to provide to Operator or an Individual, in the time and manner designated by Operator, information collected in accordance with Section 2.12 of this Privacy Agreement, to permit Operator to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

3. Permitted Uses and Disclosures by Manager. Except as otherwise limited in this Privacy Agreement, Manager may use or disclose Protected Health Information to perform functions, activities, or services for itself and/or on behalf of Operator as specified in the Management Agreement into which this Privacy Agreement has been incorporated by reference (the "Management Agreement"), provided that such use or disclosure would not violate the Privacy Rule if done by Operator.

4. Obligations of Operator.

4.1 Operator shall notify Manager of any restriction to the use or disclosure of Protected Health Information to which Operator has agreed in accordance with 45 CFR § 164.522.

4.2 Operator shall not request Manager to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Operator.

5. Term and Termination.

5.1 Term. The Term of this Privacy Agreement shall be effective as of the Commencement Date of the Management Agreement and shall terminate when all of the Protected Health Information provided by Operator to Manager, or created or received by Manager on behalf of Operator, is destroyed or returned to Operator, or, if it is not feasible to

return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions of this Section 5.

5.2 Termination for Cause. Upon Operator's knowledge of a breach by Manager of this Privacy Agreement, Operator immediately may terminate the Management Agreement and this Privacy Agreement.

5.3 Effect of Termination.

(a) Except as provided in paragraph (b) of this Section 5.3, upon termination of the Management Agreement for any reason, Manager shall return or destroy all Protected Health Information received from Operator, or created or received by Manager on behalf of Operator. This Section 5.3(a) shall apply to Protected Health Information that is in the possession of subcontractors or agents of Manager. Manager shall retain no copies of Protected Health Information.

(b) In the event that Manager determines that returning or destroying such Protected Health Information referred to in Section 5.3(a) is not feasible, Manager shall provide to Operator notification of the conditions that make return or destruction not feasible. Upon mutual agreement of the parties that return or destruction of the Protected Health Information is not feasible, Manager shall extend the protections of this Privacy Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Manager maintains such Protected Health Information.

6. Indemnification. Notwithstanding any provisions to the contrary in this Privacy Agreement or the Management Agreement, Manager will indemnify, defend, and hold harmless Operator, its officers, directors, employees, medical personnel, and agents from any and all damages, claims, actions, liability, and expenses (including the cost of judgments, settlements, court costs, and attorneys' fees, but excluding consequential damages) relating to or resulting from Manager's breach of this Privacy Agreement or violation of the Privacy Rule.

7. Miscellaneous.

7.1 Regulatory References. A reference in this Privacy Agreement to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.

7.2 Amendment. Manager and Operator agree to take such action to amend this Privacy Agreement as is necessary for Operator to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996.

7.3 Survival. The respective rights and obligations of Manager under Section 5 of this Privacy Agreement shall survive the termination of this Privacy Agreement and the Management Agreement.

7.4 Interpretation. Any ambiguity in this Privacy Agreement shall be resolved in favor of a meaning that permits Operator to comply with the Privacy Rule.

## **Exhibit B**

### **Insurance Requirements**

1. Comprehensive General Liability Insurance, with: a) minimum limits of Two Million Dollars (\$2,000,000) for both injury to or death of a person and for property damage per occurrence, and b) at least Ten Million Dollars (\$10,000,000) excess and/or umbrella liability insurance for any and all claims, including all legal liability and all court costs and attorneys' fees incurred in connection with the operation and maintenance of the property.

2. Insurance against loss or damage from (x) leakage of sprinkler systems, and (y) explosion of steam boilers, air-conditioning equipment, high pressure piping, machinery and equipment, pressure vessels or similar apparatus now or hereafter installed in the improvements (without exclusion for explosions), covering all boilers or other pressure vessels. Coverage is required in an amount at least equal to the full replacement cost of such equipment and the buildings housing the same, and shall extend to electrical equipment, sprinkler systems, heating and air-conditioning equipment, refrigeration and equipment and piping.

3. Worker's Compensation/Employer's Liability Insurance in amounts not less than the statutory minimums for all persons employed by Tenant and in compliance with all other requirements of local, state and federal law for Worker's Compensation and in amounts not less than One Million Dollars (\$1,000,000) for injury by accident, One Million Dollars (\$1,000,000) per employee for disease and One Million Dollars (\$1,000,000) disease policy limit for Employer's Liability.

4. Standard "All-Risk" Insurance and Standard Extended Coverage Insurance or special cause of loss form covering (a) the Real Property constituting the Leased Premises in an amount equal to at least the greater of the then full replacement cost thereof without deduction for physical depreciation, and such that the insurer would not deem Landlord or Tenant a co-insurer under said policy with a deductible not to exceed Ten Thousand Dollars (\$10,000) and (b) Tenant's tangible personal property and the tangible personal property constituting the Leased Premises in an amount equal to at least the greater of the then full replacement cost thereof without deduction for physical depreciation, and such that the insurer would not deem Landlord or Tenant a co-insurer under said policy with a deductible not to exceed one (1%) percent of the full replacement cost thereof, for loss or damage by fire, lightning, wind and such other perils as are included in such All-Risk policy and against loss or damage by other risks and hazards covered by a standard extended coverage insurance policy. Such insurance policies shall include a full replacement cost endorsement with a waiver for depreciation, as well as umbrella coverage of not less than Ten Million Dollars (\$10,000,000). The proceeds of such insurance shall be disbursed to Landlord or Landlord's mortgagee and, if Landlord is obligated or elects to repair or restore the damage to the Leased Premises, such proceeds shall be used by Landlord for such purposes subject to the terms of Landlord's mortgage; otherwise, such proceeds may be used as Landlord desires, without restriction, subject to the terms and conditions of Landlord's responsibilities with regard to damage to or destruction of the Leased Premises hereunder.

5. Business Interruption Insurance in an annual aggregate amount equal to the total Rent payable by Tenant under this Lease, such insurance to cover losses for a period of two years

after the date of the fire or casualty in question and shall be increased to reflect all increased Rent payable by Tenant.

6. Residential Healthcare Professional Malpractice Insurance for claims arising out of malpractice in an amount not less than Ten Million Dollars (\$10,000,000) for each medical incident.

7. Environmental Impairment Liability Insurance in an amount not less than Ten Million Dollars (\$10,000,000) for each occurrence and Twenty Million Dollars (\$20,000,000) aggregate, with a deductible not to exceed One Hundred Thousand Dollars (\$100,000).

8. Flood Insurance (if all or any portion the Leased Premises is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards in which flood insurance has been made available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994 (and any amendment or successor act thereto) in an amount at least equal to the maximum limit of coverage available with respect to the Leased Premises.

9. Earthquake Insurance (if the Leased Premises are located in an area with a high degree of seismic activity) in an amount acceptable to Landlord.

10. During any period of construction, coverage for increased cost of construction, cost of demolition, the value of the undamaged portion of the Facility, contingent liability from the operation of building laws and soft costs to the full replacement following a casualty, on a builder's risk, completed value, non-reporting form with permission to occupy in an amount not less than the full insurable value of the Leased Premises.

11. Ordinance or law coverage to compensate for the cost of demolition, increased costs of construction, and loss to any undamaged portions of the improvements, if the current use of the Leased Premises or the improvements are or become "non-conforming" pursuant to the applicable zoning regulations or full rebuildability following casualty is not permitted under such zoning regulations.

12. Subsidence insurance (sink hole coverage) in an amount acceptable to Landlord.

13. Terrorism coverage in an amount acceptable to Landlord.

14. Gap insurance necessary to cause the Lease Premises to be insured by policies of insurance that fully conform to the Agent's requirements.

15. Such other risks as Landlord shall from time to time reasonably require be insured (to the extent permissible under applicable state and federal laws, rules, regulations and procedures) so long as the same is commonly required by Landlord in connection with similar properties in the area and also, as may from time to time be required by applicable state and federal laws, rules, regulations and procedures.

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14

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**PURCHASE AND SALE AGREEMENT**

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**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
1. SALE.....	1
1.1. Land.....	1
1.2. Improvements.....	1
1.3. Personal Property.....	1
1.4. Intangible Property.....	2
1.5. Business Records.....	2
1.6. Project Defined.....	3
2. PURCHASE PRICE.....	3
2.1. Earnest Money.....	3
2.2. Purchase Price.....	3
2.3. General.....	3
3. CLOSING.....	3
4. REVIEW AND APPROVAL; DISCLAIMER/RELEASE.....	4
4.1. Review.....	4
4.2. Purchaser's Undertaking.....	4
4.3. Required Authorizations Period.....	5
4.4. Confidentiality.....	6
4.5. Disclaimer.....	7
4.6. Release By Purchaser.....	8
4.7. Limitations.....	9
5. TITLE AND SURVEY MATTERS.....	9
5.1. Title.....	9
5.2. Survey.....	10
5.3. Intentionally Deleted.....	10
5.4. Seller's Termination.....	10
5.5. Purchaser Waiver.....	10
5.6. Cooperation.....	11
6. SELLER'S REPRESENTATIONS AND WARRANTIES.....	11
6.1. Ownership.....	11
6.2. Organization, Good Standing and Entity Authority.....	11
6.3. Authorization and Binding Effect of Documents.....	11
6.4. Absence of Conflicts.....	11
6.5. Employees.....	11
6.6. Litigation.....	11
6.7. Zoning.....	12
6.8. Real Estate Taxes.....	12
6.9. United States Person.....	12
6.10. Condemnation.....	12

6.11.	Agreement of Sale .....	12
6.12.	Service Contracts .....	12
6.13.	No Bankruptcy .....	12
7.	<b>PURCHASER'S REPRESENTATIONS AND WARRANTIES.</b> .....	12
7.1.	Organization, Good Standing and Entity Authority .....	13
7.2.	Absence of Conflicts .....	13
7.3.	Authorization and Binding Effect of Documents .....	13
7.4.	Required Authorizations .....	13
7.5.	Financial Condition .....	13
8.	<b>COVENANTS OF SELLER.</b> .....	13
8.1.	New Leases .....	13
8.2.	Maintenance of Property .....	14
8.3.	Change in Conditions .....	14
8.4.	Permits .....	14
8.5.	Delivery .....	14
9.	<b>CONDITIONS PRECEDENT TO CLOSING.</b> .....	14
9.1.	Conditions Precedent to Purchaser's Obligations .....	14
9.2.	Conditions Precedent to Seller's Obligations .....	16
10.	<b>SELLER'S CLOSING DELIVERIES.</b> .....	16
10.1.	Deed .....	16
10.2.	Bill of Sale .....	16
10.3.	General Assignment .....	16
10.4.	Closing Statement .....	16
10.5.	Plans and Specifications .....	17
10.6.	Entity Transfer Certificate .....	17
10.7.	Closing Certificate .....	17
10.8.	Transfer Tax Returns .....	17
10.9.	Mechanic's Lien and Parties in Possession Affidavit .....	17
10.10.	Removal of Non-Resident Income Tax Lien .....	17
10.11.	Municipal Lien Certificate .....	17
10.12.	Other .....	17
11.	<b>PURCHASER'S CLOSING DELIVERIES</b> .....	17
11.1.	Purchase Price .....	17
11.2.	General Assignment .....	17
11.3.	Closing Certificate .....	17
11.4.	Closing Statement .....	17
11.5.	Transfer Tax Returns .....	18
11.6.	Other .....	18

12.	PRORATIONS AND ADJUSTMENTS .....	18
13.	CLOSING EXPENSES .....	18
14.	DESTRUCTION, LOSS OR TAKING OF PROPERTY .....	18
15.	DEFAULT .....	19
	15.1. Default by Seller .....	19
	15.2. Default by Purchaser .....	20
16.	SUCCESSORS AND ASSIGNS; TAX-DEFERRED EXCHANGE/ REVERSE EXCHANGE .....	20
	16.1. Assignment .....	20
	16.2. Tax-Deferred Exchange/ Reverse Exchange .....	21
17.	SURVIVAL; INDEMNIFICATION .....	21
	17.1. Survival Period .....	21
	17.2. Indemnification by Seller .....	21
	17.3. Indemnification by Purchaser .....	21
	17.4. Limitation on Indemnification .....	21
18.	BROKERAGE .....	22
19.	MISCELLANEOUS .....	22
	19.1. Litigation .....	22
	19.2. Notices .....	22
	19.3. Benefit .....	23
	19.4. Limitation Of Liability .....	23
	19.5. Further Assurances .....	24
	19.6. Entire Agreement .....	24
	19.7. Legal Holidays .....	24
	19.8. Conditions Precedent .....	24
	19.9. Construction .....	24
	19.10. Governing Law .....	24
	19.11. Partial Invalidity .....	24
	19.12. Permitted Termination .....	25
	19.13. Conflict .....	25
	19.14. Execution .....	25

## SCHEDULES AND EXHIBITS

Schedule 6.1	Disclosure Schedule
Exhibit A	Land
Exhibit B	Earnest Money Escrow Instructions
Exhibit C	Confidentiality Agreement
Exhibit D	Deed
Exhibit E	Bill of Sale
Exhibit F	General Assignment

**THIS PURCHASE AND SALE AGREEMENT** (this "**Agreement**") is made and entered into this 20 day of November, 2012 (the "**Effective Date**"), by Ventas Realty Limited Partnership, a Delaware limited partnership (collectively, "**Seller**"), and 100 Wampanoag Trail, LLC, Delaware limited liability company ("**Purchaser**").

### RECITALS

**WHEREAS**, Seller owns the facility commonly known as Chestnut Terrace Nursing and Rehabilitation Center located at 100 Wampanoag Trail, East Providence, Rhode Island (the "**Facility**"); and

**WHEREAS**, Seller has leased the Facility to Kindred Healthcare, Inc. and Kindred Healthcare Operating, Inc. (collectively, "**Operator**") pursuant to that certain Second Amended and Restated Master Lease Agreement No. \_\_\_ (as amended or modified from time to time, the "**Lease**") between Seller and Operator dated as of April 27, 2007.

**WHEREAS**, Purchaser is negotiating a certain Operations Transfer Agreement (the "**Operations Transfer Agreement**"), pursuant to which Purchaser shall acquire the furniture, fixtures and equipment and other operational assets of Operator.

**WHEREAS**, Seller desires to sell, transfer, convey and assign to Purchaser, and Purchaser desires to acquire, assume and accept from Seller, the Facility on and subject to the terms and conditions contained in this Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the parties hereto agree to incorporate the foregoing recitals as if the same were more particularly set forth in the body of this Agreement and further agree as follows:

**1. SALE.** Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, for the purchase price set forth below, and on the terms and conditions set forth in this Agreement, the Property (as defined below). For purposes of this Agreement, the term "**Property**" shall be deemed to mean on a collective basis all of Seller's right title and interest in and to the following:

**1.1. Land.** The parcel of land legally described on **Exhibit A** attached hereto and made a part hereof, together with all rights, easements and interests appurtenant thereto (collectively, the "**Land**").

**1.2. Improvements.** All buildings and other improvements located on the Land and owned by Seller, including the Facility, and all other structures, systems, fixtures and utilities associated with, and utilized in, the ownership and operation of the Facility on the Land that are owned by Seller (all such improvements owned by Seller being collectively referred to as the "**Improvements**", and with the Land, the "**Real Property**").

**1.3. Personal Property.** All personal property owned by Seller (excluding personal items owned by residents or any personal property that is owned by the Operator of the

Facility or its Affiliates) located on or in the Land or Improvements, and used in connection with the ownership, operation and maintenance of the Property (collectively, the “**Personal Property**”), but excluding all inventory (the “**Inventory**”) owned by the Operator of the Facility.

**1.4. Intangible Property.** Any and all intangible property owned by Seller and used exclusively in connection with the ownership and operation of the Facility (collectively, the “**Intangibles**”), including, without limitation, any and all of the following owned by Seller: (i) the interest, if any, of Seller in the identity or business of the Facility as a going concern, including, without limitation, any names or trade names by which the Facility or any part thereof may be known; (ii) to the extent assignable or transferable, the interest, if any, of Seller in and to each and every indemnity, bond, guaranty and warranty concerning the Improvements and the Personal Property, including, without limitation, any roofing, air conditioning, heating, elevator or other bond, guaranty and warranty relating to the construction, maintenance or replacement of the Improvements or any portion thereof; (iii) to the extent assignable or transferable, the interest of Seller in and to all guaranties and warranties given to Seller that have not expired (either on a “claims made” or occurrence basis) in connection with the operation, construction, improvement, alteration or repair of the Improvements; (iv) to the extent assignable or transferrable, all licenses, permits, approvals, consents, or variances for the Property that are held by Seller and are in Seller’s name, if any (the “**Permits**,” provided Purchaser acknowledges and agrees the Permits shall not include any Required Authorizations); and (v) to the extent assignable or transferrable, sewer, water and other utility rights and arrangements, if any. The parties acknowledge that (i) all references in this Agreement to Purchaser with respect to any Permits shall mean Purchaser or any Affiliate of Purchaser designated by Purchaser as its designee for purposes of taking title to any Project hereunder, and (ii) all references in this Agreement to “**Affiliate**” shall mean, with respect to any person, any other person directly or indirectly controlling (including, but not limited to, all partners, directors, officers and members of such person), controlled by or under direct or indirect common control with any such person (A person shall be deemed to control a corporation, a partnership, a trust, or a limited liability company if such person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.).

**1.5. Business Records.** All of the following (collectively, the “**Business Records**”) maintained by or held by Seller and in Seller’s possession relating exclusively to the Facility: books and records relating to the Facility or the ownership thereof, including, without limitation, files, invoices, correspondence, studies, reports or summaries relating to any environmental matters, and other books and records relating to the ownership or maintenance of the Facility, surveys, engineering or environmental reports and other studies, investigations or depictions of the Facility but excluding books and records of Operator and/or its Affiliates which relate to the operation of the operation of the Facility including forms, accounts, patient records, technical, accounting and procedural manuals, employment records, actuarial studies and other books and records relating to the operation of the Facility. The Business Records that are furnished or made available to Purchaser are being furnished or made available to Purchaser for information purposes only and without any representation or warranty by Seller with respect thereto, express or implied, except as may otherwise be expressly set forth in **Section 6**, as limited by **Section 17.4** below.

1.6. **Project Defined.** The Facility, together with the Land, Improvements, Personal Property, Inventory, Intangibles and the Business Records is referred to as the "Project."

2. **PURCHASE PRICE.**

2.1. **Earnest Money.** Simultaneously with execution and delivery of this Agreement, Seller and Purchaser shall execute and deliver to the other and to the Title Company (as defined herein) an escrow agreement in form and substance of **Exhibit B** (the "**Escrow Agreement**"). Not later than two (2) business days after the Effective Date, Purchaser shall deposit, as its earnest money deposit, an amount equal to \$10,000.00 (as applicable, the "**Earnest Money**") to be held by the Title Company pursuant to the joint order escrow of Seller and Purchaser pursuant to the terms of the Escrow Agreement. Not later than 5:00 p.m. Eastern Standard Time on the Approval Date, if this Agreement is not terminated by Purchaser pursuant to **Section 4.1**, Purchaser shall deposit with the Title Company an additional earnest money deposit in the amount of \$50,000.00 (the "**Additional Earnest Money**" and, together with the Initial Earnest Money, the "**Earnest Money**") and except as expressly provided herein, the Earnest Money shall thereafter be non-refundable, however if this Agreement is terminated pursuant to **Section 4.1**, all Earnest Money and interest earned thereon that is held by the Title Company shall be refunded to Purchaser without deductions. The Earnest Money shall be held in an interest-bearing account and disbursed pursuant to the Escrow Agreement and the terms of this Agreement. The Earnest Money, together with all interest earned thereon, is herein referred to as the "**Deposit.**" The Deposit shall be credited against the Purchase Price at the Closing. If, pursuant to the terms of this Agreement, all or any portion of the Deposit is required to be disbursed to Seller or Purchaser on or after the Effective Date then each of Seller and Purchaser shall promptly issue a written direction to the Title Company to make such disbursement.

2.2. **Purchase Price.** The total purchase price (the "**Purchase Price**") for the Property shall be an amount equal to \$650,000.00 minus the amount that Purchaser pays to Operator under the Operations Transfer Agreement for those items listed on the fixed asset schedule attached as Exhibit C to the Operations Transfer Agreement, which amount to be reduced from \$650,000 shall not in any event exceed \$114,000.00.

2.3. **General.** The Purchase Price shall be paid by Purchaser to Seller at Closing, plus or minus prorations and other adjustments hereunder by federal wire transfer of immediately available funds.

3. **CLOSING.** The purchase and sale contemplated herein shall be consummated at a closing ("**Closing**") to take place through a closing escrow established with the Title Company (as defined below); it being understood that neither party need personally attend the Closing and may deliver its closing deposits to the Title Company by overnight courier, messenger or other appropriate delivery. Unless otherwise agreed by the parties in writing, the Closing shall occur prior to 12:00 P.M. Chicago time on the day that is thirty (30) days following the date that the Required Authorizations are obtained by Purchaser for the Facility (the "**Closing Date**"). The Closing shall be effective as of 12:01 A.M. on the Closing Date. Within three (3) business days after Purchaser receives the Required Authorizations, Purchaser shall deliver written notice to

Seller certifying the actual date that Purchaser received the Required Authorizations for purposes of establishing the Closing Date.

4. **REVIEW AND APPROVAL; DISCLAIMER/RELEASE.**

4.1. **Review.** At all times prior to Closing, including times following the “**Inspection Period**” (which Inspection Period is defined to be the period commencing with the Effective Date and continuing through and including the date that is sixty (60) days after the Effective Date), Purchaser and Purchaser’s employees, third party consultants, lenders, engineers, accountants and attorneys (collectively, the “**Purchaser’s Representatives**”) shall be entitled to conduct a “**Basic Project Inspection**” of the Property, which will include the rights to enter upon the Land and Improvements, during regular business hours to: (i) perform inspections and tests of the Land and the Improvements and perform a land title survey of the Land and Improvements, (ii) make investigations with regard to the environmental condition of the Land and the Improvements and the compliance by the Land and the Improvements with all applicable laws, ordinances, rules and regulations, (iii) evaluate the Property for compliance with applicable laws, statutes, regulations, ordinances, codes and orders of governmental authorities with jurisdiction over the Project, and (iv) interview the Operator with respect to its current occupancy of the Improvements provided that a representative of Seller is in attendance throughout such interview, which representatives shall be made reasonably available for such purposes. Purchaser shall provide not less than two business days’ prior notice to Seller before conducting any investigations, study, interview or test to or at the Land and the Improvements. Purchaser may, for any or no reason, terminate this Agreement by written notice to Seller (the “**Termination Notice**”), delivered not later than 5:00 p.m. Eastern Standard Time on the last day of the Inspection Period (the “**Approval Date**”), whereupon the Deposit shall be returned to Purchaser and neither party shall have any further liabilities or obligations hereunder, except for those liabilities and obligations that expressly survive a termination of this Agreement. If Purchaser fails to timely deliver a Termination Notice to Seller on or prior to the Approval Date, Purchaser shall be automatically deemed to have forever waived its right to terminate this Agreement pursuant to this Section 4.1, and the Property shall be deemed acceptable to Purchaser.

4.2. **Purchaser’s Undertaking.** Purchaser hereby covenants and agrees that it shall cause all studies, investigations and inspections performed at the Land or the Improvements to be performed in a manner that does not unreasonably disturb or disrupt the tenancies or business operations of the Operator. Purchaser shall not conduct (or cause to be conducted) any physically intrusive investigation, examination or study of the Land or the Improvements (any such investigation, examination or study, an “**Intrusive Investigation**”) as part of its Basic Project Inspection or otherwise without obtaining the prior written consent of Seller. In the event Purchaser desires to conduct (or cause to be conducted) any Intrusive Investigation of the Land or the Improvements, such as sampling of soils, other media, building materials, or the other comparable investigation, Purchaser will provide a written scope of work to Seller describing exactly what procedures Purchaser desires to perform. Seller shall not unreasonably withhold, delay or condition its consent to any Intrusive Investigation of the Land or the Improvements. Purchaser and Purchaser’s Representatives shall, in performing its Basic Project Inspection, comply with the agreed upon procedures and with any and all laws, ordinances, rules, and regulations applicable to any or all of such procedures, the Land and the Improvements. Except

as required by law, neither Purchaser nor Purchaser's Representatives shall report the results of the Basic Project Inspection to any governmental or quasi-governmental authority under any circumstances without obtaining Seller's express written consent, which consent may be withheld in Seller's sole discretion. In the event that the transactions contemplated by this Agreement are not consummated for any reason, promptly after the termination of this Agreement, Purchaser shall provide Seller with copies of any and all final, third party reports prepared on behalf of Purchaser as part of the Basic Project Inspection. Purchaser and Purchaser's Representatives shall: (a) maintain comprehensive general liability (occurrence) insurance in an amount of not less than \$5,000,000 covering any accident arising in connection with the presence of Purchaser and Purchaser's Representatives at the Land and the Improvements and the performance of any investigations, examinations or studies thereon, and shall deliver a certificate of insurance (in form and substance reasonably satisfactory to Seller), naming Seller as an additional insured thereunder, verifying the existence of such coverage to Seller prior to entry upon the Land or the Improvements; and (b) promptly pay when due any third party costs associated with its Basic Project Inspection. Purchaser shall, at Purchaser's sole cost, repair any damage to the Land or the Improvements resulting from the Basic Project Inspection, and, to the extent Purchaser or Purchaser's Representatives alter, modify, disturb or change the condition of the Land or the Improvements as part of the Basic Project Inspection or otherwise, Purchaser shall, at Purchaser's sole cost, restore the Land and the Improvements to the condition in which the same were found before such alteration, modification, disturbance or change. Purchaser's undertakings pursuant to this **Section 4.2** shall indefinitely survive a termination of this Agreement or the Closing and shall not be merged into any instrument of conveyance delivered at Closing

#### **4.3. Required Authorizations Period.**

**4.3.1.** Purchaser shall have a period commencing as of the Effective Date and ending on the date that is one hundred fifty (150) days after the Effective Date (the "**Required Authorizations Period**") in which to obtain the Required Authorizations (as hereinafter defined) for each Facility. Not later than twenty (20) days after the Effective Date, Purchaser, with respect to the Facility, shall file and submit all applications, petitions and other documents, which shall include a Letter of Intent to file a Certificate of Need, a Certificate of Need Application and a Change in Effective Control Application (collectively, the "**Required Authorization Applications**") that are necessary or appropriate for it to obtain all of the Required Authorizations for the Facility. Purchaser shall continuously use its commercially reasonable efforts and due diligence to obtain the Required Authorizations for the Facility and shall promptly respond to any questions or information requests from any governmental authority responsible for or otherwise involved in the review of the Required Authorization Applications. Upon Seller's request, Purchaser shall furnish to Seller copies of all Required Authorization Applications and any correspondence or other written documentation received from or delivered to any governmental authority responsible for or otherwise involved in the review of Required Authorization Applications. Purchaser shall keep Seller fully advised at all times as to the status of Purchaser's efforts to obtain the Required Authorizations for the Facility and of any material developments in connection therewith, including notifying Purchaser promptly following receipt of notice of the issuance of or rejection of the application for, the Required Authorizations for the Facility. Provided that any such cooperation shall not require out-of-pocket cost or expense to Seller, Seller shall reasonably cooperate with Purchaser in

connection with the Required Authorization Applications and Purchaser's efforts to obtain the Required Authorizations.

**4.3.2.** If Purchaser does not obtain the Required Authorizations, then provided that the Authorizations Termination Condition (as hereinafter defined) is satisfied, Purchaser may terminate this Agreement by written notice to Seller (the "**Authorization Termination Notice**"), delivered not later than 5:00 p.m. Eastern Standard Time on the last day of the Required Authorization Period (the "**Authorization Approval Date**"), whereupon, provided that the Authorization Termination Condition is satisfied, the Deposit shall be returned to Purchaser and neither party shall have any further liabilities or obligations hereunder, except for those liabilities and obligations that expressly survive a termination of this Agreement. If Purchaser fails to timely deliver an Authorization Termination Notice to Seller on or prior to the Authorization Approval Date, Purchaser shall be automatically deemed to have forever waived its right to terminate this Agreement pursuant to this **Section 4.3.2.** If (a) Purchaser fails to timely deliver an Authorization Termination Notice to Seller on or prior to the Authorization Approval Date but Purchaser does not obtain the Required Authorizations within thirty (30) days after the Authorization Approval Date, or (b) if Purchaser delivers an Authorization Termination Notice to Seller but the Authorizations Termination Condition is not satisfied, then in either such event, this Agreement shall terminate upon Seller's written notice to Purchaser and the Deposit shall be immediately paid to Seller and neither Seller nor Purchaser shall have any further obligations under this Agreement except for those that expressly survive termination.

**4.3.3.** Notwithstanding the foregoing, Purchaser may exercise the termination right referenced in **Section 4.3.2** only if all of the following conditions are satisfied (collectively, the "**Authorizations Termination Condition**"): (1) from and after the Effective Date, Purchaser has continuously used commercially reasonable efforts to obtain the Required Authorizations, (2) the representations and warranties made by Purchaser in **Sections 7.4** and **7.5** are true and correct in all material respects, and (3) no uncured default by Purchaser has occurred under this Agreement. The term "**Required Authorizations**" shall mean, with respect to the Facility, such consents, approvals and other assurances, oral or written, as are, under local custom and practice, customarily obtained from State licensing authorities by reasonable operators of facilities like such Facility, acting in good faith, before such an operator takes possession of, and begins to operate, a facility like such Facility. By way of example and without limitation of the foregoing, in the event that Purchaser receives permission from the applicable State licensing authorities to assume operational control of a particular Facility prior to the issuance of a non-provisional or non-conditional license for such Facility (e.g., due to a State licensing authority's requirement that a survey of Purchaser's operations at such Facility be completed prior to the issuance of a non-provisional or non-conditional license) and, under local custom and practice, reasonable operators of facilities like such Facility customarily take possession of, and begin to operate, facilities like such Facility on the basis of such permission, then, for purposes of this **Section 4.3.3**, the date of such permission would be treated as the date that Tenant obtained the Required Authorizations for such Facility.

**4.4. Confidentiality.** Purchaser hereby acknowledges its obligation to abide by the terms and conditions of that certain Confidentiality Agreement by and between Purchaser and Seller dated June 5, 2012 (the "**Confidentiality Agreement**") and attached hereto as **Exhibit C**, and that the Confidentiality Agreement shall be deemed incorporated into this Agreement for

all purposes. The undertakings of Purchaser pursuant to this **Section 4.4** shall survive the termination of this Agreement to the extent set forth in the Confidentiality Agreement.

**4.5. Disclaimer.** EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT (AS DEFINED BELOW), PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE FACILITY AND PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE FACILITY AND PROPERTY OR THE EXPENSES OR OPERATIONS OF THE FACILITY AND PROPERTY, (C) THE SUITABILITY OF THE FACILITY AND PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE FACILITY AND PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL ENTITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE FACILITY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO THE FACILITY AND PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE FACILITY AND PROPERTY, OR (H) ANY OTHER MATTER WITH RESPECT TO THE FACILITY AND PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS (OTHER THAN AS SET FORTH IN THIS AGREEMENT AND ANY CLOSING DOCUMENT) REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE FACILITY, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATIONS AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE FACILITY AND PROPERTY, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE FACILITY AND PROPERTY AND, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT, NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE FACILITY AND PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THE SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATIONS OR VERIFICATIONS OF SUCH INFORMATION AND, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT, MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION. EXCEPT AS PROVIDED IN THIS AGREEMENT, SELLER IS NOT

LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE FACILITY AND PROPERTY, OR THE OPERATIONS THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON OTHER THAN AS SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE FACILITY AND PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT. PURCHASER ACKNOWLEDGES THAT SELLER MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE COMPLETENESS OR ACCURACY OF ANY MATERIALS MADE AVAILABLE TO PURCHASER FOR INSPECTION EXCEPT FOR ANY REPRESENTATION OR WARRANTY SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT.

**4.6. Release By Purchaser.** PURCHASER HEREBY AGREES THAT, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT, AS OF THE CLOSING, SELLER AND EACH OF ITS PARTNERS, MEMBERS, TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, ASSET MANAGERS, ATTORNEYS, AFFILIATES AND RELATED ENTITIES, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "SELLER RELEASEES") SHALL BE, AND ARE HEREBY, FULLY AND FOREVER RELEASED AND DISCHARGED FROM ANY AND ALL LIABILITIES, INCLUDING, WITHOUT LIMITATION, STRICT LIABILITIES, LOSSES, CLAIMS (INCLUDING THIRD PARTY CLAIMS), DEMANDS, DAMAGES (OF ANY NATURE WHATSOEVER), CAUSES OF ACTION, COSTS, PENALTIES, FINES, JUDGMENTS, REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES AND COSTS AND EXPERTS' FEES (COLLECTIVELY, THE "PURCHASER'S CLAIMS") WITH RESPECT TO ANY AND ALL PURCHASER'S CLAIMS, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE FACILITY AND PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND STRUCTURAL CONDITION OF THE FACILITY AND PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR MATTER (REGARDLESS OF WHEN IT FIRST APPEARED) RELATING TO OR ARISING FROM (I) THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, OR THE USE, PRESENCE, STORAGE, RELEASE, DISCHARGE, OR MIGRATION OF HAZARDOUS MATERIALS ON, IN, UNDER OR AROUND THE FACILITY REGARDLESS OF WHEN SUCH HAZARDOUS MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE FACILITY, (II) ANY PATENT OR LATENT DEFECTS OR DEFICIENCIES WITH RESPECT TO THE FACILITY, (III) ANY AND ALL MATTERS RELATED TO THE FACILITY AND PROPERTY OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE CONDITION AND/OR OPERATION OF THE FACILITY AND PROPERTY AND EACH PART THEREOF, AND (IV) THE PRESENCE, RELEASE AND/OR REMEDIATION OF ASBESTOS AND ASBESTOS CONTAINING MATERIALS IN, ON OR ABOUT THE FACILITY REGARDLESS OF WHEN SUCH ASBESTOS AND ASBESTOS CONTAINING MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE FACILITY;

PROVIDED, HOWEVER IN NO EVENT SHALL SELLER RELEASEES BE RELEASED FROM CLAIMS ARISING UNDER THIS AGREEMENT OR IN ANY CLOSING DOCUMENT. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT, PURCHASER HEREBY WAIVES AND AGREES NOT TO COMMENCE ANY ACTION, LEGAL PROCEEDING, CAUSE OF ACTION OR SUITS IN LAW OR EQUITY, OF WHATEVER KIND OR NATURE, DIRECTLY OR INDIRECTLY, AGAINST THE SELLER RELEASEES OR THEIR AGENTS IN CONNECTION WITH THE RELEASED PURCHASER'S CLAIMS DESCRIBED ABOVE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING AND SHALL NOT BE DEEMED MERGED INTO ANY INSTRUMENT OR CONVEYANCE DELIVERED AT THE CLOSING. THE RELEASE PROVIDED IN THIS SUBSECTION SHALL SPECIFICALLY APPLY WHETHER OR NOT ANY OF THE FOREGOING IS ATTRIBUTABLE, IN WHOLE OR IN PART, TO THE NEGLIGENCE OF SELLER OR ANY OTHER SELLER RELEASEE; PROVIDED THAT THE FOREGOING RELEASE SHALL BE INAPPLICABLE TO THE EXTENT THAT ANY OF THE FOREGOING IS ATTRIBUTABLE TO THE GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT OF THE SELLER OR ANY OTHER SELLER RELEASEE.

4.7. Limitations. NOTHING CONTAINED IN THIS SECTION 4 OR IN ANY OTHER PROVISION OF THIS AGREEMENT SHALL BE DEEMED TO MODIFY, WAIVE, RELEASE OR OTHERWISE AFFECT ANY RIGHT, TITLE, INTEREST, DUTY, LIABILITY OR OBLIGATION OF THE PARTIES HERETO UNDER ANY OTHER AGREEMENT OR ANY OTHER PERSON OR ENTITY (INCLUDING, WITHOUT LIMITATION, THE OPERATOR AND GUARANTOR UNDER THE LEASE) UNDER ANY OTHER AGREEMENT (INCLUDING, WITHOUT LIMITATION, THE LEASE) TO WHICH SUCH PARTY OR OTHER PERSON OR ENTITY IS A PARTY OR IS OTHERWISE BOUND.

## 5. TITLE AND SURVEY MATTERS.

5.1. Title. Prior to the Effective Date, Seller delivered to Purchaser a commitment ("Commitment"), issued by First American Title Insurance Company (the "Title Company"), and ordered from the National Title Services office of the Title Company in Chicago, Illinois: 30 North LaSalle Street, Suite 310, Chicago, Illinois 60602, Attn: Richard Seidel (phone number 312-917-7269, facsimile number 312-553-0480, email dseidel@firstam.com) for an owner's title insurance policy (the "Title Policy"), ALTA Policy Form 6-17-06, covering the Land and the Improvements thereon. As a condition precedent to Purchaser's obligation to proceed to Closing, the Title Company shall issue the Title Policies to Purchaser at Closing insuring Purchaser as the fee simple owner of all of the Land and the Improvements in the full amount of the Purchase Price, subject only to the Permitted Exceptions. The Property shall be sold and is to be conveyed, and the Purchaser agrees to purchase the Property, subject only to any matters (the "Permitted Exceptions") other than Seller Cure Items (as defined below) and such matters as the Seller has agreed in writing shall not be Permitted Exceptions.

5.2. **Survey.** If Purchaser desires to obtain a survey of the Land and the Improvements (an “**Updated Survey**”), such Updated Survey shall be the sole responsibility of Purchaser.

5.3. **Intentionally Deleted.**

5.4. **Seller’s Termination.** Without waiving or modifying the condition precedent set forth in **Section 9.1.5** below, if Seller is unable to convey title subject only to the Permitted Exceptions, then Seller shall promptly give Purchaser notice of the same prior to the Closing Date. Promptly following such notice by Seller, Purchaser shall give notice to Seller whether Purchaser is willing (in Purchaser’s sole and absolute discretion) to waive objection to each title exception which is not a Permitted Exception. If Purchaser does not provide Seller with notice of its desire to waive any such title exception which is not a Permitted Exception, then Purchaser shall have been deemed not to have waived such exception. With respect to each title exception which is not a Permitted Exception that Purchaser does not waive, Seller shall (i) take such action as Seller shall deem advisable to attempt to discharge each such title exception which is not a Permitted Exception, provided that Seller shall not be required to expend more than \$10,000.00 in such attempt (“**Seller’s Title Responsibility**”) or (ii) terminate this Agreement if the expense in the aggregate of discharging each such title exception which is not a Permitted Exception exceeds \$10,000.00. In the event that Seller shall elect to attempt to discharge such title exceptions which are not Permitted Exceptions, Seller shall be entitled to one or more adjournments of the Closing Date for a period not to exceed 30 days in the aggregate to a date that is reasonably acceptable to both Purchaser and Seller. If, for any reason whatsoever, Seller, having complied with Seller’s Title Responsibility, has not discharged such title exceptions which are not Permitted Exceptions prior to the expiration of the last of such adjournments, and if Purchaser is not willing to waive objection to such title exceptions, this Agreement shall be terminated as of the expiration of the last of such adjournments. In the event of a termination of this Agreement pursuant to this **Section 5.4**, the Earnest Money shall be refunded to Purchaser and neither party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement. Nothing in this **Section 5.4** shall require Seller, despite any election by Seller to attempt to discharge any title exceptions, to take or bring any action or proceeding or any other steps to remove any title exception or to expend any moneys therefore other than as required pursuant to **Section Error!** Reference source not found. above.

5.5. **Purchaser Waiver.** Notwithstanding the foregoing provisions of this **Section 5**, Purchaser may (without any obligation to do so), by notice given to Seller at any time prior to the earlier of (x) the Closing Date and (y) the termination of this Agreement, elect (in Purchaser’s sole and absolute discretion) to accept such title as Seller can convey, notwithstanding the existence of any title exceptions which are not Permitted Exceptions. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but Purchaser shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against the Seller for damages or otherwise by reason of the existence of any title exceptions which are not Permitted Exceptions, provided that Seller shall be obligated to cause the Seller Cure Items to be removed from the Title Policies.

5.6. **Cooperation.** In connection with obtaining the Title Policy, the Purchaser and the Seller, as applicable, and to the extent requested by the Title Company, will deliver the Title Company (a) evidence sufficient to establish (i) the legal existence of the Purchaser and the Seller and (ii) the authority of the respective signatories of the Seller and the Purchaser to bind the Seller and the Purchaser, as the case may be; and (b) a certificate of good standing of the Seller.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants to Purchaser that the following matters are true in all material respects as of the Effective Date, except as otherwise indicated on **Schedule 6** (the "**Disclosure Schedule**," the following matters in this Section 6, the "**Seller Representations**"):

6.1. **Ownership.** Seller is the owner of the Land and Improvements thereon.

6.2. **Organization, Good Standing and Entity Authority.** Seller is duly organized, validly existing and in good standing under the laws of the state in which it was formed and has all requisite authority to own and operate its properties and carry on its business.

6.3. **Authorization and Binding Effect of Documents.** Seller has all requisite power and authority to enter into this Agreement and will, prior to Closing, have all requisite power and authority to enter into the closing documents hereunder (the "**Closing Documents**") to which it is a party and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary action on the part of Seller and the execution and delivery of each of the Closing Documents by Seller and the consummation by Seller of the transactions contemplated by this Agreement and the Closing Documents have been, or will be prior to Closing, duly authorized by all necessary action on the part of Seller. This Agreement has been, and each of the Closing Documents at or prior to Closing will be, duly executed and delivered by Seller. This Agreement constitutes (and each of the Closing Documents, when executed and delivered, will constitute) the valid and binding obligation of Seller enforceable against Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity, whether applied by a court of law or of equity.

6.4. **Absence of Conflicts.** The execution, delivery and performance by Seller of this Agreement and the other Closing Documents, and consummation by Seller of the transactions contemplated hereby and thereby, do not and will not (i) conflict with or result in any breach of any of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in a violation of, (iv) give any third party the right to modify, terminate or accelerate any obligation under, the provisions of any organizational documents of Seller (or its Affiliates), any laws or regulations to which Seller (or its Affiliates) is subject, or any indenture, mortgage, lease, loan agreement or other agreement or instrument to which Seller (or its Affiliates) are subject.

6.5. **Employees.** Seller has no employees at the Facility.

6.6. **Litigation.** There are no pending or (to Seller's knowledge) threatened, judicial, municipal or administrative proceedings affecting the Property (as opposed to the

Operator), or in which Seller is or, to Seller's actual knowledge, will be a party by reason of Seller's ownership of the Property that individually or in the aggregate and if adversely determined, would materially adversely affect the ownership, occupancy, or title to the Facility. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to Seller's actual knowledge, threatened against Seller.

6.7. **Zoning.** Seller has not received any written notice of any violation by, or any proposed rezoning of, the Facility, (including the ancillary uses thereto), under the applicable municipal zoning ordinances, or special exceptions, variances or conditional uses thereto and, to Seller's knowledge, no action or proceeding alleging any such violation or commencing any rezoning is planned or threatened.

6.8. **Real Estate Taxes.** Seller has not received any written notice of any proposed increase in the assessed valuation of the Land or the Improvements, nor any notice of any pending special assessment relating to the Land or the Improvements.

6.9. **United States Person.** Seller is a "United States Person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

6.10. **Condemnation.** Seller has not received any written notice from a governmental agency advising it of any pending or threatened condemnation or other governmental taking proceedings affecting all or any part of the Land or the Improvements and, to Seller's knowledge, no such condemnation or governmental taking proceeding is threatened.

6.11. **Agreement of Sale.** Seller is not a party to any agreement for the sale, transfer, or conveyance of all or any portion of the Property or any option, right of first refusal, right of first offer or similar right with respect to the Property, other than this Agreement.

6.12. **Service Contracts.** Seller is not a party to any written service agreements, service contracts or management agreements with respect to the Property that will survive the Closing or bind the Property after the Closing.

6.13. **No Bankruptcy.** Seller has not (a) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition order or decree under any federal or state law with respect to bankruptcy, insolvency or other relief for debtors, or (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceeding to hold, administer and/or liquidate all or substantially all of its assets.

For purposes of this Agreement, the term "**Seller's knowledge**" (or any term of similar import) shall mean the current actual knowledge of Andy Diebold and Nick Jacoby, without investigation.

## 7. **PURCHASER'S REPRESENTATIONS AND WARRANTIES.**

Purchaser represents and warrants to Seller as follows:

**7.1. Organization, Good Standing and Entity Authority.** Purchaser is limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite authority to own and operate its properties and carry on its business.

**7.2. Absence of Conflicts.** The execution, delivery and performance by Purchaser of this Agreement and the other Closing Documents, and consummation by Purchaser of the transactions contemplated hereby and thereby, do not and will not (i) conflict with or result in any breach of any of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in a violation of, (iv) give any third party the right to modify, terminate or accelerate any obligation under, the provisions of any organizational documents of Purchaser (or its Affiliates), any laws or regulations to which Purchaser (or its Affiliates) is subject, or any indenture, mortgage, lease, loan agreement or other agreement or instrument to which Purchaser (or its Affiliates) are subject.

**7.3. Authorization and Binding Effect of Documents.** Purchaser (and its Affiliates) have all requisite power and authority to enter into this Agreement and will, prior to Closing, have all requisite power and authority to enter into the Closing Documents to which they are a party and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary action on the part of Purchaser and the execution and delivery of each of the Closing Documents by Purchaser and the consummation by Purchaser of the transactions contemplated by this Agreement and the Closing Documents have been, or will be prior to Closing, duly authorized by all necessary action on the part of Purchaser. This Agreement has been, and each of the Closing Documents at or prior to Closing will be, duly executed and delivered by Purchaser. This Agreement constitutes (and each of the Closing Documents, when executed and delivered, will constitute) the valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity, whether applied by a court of law or of equity.

**7.4. Required Authorizations.** There are no facts, circumstances or other issues known to Purchaser which relate to Purchaser's financial condition, fitness, competence or ability to perform as the licensed operator of the Facility and may have an adverse impact upon Purchaser's ability to obtain the Required Authorizations by the Authorizations Approval Date.

**7.5. Financial Condition.** As of the Effective Date and continuing through the Closing Date, Purchaser and the principals of Purchaser, including, without limitation, Warren Cole, has and will continue to have freely available and unencumbered cash equal to more than twenty (20) times the Purchase Price.

**8. COVENANTS OF SELLER.** From and after the Effective Date, Seller hereby covenants with Purchaser as follows:

**8.1. New Leases.** Seller shall not execute any new lease, license, management agreement or other agreement affecting the ownership or operation the Facility that would be binding on Purchaser following the Closing without Purchaser's prior written approval (which

approval may be withheld in Purchaser's sole discretion and shall be deemed approved if Purchaser's written disapproval is not delivered to Seller within ten (10) business days following Seller's written request for such approval), but which approval shall not be unreasonably withheld or delayed if requested by Seller at any time prior to the Approval Date; provided, however, the Operator may execute new Occupancy Agreements with residents consistent with the Lease.

**8.2. Maintenance of Property.** Seller shall not waive or modify any rights it may have under the Lease with respect to the maintenance of the Improvements. Seller shall perform in all material respects, when due, all of Seller's obligations under the Lease. Seller shall not make any material alterations to the Facility without obtaining Purchaser's prior written consent, except as may be required by applicable law.

**8.3. Change in Conditions.** Seller shall, to the extent Seller obtains actual knowledge thereof, promptly notify Purchaser of any material change in the physical condition of the Property, or of the occurrence of any event or circumstance, that makes any representation or warranty of Seller to Purchaser under this Agreement untrue or misleading in any material respect, or any covenant of Seller under this Agreement incapable of being performed in any material respect, or any condition precedent incapable of being satisfied. Promptly after its receipt, delivery, filing or preparation, as the case may be, Seller shall deliver to Purchaser true and complete copies of: (i) any written reports, filings, applications, or petitions made by Seller to any governmental or quasi-governmental authority regarding the Facility; and (ii) any material written correspondence received by Seller from any governmental or quasi-governmental authority with respect to any Facility.

**8.4. Permits.** Seller agrees to reasonably cooperate with Purchaser in Purchaser's efforts to obtain the Required Authorizations that are a condition of the sale of the Facility and any permits, approvals or comparable consents from any governmental authority that are necessary for Purchaser's purchase of the Facility (collectively, "**Purchaser Permits**").

**8.5. Delivery.** Upon Closing, Seller shall terminate the Lease and shall deliver sole and exclusive possession of the Property to Purchaser subject to the terms and conditions of the Operations Transfer Agreement and any occupancy agreements with residents of the Facility.

## **9. CONDITIONS PRECEDENT TO CLOSING.**

**9.1. Conditions Precedent to Purchaser's Obligations.** Purchaser's obligations to close the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions:

**9.1.1. Representations and Warranties.** It shall be a condition precedent to Purchaser's obligation to proceed to Closing that all of the Seller Representations that were true and correct, in all material respects, as of the Effective Date remain true and correct in all material respects as of the Closing Date (the "**Representation Condition**"). For purposes of determining those Seller Representations that remain true and correct, in all material respects, as of the Closing Date, Seller shall deliver to Purchaser at Closing a certificate (the "**Closing Date Certificate**") certifying that all of the Seller Representations made as of the

Effective Date remain true and correct as of the Closing Date, in all material respects, except for changes and qualifications specified by Seller in such Closing Date Certificate such that the Closing Date Certificate is not untrue in any material respect. The representations, warranties and certifications contained in such Closing Date Certificate, whether provided or deemed provided, shall be made by Seller to the standard of knowledge, if any, contained herein for the applicable representations, warranties or certifications and subject to all of the terms, conditions and limitations contained in **Sections 6 and 17.4** of this Agreement. If any Seller Representation is untrue or inaccurate in any material respect and Purchaser becomes aware of such untruth or inaccuracy prior to Closing, whether through the Closing Date Certificate or otherwise, Purchaser may elect, in its sole discretion and as its sole remedy hereunder, at law or in equity, either to (i) terminate this Agreement by delivery of written notice to Seller on or prior to Closing, whereupon the Deposit shall be promptly returned to Purchaser and neither party shall have any further liability hereunder, except for those liabilities that expressly survive a termination of this Agreement; or (ii) proceed to Closing and accept the untruth or inaccuracy of such Seller Representation with no further right to terminate the Agreement (or pursue any other right or remedy) on the basis of the untruth or inaccuracy thereof.

**9.1.2. Covenants.** Seller shall have made all closing deliveries required of Seller hereunder, and Seller shall have otherwise performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by the Seller on or before Closing.

**9.1.3. Court Action.** No order or injunction of any court of competent jurisdiction nor any statute, rule, regulation or executive order promulgated by any governmental authority of competent jurisdiction shall be in effect as of the Closing that prohibits the transfer of the Property to Purchaser.

**9.1.4. Title Policy.** At Closing, the Title Company shall issue the Title Policy to Purchaser in the form required by **Section 5.1** above. Seller Cure Items.

**9.1.5. Seller Cure Items.** At or prior to the Closing, the Title Company shall insure over, or Seller shall have delivered releases in form and content reasonably satisfactory to Purchaser and the Title Company of, or Seller shall have indemnified either the Title Company or the Purchaser over (i) those matters set forth on **Schedule 5.2**, (ii) any liens, mortgages or other encumbrances encumbering the Property placed on the Property after the effective date of the Commitment and (iii) any mortgages, liens or other security interests evidencing any indebtedness of Seller or any person or entity claiming by, through or under Seller (collectively, the "**Seller Cure Items**"). Seller shall not be required to take or bring any action or proceeding or any other steps to remove any title exception or to expend any moneys therefor, nor shall the Purchaser have any right of action against the Seller, at law or in equity, for the Seller's inability to convey title subject only to the Permitted Exceptions.

Purchaser may (without any obligation to do so) waive any condition precedent and proceed to Closing without any abatement or credit to the Purchase Price. Absent any such waiver, this Agreement shall terminate upon the day after the Closing Date and the Deposit shall be promptly paid to Purchaser.

**9.2. Conditions Precedent to Seller's Obligations.** Seller's obligations to close the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions:

**9.2.1. Representations and Warranties.** As of the Closing Date, the representations and warranties made by Purchaser to Seller as of the Effective Date shall be true, accurate and correct in all material respects as if specifically remade on and as of the Closing Date.

**9.2.2. Covenants.** Purchaser shall have deposited with the title company the balance of the Purchase Price owing hereunder and shall have made all other closing deliveries required of Purchaser hereunder, and Purchaser shall have otherwise performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by the Purchaser on or before the Closing.

**9.2.3. Court Action.** No order or injunction of any court of competent jurisdiction nor any statute, rule, regulation or executive order promulgated by any governmental authority of competent jurisdiction shall be in effect as of the Closing that restrains or prohibits the transfer of the Property to Purchaser.

Seller may (without any obligation to do so) waive any condition precedent and proceed to Closing. Absent any such waiver, this Agreement shall terminate upon the day after the Closing Date, and (except as may be required on account of a Purchaser default under **Section 15.2** hereof) the Deposit shall be promptly paid to Purchaser.

**10. SELLER'S CLOSING DELIVERIES.** At Closing, Seller shall deliver or cause to be delivered to Purchaser through the closing escrow contemplated hereunder the following:

**10.1. Deed.** A Quitclaim Deed in the form attached hereto as **Exhibit D** (the "**Deed**") and otherwise in recordable form, conveying fee simple title to the Real Property to Purchaser or Purchaser's assignee or designee, free and clear of all liens, claims and encumbrances except for the Permitted Exceptions and other items waived by Purchaser pursuant to **Section 5**.

**10.2. Bill of Sale.** A quitclaim bill of sale in the form attached hereto as **Exhibit E**, executed by Seller, conveying to Purchaser title to the Personal Property.

**10.3. General Assignment.** An assignment and assumption agreement in the form attached hereto as **Exhibit F** (the "**General Assignment**"), executed by Seller, from Seller to Purchaser of all right, title and interest of Seller in and to any Intangibles including, but not limited to, any guarantees and warranties given to Seller that have not expired (either on a "claims made" or "occurrences" basis), in connection with the operation, construction, improvement, alteration or repair of the Land or the Improvements.

**10.4. Closing Statement.** A closing statement prepared by Purchaser and Seller in a form reasonably acceptable to Purchaser and Seller (the "**Closing Statement**"), executed by Seller, conforming to the proration and other relevant provisions of this Agreement.

10.5. **Plans and Specifications.** All plans and specifications for the Improvements in Seller's possession, if any.

10.6. **Entity Transfer Certificate.** Entity Transfer Certification confirming that Seller are each a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

10.7. **Closing Certificate.** The Closing Date Certificate executed by Seller.

10.8. **Transfer Tax Returns.** All transfer tax returns which are required by law and the regulations issued pursuant thereto in connection with the payment of all state or local real property transfer taxes that are payable or arise as a result of the consummation of the transactions contemplated by this Agreement, in each case, as prepared by the parties and duly executed by Seller.

10.9. **Mechanic's Lien and Parties in Possession Affidavit.** A statement executed by Seller regarding mechanics liens and parties in possession in the form attached here to as Exhibit G.

10.10. **Removal of Non-Resident Income Tax Lien.** Such forms necessary for filing with the Rhode Island Division of Taxation to remove the Rhode Island non-resident income tax lien imposed by R.I.G.L. 44-30-71.3 and, to the extent required by R.I.G.L. 44-30-71.3, withholding of a portion of the Seller's sale proceeds.

10.11. **Municipal Lien Certificate.** A current Municipal Lien Certificate issued by the Town of Lincoln, Rhode Island.

10.12. **Other.** Such other documents and instruments may reasonably be necessary or appropriate to consummate this transaction and to otherwise effect the agreements of the parties pursuant to this Agreement.

11. **PURCHASER'S CLOSING DELIVERIES.** At Closing, Purchaser shall cause the following to be delivered to Seller through the closing escrow contemplated hereunder the following:

11.1. **Purchase Price.** The Purchase Price, less the amount of the Deposit and plus or minus prorations and credits, shall be delivered to Seller.

11.2. **General Assignment.** The General Assignment, executed in counterpart by Purchaser or its designee.

11.3. **Closing Certificate.** A certificate, signed by Purchaser, certifying to the Seller that the representations and warranties of Purchaser contained in this Agreement are true and correct as of the Closing Date, and that all covenants required to be performed by Purchaser prior to the Closing Date have been performed, in all material respects.

11.4. **Closing Statement.** The Closing Statement, executed in counterpart by Purchaser.

**11.5. Transfer Tax Returns.** All transfer tax returns and income tax withholding forms which are required by law and the regulations issued pursuant thereto in connection with the payment of all state or local real property transfer taxes that are payable or arise as a result of or must be withheld in connection with the consummation of the transactions contemplated by this Agreement, in each case, as prepared by the parties and duly executed by Purchaser.

**11.6. Other.** Such other documents and instruments may reasonably be necessary or appropriate to consummate this transaction and to otherwise effect the agreements of the parties pursuant to this Agreement.

**12. PRORATIONS AND ADJUSTMENTS.** Seller and Purchaser hereby acknowledge and agree that no prorations of the costs and expenses for the operation of the Property shall occur as between Seller and Purchaser at Closing pursuant to this Agreement, but shall instead occur, if at all, pursuant to the Operations Transfer Agreement between Purchaser and Operator.

**13. CLOSING EXPENSES.** Seller shall pay the fees of Seller's attorneys. Purchaser shall pay the fees of Purchaser's attorneys. All documentary and state, county and local transfer taxes shall be paid by Seller. All costs of the Commitment and the Title Policy (including the costs of any chain of title searches and the endorsements), all costs of the Updated Surveys and all costs of the search reports shall be paid by Purchaser. Purchaser and Seller shall split equally all escrow charges hereunder, including, without limitation, any "New York Style" closing fees charged by the Title Company. Any closing costs not otherwise specified herein shall be paid by the party that customarily pays the same in the jurisdiction in which the subject Facility is located.

**14. DESTRUCTION, LOSS OR TAKING OF PROPERTY.** If, prior to Closing, all or any portion of the Project is damaged by fire or other natural casualty (collectively, "**Damage**"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (collectively, "**Eminent Domain**"), then the following procedures shall apply:

**14.1.** If the aggregate cost of repair or replacement of the Damage (collectively, "**repair and/or replacement**") is 10% of the Purchase Price or less (the "**Damage Threshold**"), Purchaser shall close and take the Property as diminished by such events, and Purchaser shall receive a reduction of the Purchase Price applied against the cash otherwise due at the Closing, in the full amount of the aggregate cost of the repair and/or replacement resulting from such Damage. In such event, any casualty insurance resulting from such Damage shall be the sole property of Seller.

**14.2.** If the value of the Land that is taken subject to Eminent Domain is 10% of the Purchase Price or less (the "**Eminent Domain Threshold**"), Purchaser shall close and take the Property as diminished by such events, and Purchaser shall receive a reduction of the Purchase Price applied against the cash otherwise due at Closing equal to the full amount of the value of the Property so taken. In such event, any condemnation award resulting from such Eminent Domain shall be the sole property of the Seller.

**14.3.** If any loss due to any Damage exceeds the Damage Threshold or any loss due to Eminent Domain exceeds the Eminent Domain Threshold, then Purchaser, at its sole option, may elect, in its sole discretion and by written notice to Seller delivered on or prior to the Closing Date, to (i) terminate this Agreement by written notice to Seller, in which event the provisions of **Section 19.12** governing a permitted termination by Purchaser shall apply; or (ii) proceed to close subject to the following conditions:

**14.3.1.** In the case of Damage, Purchaser shall receive (A) a reduction of the Purchase Price equal to (i) the amount of the applicable deductible amount under the policy or policies of property and casualty insurance covering the Project plus (ii) any proceeds under the policy or policies of property and casualty insurance actually received by Seller prior to Closing, plus (B) an assignment by Seller to Purchaser of the proceeds payable under such policy or policies of property and casualty insurance. In such event, Seller shall fully cooperate with Purchaser in the adjustment and settlement of the insurance claim or claims.

**14.3.2.** In the case of Eminent Domain, Purchaser shall receive (A) a reduction of the Purchase Price equal to any net condemnation award actually received by Seller prior to Closing, plus (B) an assignment by Seller to Purchaser of any condemnation award with respect to the Eminent Domain event. In such event, Seller shall fully cooperate with Purchaser with respect to any proceedings relating to the any condemnation award.

**14.3.3.** In either case, the proceeds and benefits under any rent loss or business interruption insurance policies, if any, attributable to the period following the Closing shall likewise be paid and transferred over (and, if applicable, likewise credited on an interim basis) to Purchaser.

In the event of a dispute between Seller and Purchaser with respect to the cost of repair and/or replacement or the value of the Property taken subject to Eminent Domain with respect to the matters set forth in this **Section 14**, an engineer designated by Seller and an engineer designated by Purchaser shall select an independent engineer licensed to practice in the jurisdiction where the applicable Project(s) is (are) located who shall resolve such dispute. All fees, costs and expenses of such third engineer so selected shall be shared equally by Purchaser and Seller.

## **15. DEFAULT.**

**15.1. Default by Seller.** In the event Closing does not occur due to Seller's material default under this Agreement, then Purchaser, as its sole and exclusive remedy, shall be entitled to (A) the remedy of specific performance of Seller's obligations under this Agreement or (B) to terminate this Agreement by written notice to Seller, upon delivery of which notice the Deposit shall be promptly paid to Purchaser, and this Agreement shall be terminated and neither party shall have any further liability hereunder, except for those liabilities that expressly survive a termination of this Agreement. In the event of any breach, default or failure of performance by or on the part of Seller with respect to any covenant, agreement, representation and warranty or other undertaking that expressly survives Closing, whether such breach, default or failure occurs after Closing or occurs prior to Closing but is first disclosed or discovered after Closing,

Purchaser shall have all of its remedies at law and in equity on account of such breach, default or failure of performance, subject to **Section 17**.

**15.2. Default by Purchaser.** In the event that Closing does not occur due to Purchaser's default under this Agreement, Purchaser shall pay to Seller, as fixed and liquidated damages (and not as a penalty), the Deposit (the "**Purchaser Default Amount**") as Seller's sole remedy, on account of Purchaser's default hereunder and failure to proceed to Closing. Upon payment of the Purchaser Default Amount, this Agreement shall automatically terminate and neither party shall have any further liability hereunder, except for those liabilities that expressly survive the termination of this Agreement. Except as set forth in this **Section 15.2**. Seller shall have no other remedy for any default by Purchaser, including any right to damages. PURCHASER AND SELLER ACKNOWLEDGE AND AGREE THAT: (1) THE PURCHASER DEFAULT AMOUNT IS A REASONABLE ESTIMATE OF AND BEARS A REASONABLE RELATIONSHIP TO THE DAMAGES THAT WOULD BE SUFFERED AND COSTS INCURRED BY SELLER AS A RESULT OF HAVING WITHDRAWN THE PROPERTY FROM SALE AND THE FAILURE OF CLOSING TO HAVE OCCURRED DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT; (2) THE ACTUAL DAMAGES SUFFERED AND COSTS INCURRED BY SELLER AS A RESULT OF SUCH WITHDRAWAL AND FAILURE TO CLOSE DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO DETERMINE; (3) PURCHASER SEEKS TO LIMIT ITS LIABILITY UNDER THIS AGREEMENT TO THE PURCHASER DEFAULT AMOUNT IN THE EVENT THIS AGREEMENT IS TERMINATED AND THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT DOES NOT CLOSE DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT; AND (4) THE PURCHASER DEFAULT AMOUNT SHALL BE AND CONSTITUTE VALID LIQUIDATED DAMAGES. Following the Closing, and only following the Closing, in the event of any breach, default or failure of performance by Purchaser of any covenant, agreement, indemnity, representation or warranty of Purchaser that survives the Closing or the termination of this Agreement, Seller shall have all of its rights at law or in equity on account of such breach, default or failure of performance, subject to **Section 17**.

**16. SUCCESSORS AND ASSIGNS; TAX-DEFERRED EXCHANGE/ REVERSE EXCHANGE.**

**16.1. Assignment.** The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and assigns; provided, however, no conveyance, assignment or transfer of any interest whatsoever of, in or to the Property or of this Agreement shall be made by Seller or Purchaser during the term of this Agreement; provided, however, that Purchaser may assign all or any of its right, title and interest under this Agreement to any third party intermediary (an "**Intermediary**") in connection with a tax-deferred exchange or reverse exchange pursuant to Section 1031 of the Internal Revenue Code (an "**Exchange**"), and provided that each of Seller and Purchaser may assign the Agreement to an affiliate not less than ten (10) business days prior to Closing so long as the Seller or Purchaser, as applicable, originally named herein is not released from any liability hereunder in connection with such assignment.

**16.2. Tax-Deferred Exchange/ Reverse Exchange.** In the event Purchaser elects to assign this Agreement to an Intermediary, Seller shall reasonably cooperate with Purchaser (without incurring any additional liability or any additional third party expenses) in connection with such election and the consummation of the Exchange, including without limitation, by executing an acknowledgment of Purchaser's assignment of this Agreement to the Intermediary.

**17. SURVIVAL; INDEMNIFICATION.**

**17.1. Survival Period.** All representations and warranties made in this Agreement shall survive the Closing for a period of twelve (12) months after the Closing Date, and shall not merge into any deed or other instrument of conveyance. The provisions of this Section 17 shall survive the Closing hereunder for a period of twelve (12) months or the length of any claim made pursuant to this Section 17.

**17.2. Indemnification by Seller.** Seller hereby agrees to, and does, indemnify and hold Purchaser, Purchaser's affiliates, and their respective partners, officers, employees, agents, successors and assigns (the "**Purchaser Indemnified Parties**") harmless (on a joint and several basis) from and against any and all losses, damages, claims, causes of action, judgments, costs and expenses (including reasonable fees and expenses of attorneys) (collectively, "**Losses**") that may be suffered or incurred by or asserted or awarded against Purchaser or any Purchaser Indemnified Party, in each case arising out of, or in connection with, or by reason of: (i) breach or default by Seller in any representations and warranties of Seller hereunder; and (ii) any failure by Seller to perform any covenant, agreement or undertaking hereunder. The foregoing indemnity shall survive Closing and the delivery of any deed or other instrument of conveyance for a period of twelve (12) months after Closing.

**17.3. Indemnification by Purchaser.** Purchaser hereby agrees to, and does, indemnify and hold Seller, Seller's affiliates, and their respective partners, officers, employees, agents, successors and assigns (the "**Seller Indemnified Parties**") harmless (on a joint and several basis) from and against any and all Losses that may be suffered or incurred by or asserted or awarded against Seller or any Seller Indemnified Party, in each case arising out of, or in connection with, or by reason of: (i) breach or default by Purchaser in any representations and warranties of Purchaser hereunder; (ii) any failure by Purchaser to perform any covenant, agreement or undertaking hereunder; and (iii) as a result of, or in connection with Purchaser's Basic Project Inspection or Purchaser's or Purchaser's Representatives entry upon the Land or the Improvements. The foregoing indemnity shall survive Closing and the delivery of any deed or other instrument of conveyance for a period of twelve (12) months after Closing.

**17.4. Limitation on Indemnification.** Notwithstanding the provisions of Section 17.2, (a) Seller shall not be required to indemnify Purchaser or any Purchaser Indemnified Parties unless the aggregate of all amounts for which an indemnity would otherwise be payable by Seller under Section 17.2 above exceeds \$10,000 (the "**Minimum Claim Amount**") and, in such event, Seller shall be responsible for the entirety of such amount (including, the portion thereof up to the Minimum Claim Amount) up to the Maximum Liability Amount (as hereinafter defined), (b) in no event shall the liability of Seller with respect to the indemnification provided for in Section 17.2 above exceed in the aggregate \$50,000 (the

“Maximum Liability Amount”), and (c) if prior to the Closing, Purchaser obtains knowledge of any inaccuracy or breach of any representation, warranty or covenant of Seller contained in this Agreement (a “Purchaser Waived Breach”) and nonetheless proceeds with and consummates the Closing, then Purchaser and any Purchaser Indemnified Parties shall be deemed to have waived and forever renounced any right to assert a claim for indemnification on account of any such Purchaser Waived Breach under this Section 17, or for any other claim or cause of action under this Agreement, at law or in equity on account of any such Purchaser Waived Breach.

**18. BROKERAGE.** Each party hereto represents and warrants to the other that it has dealt with no brokers or finders in connection with this transaction other than Seller’s broker, Houlihan Lokey. Seller hereby indemnifies, protects and defends and holds Purchaser harmless from and against any and all Losses resulting from the claims of any broker, finder, or other such party, claiming by, through or under the acts or agreements of Seller. Purchaser hereby indemnifies, protects and defends and holds Seller harmless from and against any and all Losses resulting from the claims of any broker, finder or other such party, other than Houlihan Lokey, claiming by, through or under the acts or agreements of Purchaser. The obligations of the parties pursuant to this Section 18 shall survive the Closing or any earlier termination of this Agreement.

**19. MISCELLANEOUS.**

**19.1. Litigation.** In the event of litigation between the parties with respect to the Property, this Agreement, the performance of their respective obligations hereunder or the effect of a termination under this Agreement, the losing party shall pay all costs and expenses incurred by the prevailing party in connection with such litigation, including, but not limited to, reasonable attorneys’ fees of counsel selected by the prevailing party. Notwithstanding any provision of this Agreement to the contrary, the obligations of the parties under this Section 19.1 shall survive termination of this Agreement or Closing and the delivery of any deed or other instrument of conveyance.

**19.2. Notices.** Any notice, demand or request which may be permitted, required or desired to be given in connection therewith shall be given in writing and directed to Seller and Purchaser as follows:

Purchaser: c/o Post Acute Partners, LLC  
641 Lexington Avenue, 31<sup>st</sup> Floor  
New York, New York 10022  
Attn: Warren Cole  
Fax: (646) 924-0508

With a copy to Nixon Peabody LLP  
One Citizens Plaza, Suite 500  
Providence, Rhode Island 02903  
Attn: Stephen Zubiago  
Fax: (866) 947-1432

Seller: Ventas Realty Limited Partnership  
353 North Clark Street, Suite 3300  
Chicago, Illinois 60654  
Attn: Asset Management  
Fax: (312) 660-3850

With a copy to: c/o Ventas, Inc.  
10350 Ormsby Park Place  
Suite 300  
Louisville, Kentucky 40223  
Attn: General Counsel  
Fax: (502) 357-9029

With a copy to its attorneys: Barack Ferrazzano Kirschbaum Perlman &  
Nagelberg LLP  
200 West Madison Street  
Suite 3900  
Chicago, Illinois 60606  
Attn: Douglas W. Anderson  
Fax: (312) 984-3150

Notices shall be deemed properly delivered and received (i) the same day when personally delivered prior to 5:00 P.M. Eastern Standard Time; or (ii) one day after deposit with Federal Express or other reputable commercial overnight courier; or (iii) the same day when sent by facsimile and receipt is mechanically confirmed prior to 5:00 P.M. Eastern Standard Time (otherwise, the next business day), provided a copy is sent the same day by reputable overnight courier or is personally delivered.

**19.3. Benefit.** This Agreement is for the benefit only of the parties hereto and their nominees, successors, beneficiaries and assignees as permitted in **Section 16** and no other person or entity shall be entitled to rely hereon, receive any benefit herefrom or enforce against any party hereto any provision hereof.

**19.4. Limitation Of Liability.** Upon the Closing, Seller shall neither assume nor undertake to pay, satisfy or discharge any liabilities, obligations or commitments of Purchaser other than those specifically agreed to between the parties and set forth in this Agreement. Upon the Closing, Purchaser shall neither assume nor undertake to pay, satisfy or discharge any liabilities, obligations or commitments of Seller other than those specifically agreed to between the parties and set forth in this Agreement.

**19.5. Further Assurances.** From and after Closing, Seller and Purchaser shall execute and deliver to Purchaser any and all additional documents and instruments as either party shall reasonably request to effect this transaction and otherwise effect the agreements of the parties hereto.

**19.6. Entire Agreement.** This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, letters of intent and proposals, in each case with respect to the transaction contemplated herein, are hereby superseded and rendered null and void and of no further force and effect and are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

**19.7. Legal Holidays.** If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term “legal holiday” means any state or federal holiday for which financial institutions or post offices are generally closed for observance thereof in the State of Rhode Island.

**19.8. Conditions Precedent.** The waiver of any particular condition precedent by the Purchaser or the Seller shall not constitute the waiver of any other. In the event of the failure of a condition precedent for any reason whatsoever by the Closing Date (as it may be extended as provided herein), the party for whose benefit the condition precedent exists may elect, in its sole discretion and by delivery of written notice to the other party on or prior to Closing, to (A) terminate this Agreement, in which event the provisions of **Section 19.12** of this Agreement governing a permitted termination shall apply or (B) waive the failure of the applicable condition(s) precedent and proceed to Closing.

**19.9. Construction.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Purchaser have contributed substantially and materially to the preparation of this Agreement. The headings of various sections in this Agreement are for convenience only, and are not to be utilized in construing the content or meaning of the substantive provisions hereof.

**19.10. Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws (without giving effect to choice of laws principles) of the State of Rhode Island.

**19.11. Partial Invalidity.** The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity of enforceability of any other provision hereof.

**19.12. Permitted Termination.** In the event that Purchaser timely exercises any right it may have hereunder to terminate this Agreement, neither the Purchaser Default Amount, the Deposit, nor any other earnest money deposit, “break-up” fee or other amount shall be owing from Purchaser to Seller hereunder or otherwise and neither party shall have any further liability or obligation under this Agreement, except that the Deposit shall be paid to Purchaser and except for those other liabilities and obligations that expressly survive a termination of this Agreement.

**19.13. Conflict.** In the event of any conflict between the terms and provisions of this Agreement, the Term Sheet and the Commitment Letter, the terms of this Agreement shall control, in all events.

**19.14. Execution.** This Agreement may be executed in multiple counterparts. Signatures hereon sent by facsimile may be treated as original signatures.

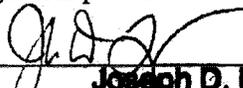
**[Signature Page to Follow]**

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

**SELLER:**

**VENTAS REALTY, LIMITED PARTNERSHIP**, a Delaware limited partnership

By: Ventas, Inc., a Delaware corporation, its general partner

By:   
Name: Joseph D. Lambert  
Title: Vice President

**PURCHASER:**

**100 WAMPANOAG TRAIL, LLC**, a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

**SELLER:**

**VENTAS REALTY, LIMITED PARTNERSHIP**, a Delaware limited partnership

By: Ventas, Inc., a Delaware corporation, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PURCHASER:**

**100 WAMPANOAG TRAIL, LLC**, a Delaware limited liability company

By:   
Name: **Warren Cole**  
Title: **Treasurer**

## SCHEDULE 5.2

### **Seller Cure Items**

1. Discharge of the lien imposed by R.I.G.L. 44-30-71.3.
2. Release, termination, discharge or subordination of, or indemnification over, each of the following items:
  - a. Senior Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement from Vencor Operating, Inc. and Vencor, Inc., each a Delaware corporation, to Morgan Guaranty Trust Company of New York, as Collateral Agent, in the amount of \$120,000,000.00 dated April 20, 2001 and recorded on April 23, 2001 at 11:44p.m. in Book 1600, Page 13, as affected by Amendment No. 1 to Senior Leasehold Mortgage, Assignment of Leases; and Rents, Security Agreement, and Financing Statement dated as of September 13, 2004 and recorded on October 5, 2004 at 9:54 a.m. in Book 2341, Page 117;
  - b. UCC Financing Statement by and between Kindred Healthcare, Inc. and Morgan Guaranty Trust Company of New York, as Senior Collateral Agent, recorded on April 27, 2001 at 2:26 p.m. in Book 1603, Page 96, as affected by Continuation Statement recorded on November 17, 2005 at 10: 6 am. in Book 2576, Page 205, as further affected by Continuation Statement recorded on March 7, 2011 at 9:18 a.m. in Book 3240, Page 276, as affected by UCC Amendment recorded on March 30, 2011 at 3:27 p.m. in Book 3246, Page 185.
  - c. UCC Financing Statement by and between Kindred Healthcare Operating, Inc. and Morgan Guaranty Trust Company of New York, as Senior Collateral Agent, recorded on April 27, 2001 at 2:28 p.m. in Book 1603, Page 102, as affected by Continuation Statement recorded on November 17, 2005 at 10:14 a.m. in Book 2576, Page 203, as further affected by Continuation Statement recorded on February 25, 2011 at 10:12 am. in Book 3239, Page 31, as affected by UCC Amendment recorded on March 30, 2011 at 3:26 p.m. in Book 3246, Page 183.
  - d. Memorandum of Lease by and between Vencor, Inc., a Delaware Corporation and First Healthcare Corporation, a Delaware corporation, et al. dated April 30, 1998 and recorded in Book 1343, Page 29, as affected by Lease Supplement and Confirmation of Commencement Date Agreement dated December 7, 1998 by and between Ventas Realty, Limited Partnership, a Delaware limited partnership, and Vencor Operating, Inc. recorded on March 25, 1999 at 11:27 a.m. in Book 1423, Page 001.
  - e. Memorandum of Lease by and among Vencor, Inc., Vencor Operating, Inc., and Ventas Realty, Limited Partnership, dated April (date not readable), 2001 and recorded on April 23, 2001 at 11:39 am. in Book 1599, Page 343.

- f. Uniform Commercial Code Financing Statement-1 Ventas Realty, Limited Partnership (Debtor) and Bank of American, N.A., as Administrative Agent recorded March 10, 2000 at 9:50 a.m., as Instrument #709395 in the Rhode Island Secretary of State's Office.
- g. Findings of Fact, Conclusions of Law and Order Under 11 U.S.C. Section 1129 and Rule 3020 of the Federal Rules of Bankruptcy Procedure Confirming the Fourth Amended Plan of Reorganization of Vencor, Inc., et al, recorded at Book 1559, Page 307 .

**SCHEDULE 6**

**Disclosure Schedule**

NONE

## EXHIBIT A

### Land

The Land referred to in this Commitment is described as follows:

Real property located at 100 Wampanoag Trail in the City of East Providence, County of Providence, State of Rhode Island, described as follows:

That certain tract or parcel of land located on the northeasterly side of Wampanoag Trail in the City of East Providence, County of Providence, and State of Rhode Island, being more particularly bounded and described as follows:

Beginning at a point in the northeasterly line of Wampanoag Trail at the southeasterly corner of the herein described tract or parcel of land and the southwesterly corner of land now or formerly of Hope Congregational Church, thence proceeding in a generally

northwesterly direction along the northeasterly line of said Wampanoag Trail a distance of two hundred six and 62/100 feet (206.62') to a point located at P.T. Station 12+45.15, L-30.00', as shown on Rhode Island Highway Plat No. 1005;

Thence continuing in a northwesterly direction along said northeasterly line of Wampanoag Trail along a curve to the left having a central angle of three degrees, twelve minutes and fifteen seconds and a radius of one thousand one hundred thirteen and 66/100 feet (1113.68'), an arc distance of 62.28 feet, to a point at the southeasterly corner of land now or formerly of Health Havens, Inc.;

Thence turning an interior angle against the chord of said last described curve of ninety eight degrees, fifty eight minutes and ten seconds and proceeding in a generally northeasterly direction bounded northwesterly by land now or formerly of said Health Havens, Inc., a distance of two hundred twenty nine and 00/100 feet (229.00') to a point;

Thence turning an interior angle of eighty nine degrees, fifty three minutes and forty seconds and proceeding in a generally southeasterly direction bounded northeasterly partly by land now or formerly of said Health Havens, Inc., and partly by land now or formerly of Thomas C. Pearson and Margaret M. Pearson a distance of two hundred fifty five and 65/100 feet (255.65') to a point in the northwesterly line of land now or formerly of said Hope Congregational Church;

Thence turning an interior angle of ninety one degrees, fifty eight minutes and no seconds and proceeding in a generally southwesterly direction along a stone wall bounded southeasterly by land now or formerly of said Hope Congregational Church a distance of two hundred seventy six and 29/100 feet (276.29') to the northeasterly line of Wampanoag Trail and the point and place of beginning, this last course forming an interior angle of seventy seven degrees, thirty four minutes and three seconds with the first described course.

**EXHIBIT B**

**ESCROW AGREEMENT**  
**EARNEST MONEY DEPOSIT**

THIS ESCROW AGREEMENT (this "Escrow Agreement") is made effective as of November \_\_, 2012 (the "Effective Date") by and between VENTAS REALTY LIMITED PARTNERSHIP, a Delaware limited partnership ("Seller"), 100 WAMPANOAG TRAIL, LLC, a Delaware limited liability company ("Purchaser" and together with Seller, the "Parties"), and FIRST AMERICAN TITLE INSURANCE COMPANY, NATIONAL COMMERCIAL SERVICES DIVISION (the "Escrow Agent").

W I T N E S S E T H :

WHEREAS, Seller and Purchaser are parties to the Purchase and Sale Agreement dated as of November \_\_, 2012 for the sale of the facility commonly known as Chestnut Terrace Nursing and Rehabilitation Center located at 100 Wampanoag Trail, East Providence, Rhode Island, as such Purchase and Sale Agreement may be amended from time to time (the "Purchase Agreement"). Capitalized terms used but not defined in this Escrow Agreement shall have the meanings ascribed to them in the Purchase Agreement.

WHEREAS, in accordance with the terms of the Purchase Agreement, Purchaser has deposited or will deposit with the Escrow Agent funds in the amount of Ten Thousand Dollars (\$10,000), and may hereafter deposit with the Escrow Agent additional funds in the amount of Fifty Thousand Dollars (\$50,000) (as applicable, the "Earnest Money Deposit");

WHEREAS, the Earnest Money Deposit is to be placed in an interest-bearing account, under the exclusive supervision of the Escrow Agent, subject to the terms of the Purchase Agreement and this Escrow Agreement, as security for the performance by Purchaser of Purchaser's obligations under the Purchase Agreement;

WHEREAS, Seller, Purchaser and the Escrow Agent wish to enter into this Escrow Agreement to provide for the terms under which the Earnest Money Deposit will be held and disbursed; and

WHEREAS, Seller and Purchaser wish to appoint the Escrow Agent to act as the escrow agent under the terms of this Escrow Agreement, and said Escrow Agent has agreed to accept such appointment under the terms of this Escrow Agreement.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid and for other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, Seller, Purchaser and the Escrow Agent hereby agree as follows:

1. The recitals set forth above are incorporated herein by this reference as is set forth in their entirety in this Section 1. The term "Earnest Money Deposit" as used herein shall include any interest earned on the Earnest Money Deposit while in escrow.

2. Seller and Purchaser hereby appoint and designate the Escrow Agent as the escrow agent for the purposes herein set forth, and the Escrow Agent hereby accepts said appointment. The Escrow Agent acknowledges receipt of a copy of the Purchase Agreement, and to the extent any provisions thereof apply to the Earnest Money Deposit, this Escrow Agreement or the Escrow Agent, the Escrow Agent agrees to comply with, and be bound by, the terms thereof. All terms and provisions contained in the Purchase Agreement relating to any of the foregoing are hereby incorporated herein by this reference.

3. When and as required by the Purchase Agreement, Purchaser has delivered or will deliver to the Escrow Agent the Earnest Money Deposit. Upon receipt of the Earnest Money Deposit, the Escrow Agent shall provide written notice to both Seller and Purchaser acknowledging such receipt. The Earnest Money Deposit shall promptly be placed in an interest-bearing account and all interest accrued thereon shall belong to Purchaser in all circumstances, except as set forth in the Purchase Agreement. At Closing, the Earnest Money Deposit and any interest thereon shall be credited against the cash balance of the Purchase Price to be paid by Purchaser on the Closing Date.

4. The Escrow Agent shall continue to hold or release the Earnest Money Deposit and interest thereon, if any, in accordance with the Purchase Agreement until otherwise directed by joint written instructions signed by Seller and Purchaser or by a final judgment of a court having jurisdiction of the matter; provided, however, to the extent that the Purchase Agreement contains any provisions inconsistent with, or contrary to, the provisions of this Escrow Agreement, the Purchase Agreement shall remain as the agreement of the parties thereto, but Escrow Agent shall be guided by the terms of this Escrow Agreement. If the Purchase Agreement requires that the Earnest Money Deposit be returned to Purchaser, and Purchaser gives Seller written notice to that effect, with a copy of such notice being provided to Escrow Agent, then, unless Escrow Agent receives a written objection from Seller within five (5) business days after delivery of such notice to Seller, Escrow Agent shall immediately return the Earnest Money Deposit and any interest thereon to Purchaser as required by the Purchase Agreement, without any right in Seller to delay, impede or prevent such disbursement to Purchaser of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Agreement, at law or in equity. If the Purchase Agreement requires that the Earnest Money Deposit be paid to Seller (i.e., if the Purchase Agreement is terminated and Purchaser does not have the express right to a refund of the same), and Seller gives Purchaser written notice to that effect, with a copy of such notice being provided to Escrow Agent, then, unless Escrow Agent receives a written objection from Purchaser within five (5) business days after delivery of such notice to Purchaser, Escrow Agent shall immediately pay the Earnest Money Deposit and any interest thereon to Seller as required by the Purchase Agreement, without any right in Purchaser to delay, impede or prevent such

disbursement to Seller of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Agreement, at law or in equity.

5. Seller and Purchaser each agree to deliver to the Escrow Agent, upon request, such further instruments and documents as may be reasonably requested by the Escrow Agent in order to effectuate the terms and conditions of this Escrow Agreement or supervise the investment, maintenance and disbursement of the Earnest Money Deposit.

6. In no event shall the Escrow Agent be liable for any act or failure to act under the provisions of the Purchase Agreement or this Escrow Agreement except where Escrow Agent's acts are the result of its gross negligence or willful misconduct. Accordingly, the Escrow Agent shall not incur any such liability with respect to (a) any action taken or omitted in good faith upon advice of its legal counsel given with respect to any questions relating to the duties and responsibilities of the Escrow Agent under this Escrow Agreement or the Purchase Agreement, or (b) any action taken or omitted in reliance on any instrument, including any written notice or instruction provided for in the Purchase Agreement, not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a person or persons having authority to sign or present such instrument, and to conform with the provisions of this Escrow Agreement. Seller and Purchaser hereby jointly and severally indemnify the Escrow Agent against any loss, liability, or damage (including costs of litigation and reasonable attorneys' fees) arising from and in connection with the performance of the Escrow Agent's duties under the Escrow Agreement, except for any loss, costs, damages or expenses arising by reason of the Escrow Agent's gross negligence or willful misconduct. In the event of a dispute between any of the parties hereto sufficient in the sole discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender unto the registry or custody of any court of competent jurisdiction all funds comprising the Earnest Money Deposit in its hands held under the terms of this Agreement, together with such legal pleading as it deems appropriate, and thereupon be discharged.

7. The Earnest Money Deposit shall be deposited by the Escrow Agent into a separate interest-bearing escrow account at a federally-insured financial institution acceptable to (or agreed to by) Purchaser, Seller and Escrow Agent, and shall be invested by the Escrow Agent in a money market account, certificates of deposit or other investment(s) selected by Purchaser and agreed to in writing by Seller. If the financial condition of the financial institution in which the funds are held changes in any adverse way which prohibits the ability of the Escrow Agent to withdraw such funds in accordance with the terms of this Escrow Agreement, then the Escrow Agent may move the Earnest Money Deposit to another financial institution that satisfies the requirements of this Section 7.

8. Any notices or other communications between the parties hereto shall be in writing and shall be given (a) by hand, or (b) by overnight courier service guaranteeing next business day delivery postage prepaid or U.S. mail postage prepaid, registered or certified with

return receipt requested. All notices shall be delivered as follows (with a copy delivered to Purchaser or to Seller, as applicable):

Purchaser: c/o Post Acute Partners, LLC  
641 Lexington Avenue, 31<sup>st</sup> Floor  
New York, New York 10022  
Attn: Warren Cole  
Fax: (646) 924-0508

With a copy to Nixon Peabody LLP  
One Citizens Plaza, Suite 500  
Providence, Rhode Island 02903  
Attn: Stephen Zubiago  
Fax: (866) 947-1432

Seller: Ventas Realty Limited Partnership  
353 North Clark Street, Suite 3300  
Chicago, Illinois 60654  
Attn: Asset Management  
Fax: (312) 660-3850

With a copy to: c/o Ventas, Inc.  
10350 Ormsby Park Place  
Suite 300  
Louisville, Kentucky 40223  
Attn: General Counsel  
Fax: (502) 357-9029

With a copy to its attorneys: Barack Ferrazzano Kirschbaum Perlman &  
Nagelberg LLP  
200 West Madison Street  
Suite 3900  
Chicago, Illinois 60606  
Attn: Douglas W. Anderson  
Fax: (312) 984-3150

If to Escrow Agent: First American Title Insurance Company  
National Commercial Services  
30 North LaSalle Street, Suite 2700

Chicago, IL 60602  
Attn: Richard Seidel  
Telephone: (312) 917-7269  
Facsimile: (312) 553-0480

Either party may designate by notice given to the other party a new address to which notices hereunder shall thereafter be sent. All notices hereunder shall be deemed to have been delivered (i) upon actual receipt or refusal by the party to whom intended, or (ii) upon deposit thereof with an overnight courier service in accordance with (b) above, if before 5:00 p.m. Eastern time, otherwise 9:00 a.m. Eastern time on the following business day.

9. This Escrow Agreement and the rights and obligations under this Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island, without reference to the choice of law doctrine of such jurisdiction.

10. This Escrow Agreement is irrevocable and may only be amended by a written amendment executed by all the parties hereto.

11. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Escrow Agreement may be executed and delivered by facsimile.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed effective as of the date first hereinbefore written.

**SELLER:**

**VENTAS REALTY, LIMITED PARTNERSHIP,**  
a Delaware limited partnership

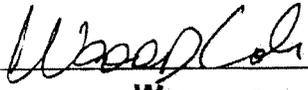
By: Ventas, Inc., a Delaware corporation, its  
general partner

By:   
Name: Joseph D. Lambert  
Title: Vice President

[Signatures continue on following page]

**PURCHASER:**

**100 WAMPANOAG TRAIL, LLC, a Delaware limited liability company**

By:   
Name: Warren Cole  
Title: Treasurer

[Signatures continue on following page]

**ESCROW AGENT:**

**FIRST AMERICAN TITLE INSURANCE COMPANY**

By:   
Name: Deanna Wilk  
Title: Escrow Officer

**EXHIBIT C**  
**CONFIDENTIALITY AGREEMENT**

**[See attached]**



June 5, 2012

Lisa Burgess  
Post Acute Partners  
641 Lexington Ave #31  
New York, NY 10022

Re: CONFIDENTIALITY AGREEMENT

Ladies and Gentlemen:

In order to facilitate discussions relating to a potential negotiated transaction (the "Transaction") regarding one or more healthcare properties to be identified by the Company upon execution of this letter (the "Properties") between Post Acute Partners Acquisition, LLC ("Recipient") and Ventas, Inc. or one of its subsidiaries (collectively, the "Company"), the Company expects to make available to Recipient certain nonpublic information concerning businesses, financial condition, operations, assets, properties, liabilities, and prospects of the Company and its affiliates.

Recipient agrees to treat any information, in whatever form, received from the Company and its affiliates and furnished to it by or on behalf of the Company, whether furnished to Recipient before or after the date of this agreement, together with any and all analyses or other documents or materials prepared by or for Recipient or any of Recipient's directors, employees, officers, attorneys, accountants, lenders that are commercial lenders or equity providers that are not Real Estate Investment Trusts (collectively, "Representatives") to the extent containing, reflecting or based directly or indirectly upon such information (collectively, "Evaluation Material"), in accordance with this agreement. The term "Evaluation Material" does not include information which (a) was already in Recipient's possession on a non-confidential basis prior to the time of disclosure to Recipient by or on behalf of the Company or its Representatives, provided that the source of such information is not known by Recipient after due inquiry to be bound by a confidentiality agreement with the Company or other contractual, legal or fiduciary obligation of confidentiality to the Company or any other person with respect to any of such information, (b) was or becomes generally available to the public other than as a result of a disclosure by Recipient or its Representatives in violation of this agreement, or (c) becomes available to Recipient or its Representatives on a non-confidential basis from a source other than the Company or its Representatives, provided that such source is not known by Recipient or its Representatives after due inquiry to be bound by a confidentiality agreement with the Company or other contractual, legal or fiduciary obligation of confidentiality to the Company or any other person with respect to any of such information, or (d) is independently developed by Recipient or its Representatives without reference to or the use of the Evaluation Material and without violating this agreement.

The Evaluation Material will be used solely for the purpose of evaluating the Transaction and will be kept confidential by Recipient and its Representatives, except to the extent that disclosure (a) has been consented to in writing by the Company, (b) is required by law, regulation, legal or administrative process, or (c) is made to its Representatives who need to know such information for the purpose of evaluating the Transaction (it being understood that such Representatives shall be informed by you of the confidential nature of the Evaluation Material). Without in any way limiting the foregoing, Recipient shall take reasonable measures, at its own expense, including employing reasonable safeguards, to prevent any

disclosure of Evaluation Material in breach of this agreement. Recipient will be responsible for any use or disclosure of Evaluation Material by its Representatives that violates the terms of this agreement. Notwithstanding anything to the contrary contained herein, you may disclose the Evaluation Materials to any court or arbitrator having jurisdiction over any dispute between the parties hereto related to the subject matter hereof.

Recipient agrees that, for a period of 24 months following the date of this agreement, Recipient shall not, and shall cause its affiliates not to, without the prior written consent of the Company, directly or indirectly, (i) use any Evaluation Material to divert or attempt to divert any business or customer of the Company or its affiliates, or (ii) solicit for employment or hire any employee of the Company; provided, however, that the foregoing prohibition shall not prohibit any (a) general solicitation for employees (including through the use of newspapers, trade journals, the internet, employment agencies or search firms) not specifically directed at any such persons, or (b) hiring of any such person who responds to any such general solicitation.

In addition, without the prior written consent of the Company, or as required by law, regulation, legal or administrative process, or the rules of the New York Stock Exchange or other self-regulatory organization, Recipient will not, and will direct its Representatives not to, disclose to any person other than Recipient's Representatives (a) that parties have entered into this agreement or the terms of this agreement, (b) that the Evaluation Material has been made available to Recipient or its Representatives, (c) that discussions are taking place concerning a Transaction, or (d) any terms or other facts with respect to the Transaction, including the status thereof. Recipient will be responsible for any disclosure by its Representatives that would constitute a violation of this paragraph.

In the event that Recipient or any of its Representatives (as the case may be) are required by law, regulation, legal or administrative process, or the rules of the New York Stock Exchange or other self-regulatory organization to disclose any Evaluation Material or the existence, status or terms of discussions between the parties hereto regarding a Transaction, Recipient will, to the extent practicable and as permitted by law, provide the Company with notice of any such requirement promptly after becoming aware of such requirement so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this agreement, and consult with the Company with respect to Recipient taking reasonable steps, at the Company's expense, to narrow the scope of such request or legal process, and Recipient will, and will cause its Representatives to, cooperate with the Company, at the Company's expense, to obtain any such protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained or timely sought, or that the Company waives compliance with the terms hereof, Recipient or its Representatives (as the case may be) may disclose without liability hereunder only that portion of the Evaluation Material which is legally so required.

Notwithstanding anything in this agreement to the contrary, neither Recipient nor its Representatives shall, (i) enter into discussions, other than with its Representatives, regarding the Transaction, or any alternative to the Transaction, with any other person that is considering, or Recipient has reason to believe is considering or would consider, participating in the Transaction or in any transaction or series of transactions that could be an alternative to the Transaction or (ii) discuss with any of such parties, Recipient's relationship with the Company.

Unless otherwise expressly agreed to in writing by the Company, all (a) communications regarding a Transaction, and (b) requests for information concerning the Company regarding a Transaction, will be submitted or directed exclusively to (i) Matt Ryan, Mike Hoagberg or Patrick Hurst

of Houlihan Lokey Capital, Inc., or (ii) Timothy Doman or Nick Jacoby of Asset Management of the Company, or any other person designated by Tim Doman or Nick Jacoby.

It is understood and agreed that money damages would not be a sufficient remedy for any breach or threatened breach of this agreement, and that the Company is entitled to seek specific performance and injunctive or other equitable relief. Such remedy will not be deemed to be the exclusive remedy for breach of this agreement, but will be in addition to all other remedies available at law or equity to the Company.

The Company is not making, and will not be deemed by virtue of this agreement to have made, any express or implied representations or warranties as to the accuracy or completeness of the Evaluation Material. Only those representations or warranties which are made by the Company in a definitive written agreement regarding a Transaction, when, as and if executed by the Company, and subject to such limitations and restrictions as may be specified therein, will have any legal effect.

Promptly after being requested in writing by the Company, except to the extent that Recipient is advised by legal counsel that complying with such request may be prohibited by law or regulatory authority and except for one copy that may be retained for record retention purposes to the extent consistent with Recipient's record retention procedures, Recipient and its Representatives will promptly and permanently destroy all Evaluation Material in its possession and all records prepared by or for it to the extent that they contain the Evaluation Material, including electronic files, storage devices, and backup tapes; provided, however, that you shall have no obligation to destroy electronic or back-up copies made for archival purposes to the extent consistent with Recipient's record retention procedures. Any destruction of materials will be confirmed by Recipient in writing. Any Evaluation Material that cannot be destroyed (such as oral Evaluation Material) or that is retained for record retention purposes only will remain confidential, subject to the terms of this agreement. Upon request, Recipient shall provide to the Company a certificate as to the destruction of such documents in accordance herewith.

Recipient understands and acknowledges that the Company is a "publicly traded company" on the New York Stock Exchange, and that all or a portion of the Evaluation Material may be material non-public information about the Company. Recipient and its affiliates will comply with all federal and state securities laws as they relate to the purchasing or selling of securities of the Company after receipt of material non-public information about the Company.

This agreement binds the parties hereto only with respect to the matters expressly set forth herein. As such, unless and until a definitive written agreement regarding a Transaction has been executed and delivered, neither of the parties hereto will be under any legal obligation of any kind whatsoever to negotiate or consummate a Transaction. This agreement shall not be deemed to create any expectation of agreement upon, or consummation of, a Transaction, and the Company shall not create any duty to deal or negotiate with Recipient or its Representatives. The Company may cease negotiations and communications with Recipient and its Representatives, and/or cease providing Evaluation Material, at any time for any or no reason.

This agreement will be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby. The parties hereto will submit to jurisdiction and the laying of venue for any suit on this agreement in the State of Illinois. This agreement constitutes the entire agreement between the parties hereto regarding the subject matter hereof. No amendments, changes or modifications may be made to this agreement without the express written consent of the parties hereto. If any term or provision of this agreement is held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions of this agreement will remain in full force and effect and will in no way be affected, impaired or invalidated. No provision of this agreement can be waived except by means of a written instrument that is validly executed on behalf of the party hereto granting the waiver and that refers specifically to the particular provision or provisions being waived. No failure or delay by a party hereto in exercising any right hereunder or any partial exercise thereof will operate as a waiver thereof or preclude any other or further exercise of any right hereunder. This agreement will be binding upon each party hereto and their respective heirs, successors and permitted assigns, and will inure to the benefit of the other parties hereto and their respective heirs, successors and permitted assigns.

This agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

Unless another term is expressly stated herein, the parties' obligations under this agreement will remain in effect for a period of two years following the date of this agreement.

[Signature Page Follows]

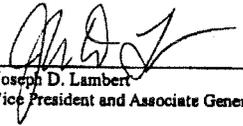
Lisa Burgess  
Post Acute Partners

Page 5 of 5

Please confirm that the foregoing accurately reflects our agreement by signing and returning to us a copy of this letter.

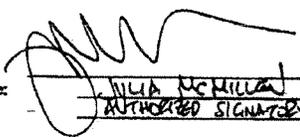
Very truly yours,

VENTAS, INC.

By:   
Name: Joseph D. Lambert  
Title: Vice President and Associate General Counsel

Accepted and agreed to as of the date  
first written above:

POST ACUTE PARTNERS ACQUISITION, LLC

By:   
Name: JULIA McMILLAN  
Title: AUTHORIZED SIGNATOR

**EXHIBIT D**

**QUITCLAIM DEED**

**VENTAS REALTY, LIMITED PARTNERSHIP**, a Delaware limited partnership, with an address at 353 North Clark Street, Suite 3300, Chicago, IL 60654 ("Grantor"), for consideration of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) paid, grants to **100 WAMPANOAG TRAIL, LLC**, a Delaware limited liability company, with an address of 641 Lexington Avenue, 31<sup>st</sup> Floor, New York, NY 10022, Attention: Warren Cole ("Grantee"), with QUITCLAIM COVENANTS, the following parcel:

That certain lot or parcel of land with all the buildings and improvements thereon, located at 100 Wampanoag Trail, in the City of East Providence, Providence County, State of Rhode Island, being more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"), subject to those exceptions described on Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions").

...IN WITNESS WHEREOF, the Grantor has caused this Quitclaim Deed to be executed as of this \_\_\_\_ day of \_\_\_\_\_, 2013, by its proper officer duly authorized.

VENTAS REALTY, LIMITED PARTNERSHIP,  
a Delaware limited partnership

By: Ventas, Inc., a Delaware corporation, its  
general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

In \_\_\_\_\_, on this \_\_\_\_ day of \_\_\_\_\_, 2013, before me personally appeared \_\_\_\_\_, \_\_\_\_\_ of Ventas, Inc., a Delaware corporation, the General Partner of Ventas Realty, Limited Partnership, a Delaware limited partnership to me known and known by me to be the party executing the foregoing instrument on behalf of Ventas Realty, Limited Partnership, and s/he acknowledged said instrument, by her/him executed to be her/his free act and deed in said capacity and the free act and deed of Ventas Realty, Limited Partnership.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

**Exhibit A**

Legal Description of the Property

**Exhibit B**

Permitted Exceptions

**EXHIBIT E**

**QUITCLAIM BILL OF SALE**

For good and valuable consideration the receipt of which is hereby acknowledged, Ventas Realty, Limited Partnership, a Delaware limited partnership (“**Seller**”), does hereby quitclaim unto 100 Wampanoag Trail, LLC, Delaware limited liability company (“**Purchaser**”), all of Seller’s right, title and interest, if any, in and to all personal property (the “**Personal Property**”) located on that certain real property legally described on Exhibit A attached hereto and incorporated herein. The Personal Property is quitclaimed by Seller to Purchaser on an “AS IS,” “WHERE IS,” “WITH ALL FAULTS” basis, and without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever, including, but not limited to, any warranty as to the fitness for a particular purpose or merchantability of the Personal Property.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Seller has executed this document as of the \_\_\_\_ day of \_\_\_\_\_, 2012.

**SELLER:**

VENTAS REALTY, LIMITED  
PARTNERSHIP, a Delaware limited  
partnership

By: Ventas, Inc., a Delaware corporation, its  
general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

## EXHIBIT F

### GENERAL ASSIGNMENT AND ASSUMPTION OF INTANGIBLES

**THIS ASSIGNMENT AND ASSUMPTION OF INTANGIBLES** (the “Assignment”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_, by and between Ventas Realty Limited Partnership, a Delaware limited partnership (“Assignor”), and 100 Wampanoag Trail, LLC, Delaware limited liability company (“Assignee”).

#### RECITALS:

WHEREAS, Assignor and Assignee entered into that certain Purchase and Sale Agreement, dated November \_\_\_, 2012, and as amended from time to time (as amended, the “Agreement”), for the purchase and sale of the facility commonly known as Chestnut Terrace Nursing and Rehabilitation Center located at 100 Wampanoag Trail, East Providence, Rhode Island (the “Facility”); and

WHEREAS, in connection with the consummation of the transactions contemplated under the Agreement, Assignor and Assignee desire to execute this Assignment.

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

1. **Recitals; Defined Terms.** The foregoing recitals are hereby incorporated into this Agreement as if fully rewritten and restated in the body of this Assignment. Capitalized terms used herein and not otherwise defined shall have the meanings respectively ascribed to them in the Agreement.

2. **Assignment of Intangibles.** Assignor hereby quitclaims unto Assignee, without recourse, representation or warranty of any kind whatsoever, all of Assignor’s right, title and interest (if any) in and to all, if any, Intangibles relating to the Facility. Such Intangibles are quitclaimed by Assignor to Assignee on an “AS-IS,” “WHERE-IS,” “WITH ALL FAULTS” basis, and without any warranties, representations or guaranties, either express or implied, of any kind, nature or type whatsoever, except the foregoing shall be without limitation upon any representations and warranties expressly contained in the Agreement.

3. **Assumption of Intangibles.** Assignee hereby accepts the assignment of the Intangibles subject to the terms and conditions hereof.

4. **Counterparts.** This Assignment may be executed in one or more multiple counterparts, all of which, when taken together shall constitute one and the same instrument.

5. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of Rhode Island.

6. **Partial Invalidity.** The provisions hereof shall be deemed independent and severable, and the invalidity or enforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment on the date first above written.

**ASSIGNOR:**

VENTAS REALTY, LIMITED PARTNERSHIP,  
a Delaware limited partnership

By: Ventas, Inc., a Delaware corporation, its  
general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

100 WAMPANOAG TRAIL, LLC, a Delaware  
limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT G**

**MECHANICS LIENS AND PARTIES IN POSSESSION**

**FIRST AMERICAN TITLE INSURANCE COMPANY  
NO-LIEN & PARTIES IN POSSESSION STATEMENT/INDEMNITY**

File No. \_\_\_\_\_

The undersigned states says as follows:

1. The undersigned is the owner of that certain facility commonly known as Chestnut Terrace Nursing and Rehabilitation Center located at 100 Wampanoag Trail, East Providence, Rhode Island (the "**Facility**").
2. The undersigned hereby indemnifies and agrees to hold the Company harmless for any loss or damage sustained by the Company under its policy of title insurance on the above-referenced Facility as a result of any lien for work performed by or on behalf of the undersigned or materials supplied to the undersigned in connection with any construction, alteration, repair, or improvement of the Facility.
3. To the actual knowledge of the undersigned, there are no present tenants, lessees or other parties in possession of said Facility, except for Kindred Healthcare, Inc. and Kindred Healthcare Operating, Inc. (collectively, "**Operator**"), and certain other individual residents of the Facility occupying rooms under existing residency agreements with Operator.

The undersigned make this statement/indemnity for the purposes of inducing third parties to purchase or lease the premises, and/or for the purpose of inducing third party lenders to grant a mortgage on said premises, and for the purpose of inducing the Company to issue a policy (policies) of title insurance.

VENTAS REALTY, LIMITED PARTNERSHIP,  
a Delaware limited partnership

By: Ventas, Inc., a Delaware corporation, its  
general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OPERATIONS TRANSFER AGREEMENT**

**By and Between**

**KINDRED NURSING CENTERS EAST, L.L.C.**

**100 WAMPANOAG TRAIL OPERATING COMPANY, LLC**

**KINDRED HEALTHCARE OPERATING, INC.**  
**(solely for purposes of Sections 17.3 and 18.9 herein)**

**AND**

**100 WAMPANOAG TRAIL, LLC**  
**(solely for purposes of Section 18.10 herein)**

**Dated February 14, 2013**



11.1. Accounts Receivable.....	17
11.2. Receipts by New Operator.....	17
11.3. Receipts by Kindred.....	17
11.4. Other Receipts.....	17
11.5. Accounting for Accounts Receivable .....	18
ARTICLE XII REPRESENTATIONS AND WARRANTIES.....	19
12.1. Kindred's Representations.....	19
12.2. New Operator's Representations.....	20
ARTICLE XIII INTERIM OPERATIONS AND UNDERTAKINGS.....	22
13.1. Conduct of Business Pending Closing.....	22
13.2. Prohibited Actions Pending Closing.....	22
13.3. Access .....	23
13.4. Other Undertakings.....	24
13.5. Notice by Kindred of Certain Events.....	24
ARTICLE XIV CONDITIONS PRECEDENT.....	24
14.1. Conditions Precedent to New Operator's Obligations .....	24
14.2. Conditions Precedent to Kindred's Obligations .....	25
14.3. Waiver of Conditions Precedent.....	25
ARTICLE XV DELIVERIES AT CLOSING.....	25
15.1. Kindred's Deliveries.....	25
15.2. New Operator's Deliveries.....	26
ARTICLE XVI TERMINATION.....	27
16.1. Termination of the Agreement.....	27
ARTICLE XVII FURTHER ASSURANCES; COVENANTS.....	27
17.1. Further Assurances.....	27
17.2. New Operator Covenants.....	28
17.3. Access to the Records.....	28
ARTICLE XVIII INDEMNIFICATION.....	28
18.1. Indemnification by Kindred.....	28
18.2. Indemnification by New Operator .....	29
18.3. Period of Indemnity .....	30
18.4. Notice to the Indemnifying Party.....	30
18.5. Non-Third Party Claims.....	30

18.6.	Third Party Claims .....	30
18.7.	Reimbursement .....	31
18.8.	Exclusive Remedy .....	31
18.9	Kindred Warranty .....	30
18.10	New Operator Guaranty .....	31
ARTICLE XIX MISCELLANEOUS .....		32
19.1.	Effectiveness .....	32
19.2.	Brokerage .....	32
19.3.	Complete Understanding .....	32
19.4.	Waiver .....	32
19.5.	Applicable Law .....	32
19.6.	Notices .....	32
19.7.	Waiver of Jury Trial .....	33
19.8.	Construction .....	33
19.9.	Schedules; Exhibits .....	33
19.10.	Severability .....	34
19.11.	Third Party Beneficiaries .....	34
19.12.	Counterparts .....	34
19.13.	Electronic Signatures .....	34
19.14.	Construction .....	34
19.15.	Headings .....	34
19.16.	Assignment; No Beneficiaries .....	34
19.17.	Publicity .....	34
19.18.	Confidentiality .....	35

**EXHIBITS**

Exhibit A	Purchase Price; Allocation
Exhibit B	Form of Bill of Sale
Exhibit C	Tangible Personal Property
Exhibit D	Inventory
Exhibit E	Intangible Property
Exhibit F	Excluded Computer Related Items
Exhibit G	Assumed Kindred Contracts
Exhibit H	Form of Assignment and Assumption Agreement
Exhibit I	Employees
Exhibit J	Kindred's A/Rs
Exhibit K	Required Permits
Exhibit L	Actions
Exhibit M	Resident Roll

## OPERATIONS TRANSFER AGREEMENT

THIS OPERATIONS TRANSFER AGREEMENT (this "*Agreement*") is made and entered into as of the 14th day of February, 2013 by and between Kindred Nursing Centers East, LLC, a Delaware limited liability company ("*Kindred*"), and 100 Wampanoag Trail Operating Company, LLC, a Delaware limited liability company ("*New Operator*"). Kindred Healthcare Operating, Inc., a Delaware corporation ("*Guarantor*"), joins this Agreement solely for the purpose of agreeing to be bound by Sections 17.3 and 18.9 herein and 100 Wampanoag Trail, LLC, a Delaware limited liability company ("*PA Guarantor*") joins this Agreement solely for the purpose of agreeing to be bound by Section 18.10 herein.

### RECITALS

A. Kindred is the lessee and licensed operator of that certain fifty-eight bed skilled nursing facility located at 100 Wampanoag Trail, Riverside, Road Island 02915 and commonly known as "Chestnut Terrace Nursing and Rehabilitation Center (the "*Facility*").

B. Kindred leases the Facility from Ventas Realty, Limited Partnership, a Delaware limited partnership (the "*Owner*") pursuant to that certain Amended and Restated Master Lease Agreement No. 2 dated as of April 27, 2007, as subsequently amended (the "*Lease*").

C. The Lease expires by its terms on April 30, 2013.

D. At the Effective Time, New Operator's Affiliate, 100 Wampanoag Trail, LLC, is acquiring the Facility from the Owner pursuant to a Purchase and Sale Agreement (the "*Purchase and Sale Agreement*") dated November 28, 2012.

E. New Operator desires to purchase the Assets of the Facility from Kindred, assume operational responsibility for the Facility and make agreements with Kindred to facilitate a smooth transition relating to the operation of the Facility, all on the terms and conditions set forth herein (the "*Transaction*").

NOW, THEREFORE, in consideration of the foregoing and the respective promises, representations, warranties and covenants herein contained, the parties hereto, intending to be legally bound hereby, do agree as follows:

### ARTICLE I DEFINITIONS

1.1. **Definitions.** For purposes of this Agreement the following terms shall have the meanings ascribed below:

"*Affiliate*" shall mean with respect to any Person, any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

"*Agreed Amount Notice*" shall have the meaning set forth in Section 18.5.

**"Agreement"** shall mean this Operations Transfer Agreement including all Exhibits and Schedules attached hereto or referred to herein.

**"Approvals"** shall have the meaning set forth in Section 4.1(d).

**"Assets"** shall have the meaning set forth in Section 4.1.

**"Assignment and Assumption Agreement"** shall have the meaning set forth in Section 5.1.

**"Assumed Obligations"** shall have the meaning set forth in Section 5.1.

**"Assumed Kindred Contracts"** shall have the meaning set forth in Section 5.1.

**"Bill of Sale"** shall have the meaning set forth in Section 4.1.

**"Business"** shall have the meaning set forth in Section 2.1.

**"Business Day"** shall mean any day other than a Saturday or Sunday, or other day recognized as a holiday by the U.S. Government.

**"Cash"** shall mean all cash and bank deposits, investments in so-called "money market" funds, certificates of deposit, treasury bills and any accrued interest thereon excluding any Resident Trust Funds.

**"Claim"** shall have the meaning set forth in Section 18.4.

**"Closing"** shall mean the settlement of the conveyance of the Assets under this Agreement.

**"Closing Date"** shall mean the day of the Closing.

**"CMS"** shall mean the Centers for Medicare and Medicaid Services.

**"COBRA"** shall have the meaning set forth in Section 10.1(c).

**"Consents"** shall mean, collectively, consents, approvals, licenses, permits, orders or authorizations.

**"Contract"** shall mean any contract, lease, license, indenture, agreement, commitment or other legally binding arrangement to which Kindred is a party or by which any of its properties or assets is or are bound, including the Kindred Contracts and the Resident occupancy agreements.

**"Damages"** shall have the meaning set forth in Section 18.1.

**"Defense Notice"** shall have the meaning set forth in Section 18.6(a).

**"Effective Time"** shall mean 12:00:01 a.m. Eastern Time on the day after the Closing Date.

**"Employee Plan"** shall mean any "employee benefit plans," as defined in Section 3(3) of ERISA, and any other bonus, pension, incentive, welfare, profit sharing, retirement, disability, paid time off, severance, hospitalization, insurance, incentive, deferred compensation, compensation, fringe benefit or other employee benefit plans, funds, trusts, programs and agreements as of the date hereof.

**"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

**"Excluded Assets"** shall have the meaning set forth in Section 4.2.

**"Facility"** shall have the meaning set forth in Paragraph A of the Recitals.

**"Guarantor"** shall have the meaning set forth in the Preamble.

**"Governmental Authority"** shall mean any Federal, state, local or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental or quasi-governmental authority or instrumentality, domestic or foreign.

**"Health Care Law"** shall mean the False Claims Act, 31, U.S.C. Section 3729 et seq. as amended, and 42 USC Section 1320a-7k(d), 42 U.S.C. 1320a-7a(a), Section 1128B(b) of the Social Security Act, as amended, 42 USC Section 1320a 7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the "Federal Anti-Kickback Statute," Section 1877 of the Social Security Act, as amended, 42 USC Section 1395nn and related regulations (Prohibition Against Certain Referrals), commonly referred to as "Stark Law", 42 USC Section 1320a-7a(a)(5), and HIPAA.

**"HIPAA"** shall mean Public Law 104-191 of August 21, 1996, known as the Health Insurance Portability and Accountability Act of 1996, as amended by the HITECH Act of the American Recovery and Reinvestment Act of 2009 and its implementing regulations, including without limitation, the Standards for Electronic Transaction and Code Set (45 CFR Parts 160 and 162), the Standards for Privacy of Individually Identifiable Health Information (45 CFR Parts 160 and 164), the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Parts 160 and 164) and such other regulations that may, from time to time, be promulgated thereunder.

**"Hired Employees"** shall have the meaning set forth in Section 10.1(a).

**"Indemnified Party"** shall have the meaning set forth in Section 18.4.

**"Indemnifying Party"** shall have the meaning set forth in Section 18.4.

**"Indemnity Claim Notice"** shall have the meaning set forth in Section 18.4.

**"Inventory"** shall have the meaning set forth in Section 4.1(b).

**"Intangible Property"** shall have the meaning set forth in Section 4.1(e)

**"Kindred's A/Rs"** shall have the meaning set forth in Section 11.1.

**"Kindred Contracts"** shall have the meaning set forth in Section 3.3(b).

**"Kindred's Medicare Provider Agreements"** shall have the meaning set forth in Section 7.1.

**"Knowledge"** shall mean "actual knowledge" after reasonable investigation by Kindred or New Operator, as applicable, or an individual, employee, director, officer or manager thereof who would be expected to have knowledge of the matter in question. A Person will be deemed to have "actual knowledge" of a particular fact or matter if such Person is actually aware of such fact or matter or (b) a prudent individual could be expected to discover or otherwise become aware of such fact or matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter.

**"Law"** shall mean any law (including decisional law), statute, regulation, code, ordinance or interpretation of any Federal, state or local agency, government, authority, commission, board, bureau, administrative or other entity or body, including without limitation, any Program participation or certification requirement and any health care Law.

**"Lease"** shall have the meaning set forth in Paragraph B of the Recitals.

**"Licensure Approvals"** shall have the meaning set forth in Section 8.1.

**"Net Adjustment Amount"** shall have the meaning set forth in Section 3.3.

**"New Operator's A/Rs"** shall have the meaning set forth in Section 11.1.

**"Non-Third Party Claim"** shall have the meaning set forth in Section 18.4.

**"Obligations"** shall mean any claim, debt, liability, judgment, commitment or obligation of any nature, whether secured, recourse, nonrecourse, liquidated, unliquidated, accrued, absolute, fixed, contingent, ascertained, unascertained, known, unknown or otherwise.

**"Owner"** shall have the meaning set forth in Paragraph B of the Recitals.

**"PA Guarantor"** shall have the meaning set forth in the Preamble.

**"Person"** shall mean a natural person, a trustee, and any form of legal entity, including without limitation general partnerships, limited partnerships, limited liability companies, and corporations.

**"Purchase Price"** shall have the meaning set forth in Section 3.1.

**"Purchase and Sale Agreement"** shall have the meaning set forth in Recital D.

**"Records"** shall have the meaning set forth in Section 4.1(c).

**"Required Permits"** shall have the meaning set forth in Section 12.1(e).

**"Resident"** shall mean an individual living and residing in either of the Facility pursuant to a resident occupancy agreement.

**"Resident Trust Funds"** shall have the meaning set forth in Section 9.1.

**"Response Notice"** shall have the meaning set forth in Section 18.5.

**"Tangible Personal Property"** shall have the meaning set forth in Section 4.1(a).

**"Tax"** or **"Taxes"** shall mean all Federal, state, local, foreign and other taxes, assessments, duties or similar charges of any kind whatsoever, including all corporate franchise, income, sales, use, ad valorem, receipts, value added, profits, license, withholding, payroll, employment, excise, property, net worth, capital gains, transfer, stamp, documentary, social security, payroll, environmental, alternative minimum, occupation, recapture, unclaimed property and other taxes, and including any interest, penalties and additions imposed with respect to such amounts.

**"Third Party Claim"** shall have the meaning set forth in Section 18.4.

**"Transaction"** shall have the meaning set forth in Paragraph E of the Recitals.

**"WARN Act"** shall have the meaning set forth in Section 10.1(b).

**"Warranties"** shall have the meaning set forth in Section 4.1(f).

## ARTICLE II SALE AND PURCHASE OF ASSETS

2.1. **Agreement to Sell and Purchase.** Subject to the terms and conditions of this Agreement and in consideration of the Purchase Price, on the Closing Date, Kindred shall sell, transfer, convey and assign to New Operator and New Operator shall purchase from Kindred, all of the Assets (as defined below), other than the Excluded Assets (as defined below), used or held for use by or on behalf of Kindred in the skilled nursing business currently being conducted by Kindred at the Facility (the **"Business"**), free and clear of any and all liens, claims, charges, pledges, security interests or other encumbrances of any kind or nature whatsoever. New Operator acknowledges and agrees that, except as otherwise set forth in this Agreement, all of the Assets shall be transferred to it by Kindred on an "AS-IS-WHERE-IS" "WITH ALL FAULTS" basis. Except as otherwise set forth in this Agreement, Kindred is not providing any representation, warranty, guaranty or indemnification, either express or implied, to New Operator with respect to (i) the physical condition, repair or disrepair (whether patent or latent) of either of the Facility, the Tangible Personal Property or the Inventory, (ii) the value, profitability or marketability of the Assets, the Facility, or the Business, (iii) environmental or zoning matters at either of the Facility, or (iv) the Lease. Kindred shall not have any obligation to deliver the Assets to any location other than the Facility, it being understood that the presence of the Assets at the Facility on the Closing Date shall constitute delivery thereof.

**ARTICLE III**  
**PURCHASE PRICE; ALLOCATION; RECORDATION COSTS; PRORATIONS**

**3.1. Purchase Price.** At the Closing, New Operator shall pay to Kindred the purchase price for the Assets as set forth on **Exhibit A** (the "**Purchase Price**") by wired funds received by Kindred at or before 2:00 p.m., Eastern Standard Time, on the Closing Date in accordance with written wiring instructions provided to New Operator by Kindred.

**3.2. Taxes; Fees.** New Operator shall be responsible for and pay any sales, use, transfer and comparable Taxes imposed on or arising out of the transfer of the Assets to New Operator hereunder, its legal, consultant and other advisory fees and expenses and the Net Adjustment Amount (as defined below), if any, to be paid to Kindred. Kindred shall be responsible for and pay its legal, consultant and other advisory fees and expenses and the Net Adjustment Amount, if any, to be paid to New Operator.

**3.3. Prorations.** In addition to any other customary items agreed upon by the parties, the following items shall be separately apportioned and adjusted between Kindred and New Operator as of 11:59 p.m. on the date immediately prior to the Closing Date, with the net amount (the "**Net Adjustment Amount**") shown to be payable to Kindred, or to New Operator, as the case may be, to be paid at the Closing, by certified or bank cashiers' check or wire transfer:

(a) Water, gas, electric, telephone and other utility charges, and sewer and waste water charges, shall be adjusted as of the Closing Date. If there are meters measuring the consumption of any utility or other service to the Facility, then Kindred shall use commercially reasonable efforts to cause the meters to be read and obtain final cut-off readings not more than one (1) day before the Closing Date. For metered service, Kindred shall pay the utility bills for services rendered prior to the readings. If for any reason any metered utility is read more than one (1) day before the Closing Date, Kindred and New Operator shall prorate such utility charges following the Closing Date as provided in Section 3.3(e).

(b) Kindred and New Operator shall prorate any amounts paid by Kindred under the Assumed Kindred Contracts through the Closing Date that related in whole or in part to periods after the Closing Date, and all other Contracts to which Kindred is a party ("**Kindred Contracts**") shall otherwise be terminated or retained by Kindred as described in Section 5.1. For sake of clarity, Kindred shall be solely responsible for and shall pay all amounts under the Assumed Kindred Contracts for services or goods provided on or prior to the Closing Date. For services or goods provided on and after the Effective Time, New Operator shall be solely responsible for and shall pay all amounts under the Assumed Kindred Contracts. For the avoidance of doubt, nothing contained in this Section 3.3(b) is intended to limit in any respect New Operator's duty to assume, perform and discharge the Assumed Obligations. Kindred and New Operator shall prorate any amounts paid by New Operator under the Assumed Kindred Contracts after the Effective Time that relate in whole or in part to periods on or prior to the Closing Date.

(c) Rent/Residents' Occupancy Fees.

(i) Any rent or Residents' occupancy fees accrued for any period ending on or before the Closing Date (1) which are paid to Kindred before Closing shall be retained by Kindred, or (2) which are due but unpaid as of Closing shall not be adjusted between Kindred and New Operator, and Kindred shall bear and retain the risk of collection with respect to such amounts. Any rent or Resident's occupancy fees paid to Kindred on or prior to the Closing Date for periods on or after the Effective Time shall be prorated at Closing. After the Closing Date, Kindred shall have the right, and any agent or representative retained by Kindred shall have the right on behalf of Kindred, to engage in any commercially reasonable collection activities with respect to any such unpaid rent or fees. If, after the Closing Date, New Operator is paid any such rent or fees, New Operator shall promptly remit such rent or fees to Kindred.

(ii) At Closing, or within two (2) Business Days thereafter, Kindred shall deliver to New Operator a schedule of any and all unpaid rent or Residents' occupancy fees accrued before Closing, and shall by such delivery be deemed to have warranted to New Operator the truth, completeness and accuracy of such schedule, which warranty shall survive Closing.

(d) Real estate taxes (however entitled or designated) on the basis of the fiscal year for which assessed, and if the tax rate or assessment for that year have not yet been fixed, such adjustment shall be made on the basis of the unabated taxes for the prior fiscal year, subject to readjustment when such rate and/or assessment has been fixed. If the taxes to be apportioned shall thereafter be reduced by abatement, the amount of that abatement (less the reasonable fees and expenses attributable thereto) shall be apportioned between Kindred and New Operator in the same proportions as said taxes as soon as the amounts become known.

(e) New Operator and Kindred shall cooperate to produce prior to Closing a schedule of prorations to be made under this Section 3.3 at Closing as complete and accurate as reasonably possible. All prorations which can be accurately or reasonably estimated as of Closing shall be made at Closing. All other prorations, and adjustments to initial estimated prorations, shall be made by the parties with due diligence and cooperation within thirty (30) days following Closing, or such later time as may be required to obtain necessary information for proration, by immediate cash payment to the party yielding a net credit from such prorations from the other party.

**3.4. Allocation of Purchase Price.** Kindred and New Operator agree to allocate the Purchase Price (and all other relevant amounts) among the Assets in accordance with the provisions of Section 1060 of the Internal Revenue Code of 1986, as amended (the "*Code*"). **Exhibit A** sets forth an agreed good faith allocation of the Purchase Price with respect to the Assets of the Facility. Kindred and New Operator shall use such allocation in satisfying any and all reporting requirements of the Internal Revenue Service (the "*IRS*") and any state, local, or other taxing authority. New Operator and Kindred also each agree to file IRS Form 8594 in accordance with Section 1060 of the Code.

**ARTICLE IV  
ASSETS AND EXCLUDED ASSETS**

4.1. **Assets.** The assets to be purchased by New Operator at the Closing pursuant to a Bill of Sale in substantially the form of **Exhibit B** attached hereto (the "**Bill of Sale**"), and the other instruments of transfer, conveyance and assignment described herein, shall be all right, title and interest in and to all of the assets (excluding the Excluded Assets) that Kindred possesses and used in the operation of the Facility (collectively, the "**Assets**") including but not limited to:

(a) All medical apparatus, furniture, fixtures, equipment, vehicles and other items of tangible personal property used or held for use by or on behalf of Kindred in the operation of the Business, including without limitation the items set forth on the fixed asset schedule attached hereto as **Exhibit C** (the "**Tangible Personal Property**").

(b) All consumable inventories of every kind and nature whatsoever, including, but not limited to, all medical supplies, non-prescription drugs or medical equipment, office supplies, maintenance and housekeeping supplies, dietary supplies, foodstuffs, linens and laundry supplies which are located at the Facility on the Closing Date, as described on **Exhibit D** attached hereto (collectively, the "**Inventory**").

(c) All files, charts, and other Resident information in Kindred's possession or control relating to all Residents occupying or using the Facility on the Closing Date (including, but not limited to, all patient records, medical records, therapy records, pharmacy records, clinical records, financial and accounting records, and Resident Trust Funds records), maintenance records, property condition reports, surveys, appraisals, blue prints, employment records for the Hired Employees (including all medical and health records and all non-medical records including evaluations, etc.), administrative compliance records, including, but not limited to, all state surveys and plans of correction, and correspondence and any other written data which was utilized in connection with the operation of the Facility or the Business (collectively, the "**Records**"). To the extent that any Records have been removed from the Facility, such Records shall be made available to New Operator at a convenient location or returned to the Facility prior to the Closing. Any deliveries made by Kindred to New Operator shall be made in full compliance with all applicable Laws, including, but not limited to, HIPAA.

(d) All assignable or transferable licenses, certificates of need, authorizations, approvals, provider numbers, provider agreements, certifications, waivers with respect to code or other legal violations, and permits issued by any Governmental Authority relating to the operation, ownership, use, occupancy or maintenance of the Facility (collectively, the "**Approvals**").

(e) All assignable or transferable intangible property, benefits, and privileges relating or pertaining to the Facility and the Business, including all of Kindred's right, title and interest in and to all utility agreements, construction, equipment, and other indemnities, product liability claims against third parties, and the trademarks, service marks, tradenames, and domain names (URLs) that relate exclusively to the Facility that are listed on **Exhibit E** attached hereto (provided, however, that nothing contained herein shall be deemed to confer

any right, license, or ability to use the names "Kindred" or "RehabCare" or any of the Excluded Assets), applications, development rights and approvals, permits, approvals, plans, drawings, specifications, surveys, maps, engineering reports, assignable insurance proceeds, and all other intangible rights used primarily in connection with the ownership or operation of the Facility or the Business (collectively, the "*Intangible Property*").

(f) All assignable or transferable warranties and guaranties presently in effect from contractors, suppliers or manufacturers of personal property installed in or used in connection with the Assets or any work performed or improvements included as a part of the Assets attached hereto (collectively, the "*Warranties*").

(g) All Assumed Kindred Contracts.

(h) All telephone and telecopier numbers, telephone directory listings and advertisements used in or at the Facility.

(i) All assignable or transferable goodwill relating to or arising in connection with the ownership or operation of the Facility or the Business, including without limitation lists of Residents and suppliers, correspondence, purchase orders, market surveys, and mailing lists; provided, however, that this does not include any goodwill associated with the "Kindred" name or any other Excluded Assets.

(j) All deposits, trade accounts receivable, reimbursements, third party payor funds and other amounts due with respect to the period after the Closing Date.

(k) All Resident Trust Funds.

(l) All claims, causes of action and other legal rights and remedies of Kindred, but not Kindred's Obligations, whether or not known as of the Closing Date, relating to or in connection with (i) Kindred's ownership of the Assets, or (ii) the operation of the Facility or the Business that are reasonably necessary to preserve or obtain for the benefit of New Operator full rights to the Assets, but excluding causes of action and other legal rights and remedies of Kindred (A) against New Operator with respect to the transactions contemplated by this Agreement, (B) relating exclusively to the Excluded Assets, or (C) relating to any of Kindred's Obligations with respect to any claim, cause of action or proceeding brought following the Closing Date by any Person which relates to any event or occurrence on or before the Closing Date.

**4.2. Excluded Assets.** Notwithstanding anything contained in this Agreement to the contrary, it is expressly agreed that the Assets shall not include, Kindred shall retain and not sell, transfer or convey, and New Operator shall not acquire the following rights or assets (the "*Excluded Assets*"):

(a) All Cash and all cash-like assets, excluding all Resident Trust Funds, as of the Closing Date.

(b) All deposits, trade accounts receivable, reimbursements, third party payor funds and other amounts due from any party to Kindred with respect to the period ending on

or before the Closing Date; thereafter, except as otherwise may be provided herein, all such accounts receivable or other amounts shall not be deemed Excluded Assets.

(c) All (i) minute books, charter documents, record books, and other books and records pertaining to the organization, existence or capitalization of Kindred, including, for the avoidance of doubt, all financial, accounting and tax records of or relating to Kindred, and (ii) records regarding pending or threatened litigation, proceedings or investigations by or before any Governmental Authority; provided that Kindred shall permit New Operator to copy of all records described in this sub-section (ii) at New Operator's expense and upon reasonable prior written notice to Kindred.

(d) All books and records relating to any Excluded Assets.

(e) All assets transferred or otherwise disposed of by Kindred in the ordinary course of business and in accordance with this Agreement prior to the Closing Date.

(f) All prepaid assets or refunds or credits of Taxes, as of the Closing Date.

(g) All files, charts, and other information relating to all Residents who previously occupied or used the Facility prior to the Closing Date and who are not Residents of the Facility on the Closing Date (including, but not limited to, all patient records, medical records, therapy records, pharmacy records, clinical records, financial and accounting records, and Resident Trust Funds records).

(h) All Kindred Contracts which are not Assumed Kindred Contracts.

(i) All computer hard drives used in the computer equipment at or with respect to the Facility, together with the computer equipment and software listed on Exhibit F attached hereto.

(j) All policy and procedure manuals and similar documents including, without limitation, all compliance plan materials.

(k) All tradenames, trademarks, service marks, domain names (URLs) and websites owned by Kindred or its Affiliates (which are not expressly identified on Exhibit E as part of the Assets), including, without limitation, any use of the names "Kindred" or "RehabCare", in whole or in part, or any derivation thereof, and all references to any of the foregoing on social media channels (including, without limitation, Facebook, Twitter and YouTube) associated with the Facility or Kindred or its Affiliates; provided, however, that Kindred will grant to New Operator a limited license to use the domain name (URL) specifically associated with the Facility, which otherwise constitutes an Excluded Asset, for a period of thirty (30) days after the Closing Date.

(l) The items of personal property brought to the Facility by employees of Kindred or Kindred that are not used or held for use with the Business and the operation of the Facility.

**ARTICLE V  
ASSUMED OBLIGATIONS**

5.1. **Assumed Kindred Contracts.** Set forth on **Exhibit G** is a list of the vendor, lease, service, employee non-competition and other Contracts that Kindred shall assign to New Operator at Closing and New Operator shall assume at the Closing (the "***Assumed Kindred Contracts***") pursuant to an Assignment and Assumption Agreement in substantially the form of **Exhibit H** attached hereto (the "***Assignment and Assumption Agreement***"). New Operator shall be required to deliver **Exhibit G** to Kindred no less than forty (40) days prior to the Closing Date. Kindred shall not terminate any such Assumed Kindred Contracts without the consent of New Operator. To the extent that any Consent is needed to assign any of the Assumed Kindred Contracts to New Operator, Kindred and New Operator shall use their collective best efforts to obtain such Consent. New Operator shall pay any fees or similar costs necessary to obtain any such consent, excluding any cure costs, which shall be the sole responsibility of Kindred. If such Consent has not been obtained on or prior to the Closing Date and the Closing occurs, this Agreement shall not constitute an assignment or attempted assignment thereof if such assignment or attempted assignment would constitute a breach thereof and no Obligations under such Assumed Kindred Contract shall be assumed by New Operator. New Operator shall assume and undertake to perform any and all obligations under the Assumed Kindred Contracts assigned to it as aforesaid only with respect to Obligations arising after the Closing Date (the "***Assumed Obligations***"). Kindred shall remove (or cause to be removed) from the Facility any machinery or equipment which is subject to the Kindred Contracts which are not Assumed Kindred Contracts.

**ARTICLE VI  
CLOSING**

6.1. **Closing.** Unless otherwise agreed to by Kindred and New Operator, the Closing shall take place on the last day of the calendar month in which all of the conditions set forth in Article XIV are fully satisfied (subject to Section 14.3), at such place as may be mutually agreed upon by the parties hereto. The transactions contemplated herein shall occur on the Closing Date and shall be deemed effective as of the Effective Time.

**ARTICLE VII  
MEDICARE PROVIDER AGREEMENTS**

7.1. **Kindred's Medicare Provider Agreements.** New Operator shall assume any and all of Kindred's rights and interests in and to Kindred's Medicare provider numbers and Medicare provider reimbursement agreements with respect to the Facility (together "***Kindred's Medicare Provider Agreements***") and shall bill Medicare under such provider numbers for services rendered by New Operator after the Closing Date. Kindred agrees to cooperate with New Operator in the assignment of Kindred's Medicare Provider Agreements to New Operator, including completing those portions of Form 855A which confirm the change of ownership of the Facility and the assignment by Kindred of Kindred's Medicare Provider Agreements to New Operator and providing to New Operator or any Governmental Authority any information requested to effect the transfer of Kindred's Medicare provider numbers. New Operator expressly does not assume, and the assumption by New Operator of the Kindred's Medicare

Provider Agreements shall not be construed to impose upon New Operator, any Obligations under Kindred's Medicare Provider Agreements arising with respect to occurrences during the period on or before the Closing Date and Kindred shall be responsible for the payment of any recoupments, fines, penalties, or fees for any unsettled Medicare fiscal periods on or before the Closing Date.

## ARTICLE VIII CHANGE OF OWNERSHIP OF THE FACILITY

**8.1. Licensure Approvals.** New Operator will file within fifteen (15) days following the date hereof, all applications and other documents required by the State of Rhode Island for the issuance, or transfer to New Operator from Kindred, of all licenses and permits necessary to operate the Facility under the laws of the State of Rhode Island, which shall include at a minimum the items comprising the Required Permits as defined in Section 12.1(e) (the "*Licensure Approvals*"). Kindred hereby agrees to cooperate with New Operator in obtaining the Licensure Approvals. New Operator shall, from time to time, upon request of Kindred, advise Kindred of the status of New Operator's efforts to secure the Licensure Approvals. New Operator shall be responsible for all filing fees and other costs associated with such applications.

**8.2. Cooperation in Transition of the Business.** Kindred and New Operator shall cooperate with each other to effectuate a smooth and orderly transition of the operation of the Facility and the Business.

**8.3. Cost Reports.**

(a) Kindred shall prepare and file with the appropriate Medicare and Medicaid agencies its final cost reports in respect to its operation of the Facility as soon as reasonably practicable after the Closing Date, but in no event later than the date on which such final cost reports are required to be filed by Law under the terms of the Medicare and Medicaid Programs, and will provide the appropriate Medicare and Medicaid agencies with any information needed to support claims for reimbursement made by Kindred either in said final cost report or in any cost reports filed for prior cost reporting periods, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursement paid to New Operator after it becomes the licensed operator of the Facility is not reduced or offset in any manner as a result of Kindred's failure to timely file, or filing inaccurate or incomplete, final cost reports or supporting documentation with respect to any past reimbursement claims, including, but not limited to, those included in the final cost reports. Kindred shall promptly provide New Operator with copies of such reports and supporting documentation.

(b) Kindred and New Operator shall each notify the other respective party within five (5) Business Days of receipt of any notice from any third party payor of adverse audit adjustments, overpayment, recoupment, fine, penalty, late charge or assessment associated with the Facility accruing for any period prior to the Closing Date. Kindred hereby agrees to appeal and diligently prosecute, at the sole expense of Kindred, any Medicare or Medicaid claims audit, cost report audit, overpayment, recoupment, fines, penalties, late charges and assessment accruing for any period prior to the Closing Date which adversely

affects in any material respects New Operator's Medicare or Medicaid future reimbursement rates. New Operator shall have the right to participate in any such appeal and approve any settlement with respect to such claim, audit, cost report audit, overpayment, recoupment, fines, penalties, late charge or assessment. New Operator shall have the right to take over the prosecution of such appeal at its own cost. Kindred and New Operator shall each reasonably cooperate with the other respective party, with respect to any such matters, including but not limited to timely providing any requested documentation within the other party's possession or control. Kindred is not guarantying (i) the success of any such appeal or (ii) New Operator's failure to provide information and/or documents in its possession or under its control to process any such appeal.

(c) Both parties shall comply with all patient identity and information protection laws in providing information under this Article VIII.

(d) In the event that, following the Closing Date, New Operator suffers any offsets against reimbursement under any third-party payor or reimbursement programs owed to the New Operator, relating to amounts owing under any such program by Kindred or any of its affiliates for services rendered prior to the Closing Date, Kindred shall immediately upon written demand from the New Operator pay to New Operator the amounts so billed or offset, even if Kindred appeals the adverse claim. To the extent that Kindred is successful in any appeal of any adverse audit adjustments, overpayment, recoupment, fine, penalty, late charge or assessment by any third party payor accruing for any period prior to the Closing Date, and New Operator receives any monies from a third party payor or reimbursement program as a result of Kindred's successful appeal, New Operator agrees that it will promptly refund to Kindred any amounts previously paid by Kindred to New Operator for any reimbursement offsets in accordance with the preceding sentence.

## ARTICLE IX TRANSFER OF RESIDENT TRUST FUNDS

9.1. **Resident Trust Funds.** On the Closing Date, Kindred shall deliver to New Operator an accounting and inventory of (a) any and all sums which Kindred is holding, or are charged with holding, for or on account of the Residents of the Facility as of the Closing Date including without limitation any security or similar deposit, (b) any interest or payment in lieu of interest accruing before Closing on any such sums under the provisions of any occupancy agreement or instrument related thereto, or under applicable Law, for which Kindred is liable to the Residents and which has not been paid to the Residents before Closing, and (c) any and all property of the Residents being held by Kindred as of the Closing Date in trust for Residents (collectively, "***Resident Trust Funds***"), together with a schedule listing each such Resident, the amount of Cash being held by Kindred for or on account of such Resident, the personal property of such Resident being held in trust, the respective Resident occupancy agreement under which it is being held and the manner in which the amount thereof was calculated. On the Closing Date, Kindred shall transfer the Resident Trust Funds to New Operator and New Operator shall accept the same in trust for the Residents and following the Closing Date shall be solely accountable to the Residents for such transferred Resident Trust Funds in accordance with the terms of this Agreement, the Residents' occupancy agreements and applicable statutory and regulatory

requirements. New Operator shall have no responsibility to the applicable Resident or regulatory authority with respect to any Resident Trust Funds delivered by Kindred to New Operator for claims which arise from actions or omissions of Kindred with respect to the Resident Trust Funds relating to a period ending on or before the Closing Date. Kindred shall have no responsibility to the applicable Resident or regulatory authority with respect to any Resident Trust Funds delivered to New Operator for claims which arise from actions or omissions of New Operator with respect to the Resident Trust Funds occurring after the Closing Date. New Operator shall indemnify Kindred against any liability to any such Resident or other Person for any Resident Trust Funds delivered to New Operator, as aforesaid, and Kindred shall indemnify New Operator against any liability to any Resident for any Resident Trust Funds not delivered to New Operator, as aforesaid, each of which obligations shall survive the Closing.

## **ARTICLE X EMPLOYEES**

### **10.1. Hired Employees.**

(a) New Operator shall offer employment to at least the minimum number of employees of the Facility as of the Closing Date necessary to avoid creating any obligation under the WARN Act (defined below) or any applicable comparable state Law. A list of all such employees of Kindred working at or in connection with the Facility as of December 31, 2012 (including each employee's name, title, hours worked during the preceding twelve months, hire date, hourly rate or periodic salary, and accrued benefits), is attached as **Exhibit I** hereto. Kindred shall provide New Operator with an updated and current version of **Exhibit I** at least ten (10) Business Days, but no more than twenty (20) Business Days, prior to the Closing Date. All such employees electing to accept employment with New Operator are hereinafter referred to as the "***Hired Employees***". Nothing in this Agreement shall be interpreted to require New Operator to adopt any collective bargaining agreements, tentative agreements, or terms and conditions therein, entered into by Kindred, or any of its Affiliates, and any labor organization.

(b) Each of Kindred and New Operator acknowledge and agree that the provisions of Section 10.1(a) are designed to ensure that Kindred is not required to give notice to the employees of Kindred of the "closure" thereof under the Worker Adjustment and Retraining Notification Act of 1988, as amended (the "***WARN Act***") or under any comparable state Law applicable to such employees. Accordingly, New Operator shall indemnify, defend and hold harmless Kindred for, from and against any liability which it may incur under the WARN Act or under any applicable comparable state Law in the event of a violation by New Operator of its obligations thereunder, including a violation that results from allegations that New Operator constructively terminated employees of Kindred as a result of the terms and conditions of employment offered by New Operator. Nothing in this Article X shall, however, create any rights in favor of any person not a party hereto, including the employees of Kindred, or constitute an employment agreement or condition of employment for any employee of Kindred or any Affiliate thereof who is a Hired Employee.

(c) Kindred shall offer and provide, as appropriate, group health plan continuation coverage pursuant to the requirements of Section 601, et seq. of ERISA and

Section 4980B of the Code ("**COBRA**") to all of the employees of Kindred to whom it is required to offer the same under applicable Law. Kindred acknowledges and agrees that New Operator is not assuming any of Kindred's or its Affiliates' obligations to its employees under COBRA or otherwise.

## **10.2. Employees and Benefits.**

(a) As of the Closing Date, all Hired Employees shall cease to accrue benefits under the employee benefit plans, programs and policies of Kindred, and Kindred shall take all such action as may be necessary to effect such cessation. There shall be no transfer of assets or liabilities of such plans, programs and policies to New Operator or to any employee benefit plans of the New Operator with regard to the Hired Employees. Kindred shall retain all responsibility for, and New Operator shall have no obligation or responsibility for, any of such benefits, except as provided herein.

(b) Kindred shall retain and satisfy any and all responsibility for, and Kindred acknowledges that New Operator shall have no obligation or responsibility, except as expressly assumed by New Operator for any, liabilities or obligations relating to benefits under the Kindred employee benefit plans, programs and policies for (i) any Kindred employee who is not a Hired Employee and (ii) any Hired Employee for any period prior to such Hired Employee becoming an employee of the New Operator while such person was employed by Kindred or an Affiliate.

(c) Kindred shall pay the employees at the Facility on the Closing Date or on the first regular pay period after the Closing Date, whichever is required by Law, all earned paid time off, personal leave and vacation benefits which Kindred is required by Law to pay to the employees of the Facility as of the Closing Date.

## **ARTICLE XI ACCOUNTS RECEIVABLE**

**11.1. Accounts Receivable.** Kindred shall retain whatever right, title and interest it may have in and to all outstanding accounts receivable with respect to the Facility which relate to periods ending on or before the Closing Date, including, but not limited to, any accounts receivable arising from rate adjustments which relate to a period ending on or before the Closing Date even if such adjustments occur after the Closing Date ("**Kindred's A/Rs**"). Kindred acknowledges that New Operator owns all accounts receivable arising from services provided by or at the Facility after the Closing Date ("**New Operator's A/Rs**").

**11.2. Receipts by New Operator.** In furtherance and not in limitation of the requirements set forth in Section 11.1, payments received by New Operator on or after the Closing Date from third-party payors, including, but not limited to, Medicare, Medicaid, VA, managed care and health insurance, shall be handled as follows:

(a) If such payments either specifically indicate on the accompanying remittance advice, or if Kindred and New Operator agree that such payments relate to the period ending on or before the Closing Date, they shall be forwarded by New Operator to

Kindred, along with the applicable remittance advice, within thirty (30) days after receipt thereof; and

(b) If such payments indicate on the accompanying remittance advice, or if Kindred and New Operator agree that such payments relate to the period after the Closing Date, they shall be retained by New Operator.

**11.3. Receipts by Kindred.** Payments received by Kindred after the Closing Date from third-party payors, including, but not limited to, Medicare, Medicaid, VA, managed care and health insurance, shall be handled as follows:

(a) If such payments either specifically indicate on the accompanying remittance advice, or if Kindred and New Operator agree that such payments relate to the period after the Closing Date, they shall be forwarded by Kindred to New Operator, along with the applicable remittance advice, within thirty (30) days after receipt thereof; and

(b) If such payments indicate on the accompanying remittance advice, or if Kindred and New Operator agree that they relate to the period ending on or before the Closing Date, they shall be retained by Kindred.

**11.4. Other Receipts.** If the remittance advice indicates or the parties agree that any payment relates to periods both prior to or on and after the Closing Date, the party receiving the payment shall forward the amount relating to the other party's operation of the Business, along with the applicable remittance advice, within thirty (30) days after receipt thereof. If the remittance advice does not indicate the period to which a payment relates or whether it is for Kindred or New Operator, or if there is no accompanying remittance advice, or the payment is not otherwise identifiable using commercially reasonable efforts, and if the parties do not otherwise agree as to how to apply such payment, then 100% of such payments received within the first thirty (30) days after the Closing Date shall be deemed to have been collected in respect of Kindred's A/R due from the payee in respect of services provided on or prior to the Closing Date. All such payments received in excess of the amount of Kindred's A/R due from said payee and all such payments received after the thirtieth (30<sup>th</sup>) day after the Closing Date shall be deemed to have been collected in respect of New Operator's A/R from said payee. All such payments received by New Operator but which are deemed to be due Kindred under this Section 11.4 shall be forwarded by New Operator to Kindred within thirty (30) days after receipt thereof, and all such payments received by Kindred but which are deemed to be due New Operator under this Section 11.4 shall be forwarded by Kindred to New Operator within thirty (30) days after receipt thereof. All such payments received by Kindred which are deemed to have been collected in respect to Kindred's A/R shall be retained by Kindred and all such payments received by New Operator which are deemed to have been collected in respect to New Operator's A/R shall be retained by New Operator. New Operator shall pay to Kindred any and all reimbursements including retroactive rate adjustments, appeal settlements, and/or Cost Report settlements for all cost report periods with fiscal years ended prior to the Closing Date that it receives after the Closing Date.

**11.5. Accounting for Accounts Receivable.**

(a) Attached hereto as **Exhibit J** is a schedule of Kindred's A/Rs listing by Resident the amount due as of December 31, 2012. As soon as reasonably possible but not later than fifteen (15) Business Days after the Closing Date, Kindred shall provide New Operator with a schedule of Kindred's A/Rs listing by Resident the amounts due as of the Closing Date.

(b) For a period of three (3) months following the Closing Date or until Kindred receives payment of all accounts receivable attributable to the operation of the Facility on or before the Closing Date, whichever is sooner, New Operator shall provide Kindred (no less frequently than monthly) with (i) an accounting setting forth all amounts received by New Operator during the preceding month with respect to New Operator's A/Rs and Kindred's A/Rs using the same format of schedule as that provided by Kindred pursuant to Section 11.5(a), and (ii) copies of all remittance advices relating to such amounts received and any other reasonable supporting documentation as may be required for Kindred to determine the New Operator's A/Rs and the Kindred's A/Rs that have been paid. New Operator shall deliver such accounting to Kindred at the following address: 680 South Fourth Street, Louisville, Kentucky 40202, Attention: Douglas Curnutte.

(c) For a period of six (6) months following the Closing Date or until Kindred receives payment of all accounts receivable attributed to the operation of the Facility prior to the Closing Date, whichever is sooner, Kindred shall provide New Operator (no less frequently than monthly) with (i) an accounting setting forth all amounts received by Kindred with respect to New Operator's A/Rs and Kindred's A/Rs using the same type of schedule as that provided by Kindred pursuant to Section 11.5(a), and (ii) copies of all remittance advices relating to such amounts received and any other reasonable supporting documentation as may be required for New Operator to determine the New Operator's A/Rs and Kindred's A/Rs that have been paid. Kindred shall deliver such accounting to New Operator at the following address: c/o Post-Acute Partners, 641 Lexington Avenue, 31<sup>st</sup> Floor, New York, New York 10022, Attention: Bob Heyert.

(d) On two (2) occasions during the period of one (1) year following the Closing Date, New Operator and Kindred shall, upon reasonable notice and during normal business hours, have the right to inspect all cash receipts of the other party in order to confirm the other party's compliance with the obligations imposed on it under this Article XI. Notwithstanding the foregoing, if such information can be transmitted through electronic mail, then New Operator and Kindred may satisfy their obligations under this Section 11.5 in that manner.

## ARTICLE XII REPRESENTATIONS AND WARRANTIES

**12.1. Kindred's Representations.** To induce New Operator to enter into this Agreement, Kindred hereby represents and warrants to New Operator as of the date of this Agreement and re-states as of the Closing Date, as follows:

(a) **Organization.** Kindred was duly organized and is validly existing as a Delaware limited liability company. Kindred is in good standing in Rhode Island and is

qualified to do business and is in good standing in each of the states in which it owns property or does business. Kindred has full power and authority and possesses all material governmental approvals necessary to enable it to own, license, possess, lease or otherwise hold its properties and assets and to carry on the Business and to operate the Facility as presently conducted.

(b) **Authority.** Kindred has the full right, power and authority to execute this Agreement and to consummate the sale of the Assets and the other transactions contemplated by this Agreement. The execution and delivery by Kindred of this Agreement, and all of the documents and instruments required by this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by all requisite limited liability action on the part of Kindred. The Person executing this Agreement on behalf of Kindred is authorized to do so. This Agreement and, upon the execution and delivery thereof in accordance with this Agreement, each of the other documents and instruments required to be executed and delivered in connection herewith, have been duly executed and delivered by Kindred, and this Agreement constitutes the legal, valid and binding obligation of Kindred, enforceable against it in accordance with its terms. The execution and delivery by Kindred of this Agreement and the other documents contemplated hereby does not, and the consummation of the transactions contemplated by this Agreement and compliance by Kindred with the terms hereof, do not, and will not, conflict with, or result in any violation of or default under (with or without notice or lapse of time, or both), or result in the creation of any lien or encumbrance upon any of the assets or properties of Kindred under, any provision of (i) the organizational documents of Kindred, (ii) any Contract to which Kindred is a party or by which any of its assets or properties is bound, or (iii) any judgment, writ, order or decree or Law that is applicable to Kindred or its assets or properties, except in each case for any such conflict, violation or default that would not have a material adverse effect on the financial condition of the Business taken as a whole.

(c) **Title.** Kindred has good title to the Assets to be transferred by it to New Operator hereunder. At the Closing, such Assets will be free and clear of all liens and encumbrances.

(d) **Assets.** The Assets (together with the Excluded Assets) comprise substantially all the assets employed by Kindred in connection with the Facility and the Business. The Assets are sufficient to permit the conduct of the Business immediately following the Closing in substantially the same manner as currently conducted. All of the mechanical and electrical systems, heating and air conditioning systems, plumbing, water and sanitary disposal systems, and all other items of mechanical equipment or appliances shall be substantially in the same condition, state of working order and state of repair as on the date hereof, normal wear and tear excepted.

(e) **Approvals.** Set forth on **Exhibit K** attached hereto is a list of all material Approvals or Consents required to own, operate or use the Facility or to operate the Business ("**Required Permits**"). All Required Permits are in full force and effect and are not subject to any claim, default, condition, sanction, limitation or penalty. Kindred has delivered to New Operator true, correct and complete copies of the most recent Required Permits necessary or required for the occupancy and operation of the Facility and the Business.

(f) **Mechanic Liens.** To Kindred's Knowledge, no labor has been performed or materials furnished that could result in a materialman's or mechanic's lien filed against the Assets except as shall be fully paid or released prior to Closing.

(g) **Actions.** Except as set forth in **Exhibit L**, as of the date hereof, there are no actions, suits or legal or administrative proceedings or investigations pending against Kindred, the Business or the Facility that would invalidate or materially and adversely affect this Agreement or the consummation of the transactions contemplated hereunder, and to Kindred's Knowledge, no such actions, suits or administrative proceedings or investigations are contemplated or threatened against Kindred, nor, to Kindred's Knowledge, does any basis exist for any such action or for any such governmental investigations.

(h) **Resident Roll.** The Resident roll attached hereto as **Exhibit M** is a complete and accurate schedule of all the Residents as of December 31, 2012. Kindred shall provide New Operator with an updated and current version of **Exhibit M** at least ten (10) Business Days, but no more than twenty (20) Business Days, prior to the Closing Date. Kindred has not accepted any advance payment of more than thirty (30) days from any Resident.

(i) **Assumed Kindred Contracts.** Kindred has complied with and performed all of its Obligations required to be performed under all Assumed Kindred Contracts (whether as an original party or as an assignee or successor) as of the date hereof, and is not in default under any Assumed Kindred Contract; and no event has occurred which, with or without the giving of notice, lapse of time or both, would constitute a default thereunder. As of the date hereof, to the Knowledge of Kindred, no other party or parties to any Assumed Kindred Contract are in default under such Assumed Kindred Contract, nor, to the Knowledge of Kindred, has any event occurred, which with the giving of notice or the lapse of time, or both, would constitute a default by any other party, with respect to any material term or condition of any Assumed Kindred Contract.

(j) **Insurance.** There is in full force and effect policies of insurance insuring the Business and Assets of the Facility against such losses and risks and in such amounts as are usual and customary in its business.

(k) **Rhode Island Add-a-Bed Program.** Kindred has not applied for, been granted or otherwise participated in the Rhode Island Add-a-Bed Program, which program permits existing facilities to increase its licensed bed capacity to the greater of ten (10) beds or ten percent (10%) of the facility's licensed bed capacity and to Kindred's Knowledge, Kindred continues to be eligible to participate in said program.

(l) **Commissions.** In connection with the transactions contemplated in this Agreement there is no commission or other compensation due from Kindred to any real estate broker, agent or finder, on account thereof.

**12.2. New Operator's Representations.** To induce Kindred to enter into this Agreement, New Operator hereby represents and warrants to Kindred as of the date of this Agreement and the Closing Date, as follows:

(a) **Organization.** New Operator was duly organized and is validly existing and is in good standing as a limited liability company in the State of Delaware. New Operator has the full power and authority to consummate or cause to be consummated the acquisition of the Assets, and to make or cause to be made the transfers and assignments contemplated herein.

(b) **Authority.** New Operator has the full right, power and authority to execute this Agreement and to consummate the acquisition of the Assets and the other transactions contemplated by this Agreement. The execution and delivery by New Operator of this Agreement, and all of the documents and instruments required by this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of New Operator. The Person executing this Agreement on behalf of New Operator is authorized to do so. This Agreement and, upon the execution and delivery thereof in accordance with this Agreement, each of the other documents and instruments required to be executed and delivered in connection herewith, have been duly executed and delivered by New Operator, and this Agreement constitutes the legal, valid and binding obligation of New Operator enforceable against it in accordance with its terms. The execution and delivery by New Operator of this Agreement and the other documents contemplated hereby does not, and the consummation of the transactions contemplated by this Agreement and the compliance by New Operator with the terms hereof, do not, and will not, conflict with, or result in any violation of or default under (with or without notice or lapse of time, or both) any provision of (i) the organizational documents of New Operator, (ii) any Contract to which New Operator is a party or by which any of its assets or property is bound, or (iii) any judgment, writ, order or decree of Law that is applicable to New Operator or its assets or properties

(c) **Conflict.** There is no agreement to which New Operator is a party or which is binding upon New Operator which is in conflict with this Agreement or the transactions contemplated herein.

(d) **Actions.** There are no actions, suits or legal or administrative proceedings or investigations pending against New Operator before any Governmental Authority that would invalidate this Agreement, challenge or adversely affect New Operator's ability to perform its obligations under this Agreement or prevent the consummation of the transactions contemplated hereunder, and to New Operator's Knowledge, no such actions, suits or administrative proceedings or investigations are contemplated or threatened against New Operator, nor, to New Operator's Knowledge, does any basis exist for any such action or for any such governmental investigations.

(e) **Commissions.** In connection with the transactions contemplated in this Agreement, New Operator has not dealt with any real estate broker, agent or finder, and there is no commission or other compensation due from New Operator on account thereof.

(f) **Licensure.** New Operator is not aware of any reason why any Governmental Authority would not grant New Operator all Licensure Approvals in order to permit New Operator to operate or use the Facility or to operate the Business immediately following the Closing Date. New Operator has properly and timely filed or will properly and

timely file all appropriate material notices, applications and other documents with the applicable Governmental Authorities to acquire the Assets hereunder, and has furnished or will furnish Kindred with true, correct and complete copies of all such items.

### **ARTICLE XIII INTERIM OPERATIONS AND UNDERTAKINGS**

**13.1. Conduct of Business Pending Closing.** From the date of this Agreement until the Closing Date, Kindred shall:

(a) Maintain the Business and the Facility in existence and in good standing and in material compliance with all Laws;

(b) Maintain and operate the Facility and the Business and conduct the Business in the ordinary and usual manner;

(c) Maintain all Required Permits in full force and effect, and timely file all reports, statements, renewal applications and other filings, and timely pay all fees and charges in connection therewith that are required to keep such Required Permits in full force and effect;

(d) Maintain in full force and effect substantially the same professional, public liability and casualty insurance coverages and other insurance policies now in effect with respect to the Business;

(e) Continue to perform all Obligations under all Assumed Kindred Contracts;

(f) Maintain Inventory at the Facility as required by applicable federal and Rhode Island State Laws in a manner consistent with past practice;

(g) Use commercially reasonable efforts to retain all employees employed at the Facility as of the date of this Agreement;

(h) Provide for and/or cure any deficiencies and any violations which may be cited by the State of Rhode Island or any other Governmental Authority having jurisdiction over the Facility and provide New Operator with written notice of any such deficiencies and violations within ten (10) Business Days of receipt thereof; and

(i) Preserve intact the Assets (ordinary wear and tear excepted).

**13.2. Prohibited Actions Pending Closing.** Unless otherwise expressly provided for herein or approved by New Operator in writing, from the date of this Agreement until the Closing Date, Kindred shall not:

(a) Induce, solicit or entice any Residents to transfer or discontinue any relationships with the Facility prior to the Closing Date or New Operator after the Closing Date; provided, however, that such prohibition shall not apply to any transfer or

discontinuance that is requested by a Resident, a member of a Resident's family, or a Resident's physician;

(b) Remove any Assets necessary for the operation of the Business from the Facility unless the same is replaced by property of substantially equal or greater value, or unless the removal is authorized pursuant to the provisions of this Agreement;

(c) Perform any construction on or modification to the Facility, other than normal repair and maintenance and other than as required by Law;

(d) Interfere with or disrupt New Operator's communication with any Resident or any employee of Kindred, provided that such communication by New Operator complies in all respects with the terms and conditions of this Agreement;

(e) Accept any advance payment for more than thirty (30) days of any rent or Residents' occupancy fees under any lease or occupancy agreement; or waive, reduce or forgive any rent or occupancy fees required to be paid under any occupancy agreement, or grant any lease or other concessions or free rent periods under any occupancy agreement for any period after the Closing Date;

(f) Except in the ordinary course of business, renew, extend, terminate, modify or waive any term or condition of any of the Assumed Kindred Contracts or Resident occupancy agreements (other than renewal of a Resident occupancy agreement in accordance with Kindred's existing rates and procedures), or enter into any new Contracts relating to the Facility or the Business, if any such Contract would survive the Closing;

(g) Sell or otherwise dispose of, or agree to sell or dispose of any of the Assets, except in the ordinary course of business;

(h) Take any action prior to the Closing Date which would breach any of the representations and warranties, covenants or other provisions contained in this Agreement or otherwise take any action outside of the ordinary course of business of Kindred;

(i) Change the compensation payable or to become payable by Kindred for any of the officers, managers, employees, agents, or independent contractors providing services at the Facility other than normal merit increase of not more than two percent (2%) per annum in accordance with Kindred's past practices; and

(j) Transfer any employee of the Facility to any other facility operated by Kindred or its Affiliates, except as otherwise may be agreed to by the parties.

**13.3. Access.** From the date of this Agreement until the Closing, Kindred shall afford, New Operator and its independent certified public accountants, counsel and other representatives, free and full access at all reasonable times to the properties, books and records of the Business and the right to consult with the officers, employees, accountants, counsel and other representatives of the Business.

**13.4. Other Undertakings.** Each of the parties shall use commercially reasonable efforts to perform and fulfill all conditions and obligations on the part of such party to be performed and fulfilled under this Agreement, to the end that the transactions contemplated by this Agreement shall be fully carried out.

**13.5. Notice by Kindred of Certain Events.** Kindred shall give prompt written notice to New Operator of (i) any notice or other communication from any third party alleging that the consent of such person is or may be required in order for Kindred to consummate the transactions contemplated by this Agreement; and (ii) any change, event or circumstance which is reasonably likely to delay or impede the ability of Kindred to consummate the transactions contemplated by this Agreement or to fulfill its obligations set forth herein.

#### **ARTICLE XIV CONDITIONS PRECEDENT**

**14.1. Conditions Precedent to New Operator's Obligations.** All obligations of New Operator under this Agreement are subject to the fulfillment or satisfaction prior to or at the Closing, of each of the following conditions precedent (any of which may be waived in writing in whole or in part by New Operator):

(a) Kindred's representations and warranties contained in this Agreement, the Exhibits and Schedules attached hereto and any list, certificate, document or written statement specifically referred to herein or furnished by Kindred to New Operator at the Closing shall be true in all material respects on and as of the date of this Agreement and shall be true in all material respects on and as of the Closing Date (in each case without giving effect to "material adverse effect" "material" or "in all material respects" qualifications contained in Article XII of this Agreement) with the same effect as though such representations and warranties were made on and as of the Closing Date.

(b) Kindred shall have performed and complied with all agreements and conditions contained in this Agreement that are required to be performed or complied with by it prior to or at the Closing.

(c) New Operator shall have received all of Kindred's deliveries described in Section 15.1 including the Bill of Sale and the Assignment and Assumption Agreement signed by Kindred and a certificate dated as of the Closing Date and signed by Kindred certifying that the conditions specified in this Section 14.1 have been fulfilled and all such other documents required to be delivered by Kindred hereunder.

(d) The Assets shall be free and clear of any and all liens, claims, charges, pledges, security interests and all other encumbrances of any kind or nature whatsoever as of the time of the Closing.

(e) No suit, action, proceeding, or investigation shall have been instituted or threatened by any Governmental Authority, and no injunction shall have been issued and then outstanding, to restrain, prohibit or otherwise challenge the legality or validity of the transactions contemplated by this Agreement.

(f) New Operator shall have received the Licensure Approvals.

(g) The closing of the transactions contemplated by the Purchase and Sale Agreement shall have simultaneously occurred with the Closing under this Agreement.

**14.2. Conditions Precedent to Kindred's Obligations.** All obligations of Kindred under this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent (any of which may be waived in writing in whole or in part by Kindred):

(a) The representations and warranties of New Operator contained in this Agreement and in any list, certificate, document or written statement furnished by it to Kindred in connection with the negotiation, execution or performance of this Agreement shall be true in all material respects as of the date of execution of this Agreement and shall be true in all material respects at and as of the Closing Date (in each case without giving effect to "material adverse effect" "material" or "in all material respects" qualifications contained in Article XIII of this Agreement) with the same effect as though such representations and warranties were made on and as of the Closing Date.

(b) New Operator shall have performed and complied with all agreements and conditions contained in this Agreement that are required to be performed or complied with by it prior to or at the Closing.

(c) Kindred shall have received all the New Operator deliveries described in Section 15.2, including but not limited to the Purchase Price, the Bill of Sale, the Assignment and Assumption Agreement signed by New Operator, and a certificate dated the Closing Date and signed by New Operator certifying that the conditions specified in this Section 14.2 have been fulfilled.

(d) Kindred shall have received evidence to its reasonable satisfaction demonstrating that New Operator has received the Licensure Approvals.

(e) No suit, action, proceeding or investigation shall have been instituted or threatened by any Governmental Authority, and no injunction shall have been issued and then be outstanding to restrain, prohibit or otherwise challenge the legality or validity of any of the transactions contemplated by this Agreement.

**14.3. Waiver of Conditions Precedent.** Except as otherwise provided herein, so long as a party is not in default under this Agreement, if any condition to that party's obligations to proceed with the Closing has not been satisfied as of the Closing Date, the party having the benefit of such condition may, in its sole discretion, terminate this Agreement by delivering written notice to the other party on or before the Closing Date, or elect to close, notwithstanding the non-satisfaction of such condition. If the party having the benefit of such condition elects to proceed with the Closing, notwithstanding the non-satisfaction of such condition, the non-satisfied condition shall not be deemed to have been waived by the party having the benefit of said condition and the party waiving the benefit of said condition may pursue all available remedies against the other party.

**ARTICLE XV  
DELIVERIES AT CLOSING**

**15.1. Kindred's Deliveries.** At Closing, Kindred shall deliver to New Operator:

- (a) the Bill of Sale;
- (b) the Assignment and Assumption Agreement;
- (c) a schedule, certified by Kindred, of rent or Resident occupancy payment arrearages as of Closing;
- (d) a closing statement setting forth the prorations and adjustments to be made pursuant to the provisions of this Agreement;
- (e) any training and instruction manuals in Kindred's custody or control relating to the maintenance and operation of the Facility and the Assets, to the extent the same are included in the Assets;
- (f) the Resident Trust Funds;
- (g) a form of a letter addressed to the Residents and a form of a letter addressed to parties under the Assumed Kindred Contracts, advising them of the transfer of the Facility to New Operator, with the forms of such letters to be approved by Kindred and New Operator in their reasonable discretion;
- (h) a certificate dated the Closing Date and signed by an officer of Kindred certifying that the conditions specified in Section 14.1 have been fulfilled; and
- (i) such other documents as shall be reasonably required to consummate the transactions contemplated herein.

**15.2. New Operator's Deliveries.** At Closing, New Operator shall deliver to Kindred:

- (a) the Bill of Sale;
- (b) the Assignment and Assumption Agreement;
- (c) a closing statement setting forth the prorations and adjustments to be made pursuant to the provisions of this Agreement;
- (d) the Purchase Price as provided in Section 3.1;
- (e) the Consents;
- (f) evidence reasonably satisfactory to Kindred that New Operator has obtained all of the Licensure Approvals;

(g) a certificate dated the Closing Date and signed by an officer of New Operator certifying that the conditions specified in Section 14.2 have been fulfilled; and

(h) such other documents as shall be reasonably required to consummate the transactions contemplated herein.

## ARTICLE XVI TERMINATION

### 16.1. Termination of the Agreement.

(a) This Agreement may be terminated by notice in writing at any time prior to Closing by:

(i) Kindred, if (1) there shall have been a material breach by New Operator of any representation, warranty, covenant or agreement contained in this Agreement that has not been cured within ten (10) days following receipt by New Operator of written notice from Kindred of such breach or is not capable of being cured, or (2) Kindred reasonably determines that any condition set forth in Section 14.2 hereof is not capable of being satisfied;

(ii) New Operator, if (1) there shall have been a material breach by Kindred of any representation, warranty, covenant or agreement contained in this Agreement that has not been cured within ten (10) days following receipt by Kindred of written notice from New Operator of such breach or is not capable of being cured; (2) New Operator reasonably determines that any condition set forth in 14.1 hereof is not capable of being satisfied; or (3) the Real Estate Purchase Agreement is terminated;

(iii) Mutual agreement in writing by Kindred and New Operator;

(iv) By Kindred or New Operator by written notice to the other in the event the Real Estate Purchase Agreement terminates; New Operator shall notify Kindred in writing within three (3) days of any termination of the Real Estate Purchase Agreement; or

(v) By either Kindred or New Operator by written notice to the other party at any time after June 15, 2013; provided that if the Real Estate Purchase Agreement has not been terminated on or before June 15, 2013, New Operator shall have a right to extend the time period set forth in this Section 16.1(a)(iv) to August 15, 2013, in its sole discretion.

(b) If this Agreement is terminated in accordance with Section 16.1(a) hereof and the transactions contemplated hereby are not consummated, this Agreement shall become null and void and of no further force and effect except that any termination of this Agreement shall not relieve any party hereto from any liability for any breach of its obligations hereunder.

## ARTICLE XVII FURTHER ASSURANCES; COVENANTS

17.1. Further Assurances. From and after the Closing, Kindred, on the one hand, and New Operator, on the other hand, agree to execute and deliver such further documents and

instruments and to do such other acts and things (including the making of filings), as New Operator or Kindred, as the case may be, may reasonably request in order to effectuate the transactions contemplated by this Agreement. In the event that following the Closing any party shall be involved in litigation with a third party, threatened litigation with a third party or government inquiries with respect to a matter involving the Assets or the Business, the other parties shall also make available to such first party, at reasonable times and subject to the reasonable requirements of their or its own business, such of their or its personnel as may have information relevant to the matters.

**17.2. Covenants.** New Operator covenants and agrees that from and after the Closing Date it shall: (i) pay all amounts due for periods after the Closing Date, and otherwise discharge its duties, under the Assumed Kindred Contracts and shall pay all amounts due vendors, suppliers and service providers for items and services provided after the Closing Date; and (ii) cover the name "Kindred" on all signage at the Facility (or remove from the Facility all signage incorporating the name "Kindred") and otherwise indicate to the general public through appropriate signage, banners or similar means that the Facility is under the ownership and operational control of New Operator. Kindred covenants and agrees that from and after the Closing Date, with respect to Assumed Kindred Contracts, it shall pay all amounts due for periods ending on and prior to the Closing Date.

**17.3. Non-Solicitation.** From and after the Closing Date and for a period of six (6) months, neither Kindred nor any of its Affiliates, including Guarantor and its Affiliates, shall directly or indirectly contact or otherwise solicit for employment the Facility's current Activity Director, Business Office Manager, Director of Nursing, Executive Director, MDS Nurse, Social Services Spec and Supv. Maintenance; provided, however, that nothing contained herein shall prevent Kindred or any of its Affiliates, including Guarantor and its Affiliates, from recruiting, soliciting or employing any person who responds to a general media advertisement or non-directed search inquiry, or who makes an unsolicited contact for employment.

**17.4. Access to the Records.** From and after the Closing Date, New Operator shall allow Kindred and its agents and representatives to have reasonable access to (upon reasonable notice and during normal business hours), and to make copies of the Records (at Kindred's expense), to the extent reasonably necessary to enable Kindred to among other things investigate and defend malpractice, employee or other claims, to support medical review requests from Medicare or Medicaid, to support Medicare and Medicaid claims appeals, to file or defend cost reports and tax returns, to complete/revise, as needed, any patient assessments which may be required for Kindred to seek reimbursement for services rendered prior to the Closing Date, to verify accounts receivable collections due Kindred, to file exceptions to the Medicare or Medicaid routine cost limits for the cost reporting periods prior to the Closing Date and to enable Kindred to complete, in accordance with Kindred's policies and procedures, any and all post Closing Date accounting, reconciliation and closing procedures, including, but not limited to, a month end close out of all accounts, including but not limited to accounts payable and Medicare and Medicaid billing. Kindred agrees not to use or disclose any of the information obtained from New Operator except solely for the purposes described herein and further agree to maintain this information confidential. Likewise, from and after the Closing Date, Kindred shall allow New Operator and its agents reasonable access to the Records, including without limitation the Excluded Assets described in Section 4.2(g) to the extent New Operator reasonably requires such

access in connection with, without limitation, accounting, billing, tax filings or securities filings, Medicare and/or Medicaid filings and appeals. New Operator agrees not to use or disclose any of the information obtained from Kindred except solely for the purposes described herein and further agrees to maintain this information as confidential. New Operator shall assure that any successor operator of the Facility is legally obligated to provide Kindred access to the Records in the manner required by this Section 17.3.

## ARTICLE XVIII INDEMNIFICATION

**18.1. Indemnification by Kindred.** Subject to the limitations and other provisions of this Agreement, Kindred shall indemnify, defend and hold New Operator and each of the directors, officers, shareholders, agents and employees of New Operator and any Affiliate thereof harmless at all times from and after the Closing Date against and in respect of any and all damages, losses, liabilities, taxes and deficiencies and penalties and interest thereon and costs and expenses (including attorneys fees and costs) (collectively, "*Damages*") resulting from:

(a) any misrepresentation or breach of any representation or warranty made by Kindred in this Agreement;

(b) the breach of any agreement, covenant or obligation of Kindred under this Agreement;

(c) any Obligations of Kindred or any Obligation with respect to the Assets, the Facility or the Business, except for Obligations with respect to the Assets, the Facility or the Business arising after the Closing Date or that are expressly assumed by New Operator hereunder;

(d) the Excluded Assets;

(e) any claims or litigation relating to Kindred now pending or threatened or which may hereafter be brought against New Operator or Kindred based upon events occurring on or before the Closing Date or the operation by Kindred of the Facility and the Business on or before the Closing Date;

(f) any and all actions, suits, proceedings, claims, demands, assessments, judgment, costs (including reasonable attorneys fees), losses, liabilities and reasonable legal fees and other expenses incurred by New Operator incident to any of the foregoing; and

(g) to the extent arising with respect to occurrences before the Effective Time, any and all obligations under Kindred's Medicare Provider Agreement, Kindred's Medicaid Provider Agreement, Kindred's agreements with private third-party payors, Kindred's compliance with any Health Care Law (including without limitation obligations arising from any failure by Kindred to timely file cost reports for cost reporting periods prior to the Effective Time), including, but not limited to, overpayments, recoupments, fines, penalties, late charges and assessments and Obligations under any of Kindred's Employee Plans.

**18.4. Notice to the Indemnifying Party.** Within thirty (30) days after the (i) assertion of any claim by a third-party (a "*Third Party Claim*"), or (ii) occurrence of any event not involving a Third Party Claim (a "*Non-Third Party Claim*" and, together with a Third Party Claim, each a "*Claim*"), giving rise to a claim for indemnification from a party (the "*Indemnifying Party*") under this Article XVIII, the other party (the "*Indemnified Party*") shall notify the Indemnifying Party in writing of such Claim setting forth the nature of the Claim and specifying in reasonable detail (to the extent the same can be reasonably estimated or ascertained) the individual items and amount of Damages, the date each such item was paid, suffered or arose, or if such Damages have not yet been paid, suffered or incurred (such notice is hereinafter referred to as an "*Indemnity Claim Notice*"); provided, however, failure to provide such notice shall not in any way serve to waive or diminish the indemnification rights of the Indemnified Party. Notwithstanding the foregoing, any inadvertent delay in notifying the Indemnifying Party shall in no case prejudice the rights of the Indemnified Party under this Agreement except to the extent the Indemnifying Party shall actually be prejudiced by such failure.

**18.5. Non-Third Party Claims.** Within thirty (30) days after receipt of an Indemnity Claim Notice, the Indemnifying Party shall furnish to the Indemnified Party a written response (a "*Response Notice*") in which the Indemnifying Party shall with respect to a Non-Third Party Claim (i) agree that all of the Non-Third Party Claim is owed to the Indemnified Party (the "*Agreed Amount Notice*"), (ii) agree that part, but not all, of the Non-Third Party Claim is owed to the Indemnified Party (the "*Partial Agreed Amount Notice*"), or (iii) contest that any of the Non-Third Party Claim is owed to the Indemnified Party (the "*Contest Notice*"). If no Response Notice is delivered by the Indemnifying Party by 5:00 p.m. Eastern time on the last day of such thirty (30) day period (such 30-day period commencing upon receipt by the Indemnifying Party of an Indemnity Claim Notice), Indemnifying Party shall be deemed to have agreed that all of the amount of the Non-Third Party Claim must be paid to the Indemnified Party and in such case, the Claim shall be treated as if an Agreed Amount Notice was furnished.

**18.6. Third Party Claims.**

(a) Within thirty (30) days after receipt of an Indemnity Claim Notice, the Indemnifying Party shall furnish to the Indemnified Party a Response Notice in which the Indemnifying Party shall with respect to a Third Party Claim (i) agree that it is responsible to defend and indemnify any liability arising under such Third Party Claim (a "*Defense Notice*"), or (ii) disagree that it is responsible to defend and indemnify any liability arising under such Third Party Claim. If the Indemnifying Party gives a Defense Notice, it will undertake the defense of the Claim by representatives of its own choosing reasonably satisfactory to the Indemnified Party. Indemnified Party shall have the right at its own expense to participate in any such defense with representatives of its own choosing.

(b) Notwithstanding anything contained herein to the contrary, the Indemnified Party shall be entitled to participate, with counsel of its choosing, in the defense, settlement, adjustment or compromise of (but the Indemnifying Party shall nevertheless be required to pay all Damages incurred by the Indemnified Party in connection with such defense, settlement or compromise, as required by this Article XVIII) any Third Party Claim (i) that seeks an order, injunction or other equitable relief against the Indemnified Party or any

of its Affiliates; (ii) for which the Indemnified Party would otherwise be entitled to indemnification under this Article XVIII, and (iii) in which both the Indemnifying Party and the Indemnified Party are named as parties and either the Indemnifying Party or the Indemnified Party determines with advice of counsel that there may be one or more legal defenses available to it that are different from or additional to those available to the other party or that a conflict of interest between such parties may exist in respect thereto, in which event Indemnifying Party and Indemnified Party shall reasonably cooperate in such defense, but the Indemnified Party shall have final control over any injunctive relief brought against it, and any different or additional legal defense specifically available only to it, and Indemnifying Party shall have final control over all other aspects of the Third Party Claim.

(c) Each Party shall make available to the other Party and its attorneys and accountants, at all reasonable times during normal business hours, all books, records, and other documents in its possession relating to such Third Party Claim. The party contesting any such Third Party Claim shall be furnished all reasonable assistance in connection therewith by the other party.

(d) Subject to Section 8.3 hereto, the Indemnifying Party shall not, without the Indemnified Party's written consent, settle or compromise any Third Party Claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to Indemnified Party an unconditional release from all liability in respect of such Third Party Claim.

(e) If the Indemnifying Party fails to timely give a Defense Notice or thereafter fails to timely undertake the defense of, or settle or pay, any such Third-Party Claim, then the Indemnified Party may take any and all necessary action to dispose of such Third-Party Claim, including, without limitation, the settlement or full payment thereof upon such terms as it shall deem appropriate, in its sole discretion.

**18.7. Reimbursement.** Subject to the provisions of this Article XVIII, the Indemnified Party shall be reimbursed by the Indemnifying Party on demand, for any Damages or any Claim to which this Article XVIII relates. With respect to any amounts due to New Operator pursuant to this Section 18.7, New Operator shall have a right to off-set such amounts against amounts payable by New Operator to Kindred pursuant to this Agreement.

**18.8. Exclusive Remedy.** Notwithstanding anything contained in this Agreement to the contrary and except as otherwise set forth in Section 19.18 herein, New Operator and Kindred acknowledge and agree that the indemnification provisions set forth in this Article XVIII and Sections 7.1, 7.2, 8.3, 9.1 and 10.1 shall be the sole and exclusive remedy of New Operator and Kindred with respect to (i) any claim for breach of any representations, warranties, covenants, agreements or other obligations or provisions of this Agreement and any indemnities provided for herein, and (ii) the Assets and the transactions contemplated by this Agreement.

**18.9. Kindred Guaranty.** Subject to the limitations and other provisions of this Agreement, Guarantor hereby guarantees all indemnification obligations of Kindred to New Operator that may arise pursuant to Article XVIII.

**18.10. New Operator Guaranty.** Subject to the limitations and other provisions of this Agreement, PA Guarantor hereby guarantees all indemnification obligations of New Operator to Kindred that may arise pursuant to Article XVIII.

## **ARTICLE XIX MISCELLANEOUS**

**19.1. Effectiveness.** This Agreement shall become effective on its execution and delivery by each party.

**19.2. Brokerage.** Each party represents and warrants to the other that it has not engaged the services of any broker or finder in connection with the transactions provided for in this Agreement and agrees to indemnify and hold the other party harmless against any claims for brokers' or finders' fees or similar compensation in connection with such transactions for or by any person, firm or corporation claiming a right to same because of having been engaged by or having served such party.

**19.3. Complete Understanding.** This Agreement represents the complete understanding between the parties as to the sale of the Assets, and supersedes all prior written or verbal negotiations or agreements as to the Assets, the condition thereof or any other matter whatsoever, made by any broker, agent, employee or other person representing or purporting to represent either party.

**19.4. Waiver.** No party shall be deemed to have waived the exercise of any right which it holds under this Agreement, by virtue of the Closing or otherwise, unless such waiver is made expressly and in writing. No delay or omission by any party in exercising any right shall be deemed a waiver of its future exercise. No waiver made as to any instance involving the exercise of any right shall be deemed a waiver as to any other instance, or any other right.

**19.5. Applicable Law.** This Agreement shall be given effect and construed by application of the Law of the State of Delaware without regard to its conflict of Laws provisions. Any action arising hereunder shall be brought in only the state or federal courts of Rhode Island.

**19.6. Notices.** Any notice to be provided hereunder to a party shall be in writing, and shall be deemed to have been provided forty-eight (48) hours after being sent as certified or registered mail in the United States mails, postage prepaid, return receipt requested, or the next Business Day after having been deposited with a national courier service, or on having been sent by immediate electronic communication, in each case if receipt is acknowledged or confirmed or delivery is first refused, to the persons and addresses set forth below, as such address may be changed from time to time by notice to the other party.

If intended for Kindred to:

Kindred Healthcare, Inc.  
680 South Fourth Street  
Louisville, KY 40202  
Tele: (502) 596-7209  
Fax: (866) 866-3426  
Attention: Jeffrey P. Stodghill, Vice President and Corporate Counsel

Douglas L. Curnutte, Vice President of Facility  
and Real Estate Development

With a copy to:

Stites & Harbison PLLC  
400 West Market Street, Suite 1800  
Louisville, Kentucky 40202  
Tele: (502) 681-0440  
Fax: (502) 779-8228  
Attention: Brian A. Cromer

If intended for New Operator to:

Post-Acute Partners  
641 Lexington Avenue  
31<sup>st</sup> Floor  
New York, NY 10022  
Tele: (212) 802-7604  
Fax: (646) 924-0521  
Attention: Julia McMillen, Esq.

With a copy to:

Nixon Peabody LLP  
One Citizens Plaza  
Suite 500  
Providence, Rhode Island 02903  
Attn: Stephen Zubiago, Esq.  
Tele: (401) 454-1017  
Fax: (866) 947-1432  
E-mail: szubiago@nixonpeabody.com

**19.7. Waiver of Jury Trial. THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

**19.8. Construction.** All references made in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

**19.9. Schedules; Exhibits.** Each writing or document referred to as being attached as a Schedule or Exhibit is hereby made a part of this Agreement.

**19.10. Severability.** No determination that any provision of this Agreement is invalid or unenforceable in any instance shall affect the validity or enforceability of any other such

provision, or that provision in any circumstance not controlled by such determination. Each provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable Law.

**19.11. Third Party Beneficiaries.** None of the provisions contained in this Agreement are intended by the parties, nor shall they be deemed, to confer any benefit on any person not a party to this Agreement.

**19.12. Counterparts.** This Agreement may be signed in counterparts, all of which when taken together shall constitute the one and same original.

**19.13. Electronic Signatures.** The exchange of copies of this Agreement and of signature pages by electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted electronically shall be deemed to be their original signatures for all purposes.

**19.14. Construction.** Each party hereto hereby acknowledges that all parties hereto participated equally in the negotiation and drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than against the other.

**19.15. Headings.** The headings are used herein for convenience of reference only, and shall not be deemed to vary the content of this Agreement.

**19.16. Assignment; No Beneficiaries.** Neither New Operator nor Kindred shall assign any of its rights under this Agreement without first obtaining the other party's written consent. Except as expressly set forth herein, this Agreement shall not counter any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns.

**19.17. Publicity.** Except as and to the extent required by Law, without the prior written consent of the other party, which shall not be unreasonably withheld, neither New Operator nor Kindred (or any of their respective Affiliates) shall, and each shall direct its agents and representatives not to, directly or indirectly, make any public comment, statement or communication with respect to, or otherwise disclose or permit the disclosure of, the existence of discussions regarding a possible transaction between the parties hereto or any of the terms, conditions or other aspects of the transactions contemplated by this Agreement or any confidential information of the other party, except that such comments, statements, communications and disclosures may be made by each of New Operator and Kindred (a) to such of their agents and representatives as need to know such information for the purpose of evaluating or otherwise effecting the transactions contemplated by this Agreement, (b) if it is required to do so by applicable securities Laws, provided that one party shall notify the other parties in advance of any such disclosure, (c) to Governmental Authorities and their agents as appropriate, and (d) for the purposes of obtaining Consents. Except with respect to subparagraph (c) above, if a party is required by Law to make any such disclosure, it shall provide the other

party the contents of the proposed disclosure, the reasons such disclosure is required by Law, and the time and place that any such disclosure will be made.

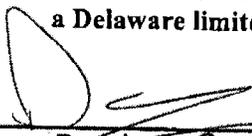
**19.18. Confidentiality.** Except as otherwise required by court order, each party hereto and its agents, representatives and employees shall protect and maintain the confidentiality of all matters related to and contemplated by this Agreement and the agreements executed and delivered in connection herewith (the "*Confidential Matters*"). Furthermore, each party shall use its commercially reasonable efforts to cause its representatives and agents to protect and maintain the confidentiality of all Confidential Matters. Each party agrees to reveal any Confidential Matters only to its representatives, agents and employees who need to know such Confidential Matters for purposes of consummating the transactions contemplated herein, who are informed of the confidential nature of such Confidential Matters, and who agree to act in accordance with the terms of this Section 19.18. Nothing in this Section 19.18 shall prevent a party from disclosing or permitting the disclosure of Confidential Matters if compelled to do so by court order or other requirement of Law or in accordance with Section 19.18. If a party receives a court order compelling disclosure of Confidential Matters, it shall promptly notify the other parties so that such parties may seek a protective order or other appropriate remedy. The confidentiality obligations set forth in this Section shall survive any termination of this Agreement for a period of twelve (12) months from such termination.

**[Signature Pages Follow]**

IN WITNESS WHEREOF, each party has executed this Agreement by its duly authorized representative as of the day and year first above written.

KINDRED:

**KINDRED NURSING CENTERS EAST, L.L.C.**  
a Delaware limited liability company

By:   
Name: Douglas L. Curnutte  
Title: Vice President of  
Facilities & Real Estate  
Development

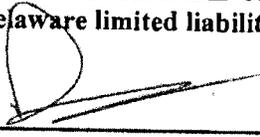
NEW OPERATOR:

**100 WAMPANOAG TRAIL OPERATING COMPANY, LLC**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Agreed with respect to Sections 17.3 and 18.9 only

**KINDRED HEALTHCARE OPERATING, INC.**  
a Delaware limited liability company

By:   
Name: Douglas L. Curnutte  
Title: Vice President of  
Facilities & Real Estate  
Development

Agreed with respect to Sections 17.3 and 18.9 only

**100 WAMPANOAG TRAIL, LLC**

a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, each party has executed this Agreement by its duly authorized representative as of the day and year first above written.

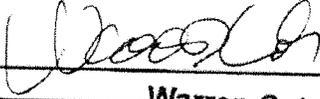
KINDRED:

**KINDRED NURSING CENTERS EAST, L.L.C.**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

NEW OPERATOR:

**100 WAMPANOAG TRAIL OPERATING COMPANY, LLC**  
a Delaware limited liability company

By:   
Name: \_\_\_\_\_  
Title: **Treasurer**

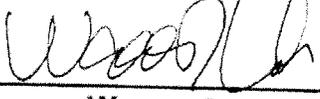
Agreed with respect to Sections 17.3 and 18.9 only

**KINDRED HEALTHCARE OPERATING, INC.**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Agreed with respect to Section 18.10 only

**100 WAMPANOAG TRAIL, LLC**  
a Delaware limited liability company

By:   
Name: \_\_\_\_\_  
Title: **Treasurer**

**EXHIBIT A**

**Purchase Price; Allocation**

Purchase Price: \$112,400

Fixed Assets: \$105,000

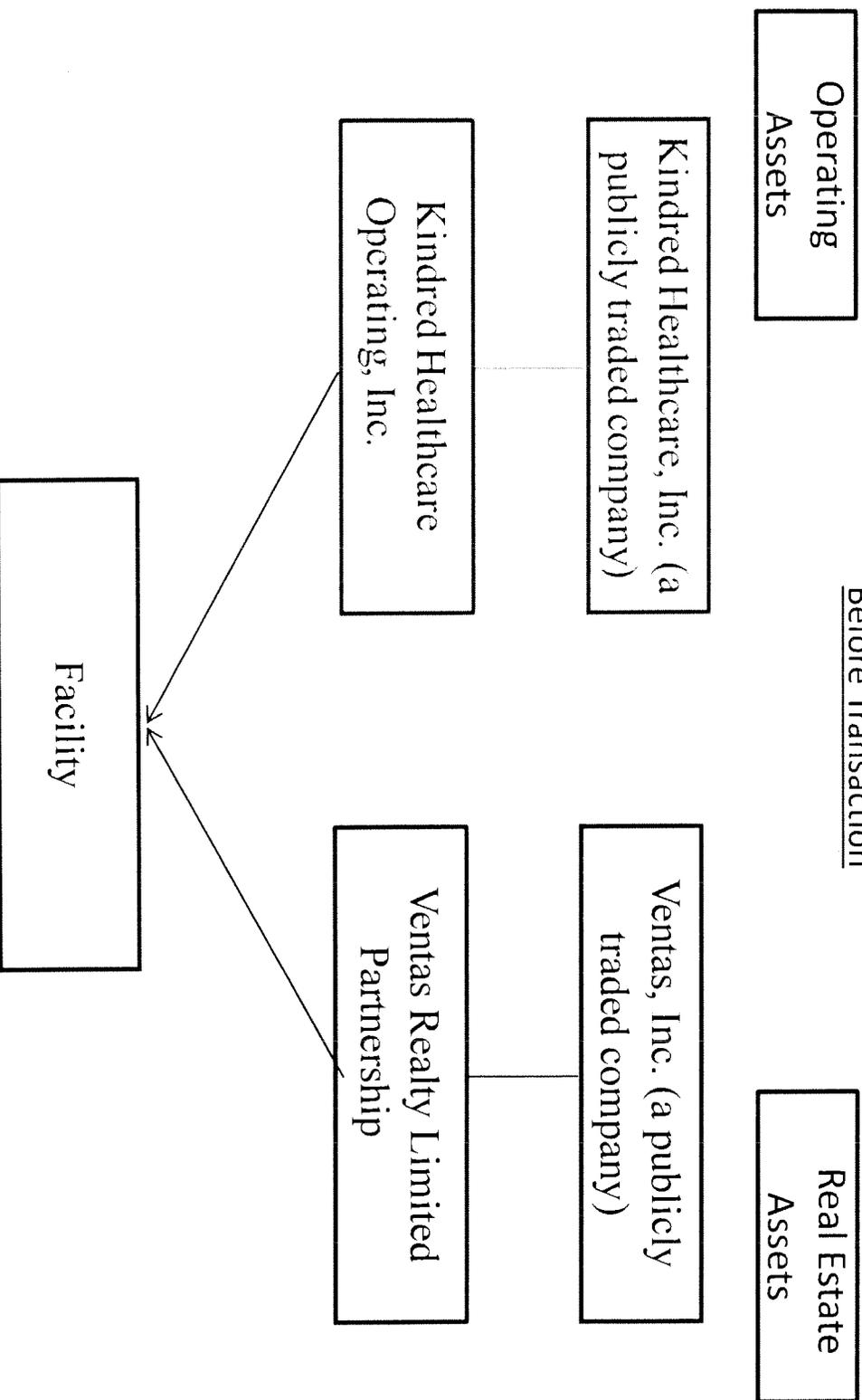
Inventory: \$7,400

15

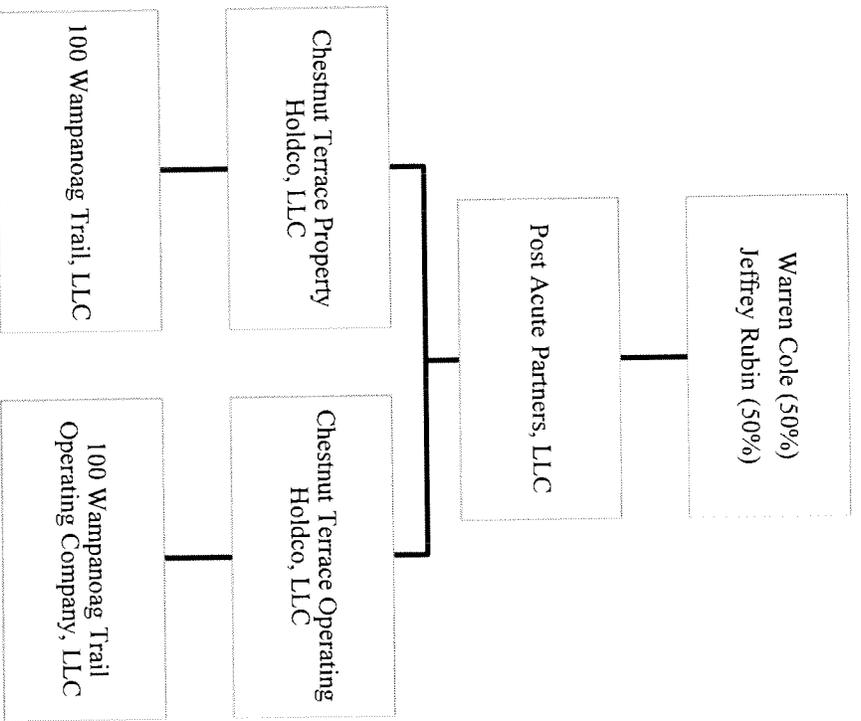
15

# Chestnut Terrace Nursing and Rehabilitation Center

Before Transaction



**Chestnut Terrace Nursing and Rehabilitation Center**



16A

ENTRY LEGAL NAME	FACILITY D/B/A	ADDRESS	Facility Type/Service as Provided	License No (1)	Name of Licensing Entity	Address of Licensing Entity	Office Held/Percentage of Interest (ID)	Office Held/Percentage of Interest (WC)	Date of Operational Attribution	Date of Ownership Attribution
<b>PENNSYLVANIA</b>										
90 Cattery Road Operating Company, LP	Pediatric Specialty Care at Point Pleasant	90 Cattery Road Point Pleasant, PA 18950	Pediatric Group Home	135570/135680/135830	PA Dept. Of Public Welfare	Office of Developmental Programs P.O. Box 2675 Harrisburg, PA 17105	50% owner - operations and real estate	50% owner - operations and real estate	2/2011-present	2/2011-present
3938 Glen Drive Operating Company, LP	Pediatric Specialty Care at Doylestown	3938 Glen Drive, Doylestown, PA 18901	Pediatric Group Home	136670	PA Dept. Of Public Welfare	Div of Children & Youth 801 Market Street Phila., PA 19107	50% owner - operations and real estate	50% owner - operations and real estate	2/2011-present	2/2011-present
425 Cedarcrest Road Operating Company, LP	Pediatric Specialty Care at Quakertown	425 Cedarcrest Road Quakertown, PA 18951	Pediatric Group Home	136710	PA Dept. Of Public Welfare	Div of Children & Youth 801 Market Street Phila., PA 19107	50% owner - operations and real estate	50% owner - operations and real estate	2/2011-present	2/2011-present
120 Rider Avenue Operating Company, LP	Pediatric Specialty Care at Lancaster	120 Rider Avenue, Lancaster, PA 17603	Pediatric Group Home	328690/328590	PA Dept. Of Public Welfare	Division of Children & Youth Health and Welfare Bldg. Rm 131 Harrisburg, PA 17105	50% owner - operations and real estate	50% owner - operations and real estate	2/2011-present	2/2011-present
2900 Johnson Street Operating Company, LP	Pediatric Specialty Care at Hopewell	2900 Johnson Street, Allquippa, PA 15001	Pediatric Group Home	442890	PA Dept. Of Public Welfare	Office of Mental Retardation Western Region 302 State Office Bldg 300 Liberty Ave Pittsburgh, PA 15222	50% owner - operations and real estate	50% owner - operations and real estate	2/2011-present	2/2011-present
120 Rider Avenue PCH Operating Company, LP	Senior Living at Lancaster	120 Rider Avenue, Lancaster, PA 17603	Personal Care Home	328631	PA Dept. Of Public Welfare	Adult Residential Licensing Central Reg. Offc. 1401 N. 7th Street 4th Fl. Berks Bldg Harrisburg, PA 17105	minority member - facility ownership and operations	50% owner - operations and real estate	2/2011-present	2/2011-present
<b>RHODE ISLAND</b>										
981 Kings Town Road Operating Company, LLC	Scallop Shell Nursing & Rehabilitation Center	981 Kingstown Road Peace Dale, RI 02879	SNF/Smiled Nursing	LTC00352	Rhode Island Dept of Health	The Cannon Building 3 Capitol Hill, Rm 306 Providence, RI 02908	50% owner - Facility property and operation	50% owner - Facility property and operation	12/2010-present	12/2010-present

16B

**NON-AFFILIATED HEALTH CARE OWNERSHIP INTERESTS - JEFFREY RUBIN AND WARREN COLE**

ENTRY LEGAL NAME	FACILITY DATA	ADDRESS	Facility Type/Provider	License No (S)	Name of Licensing Body	Address of Licensing Body	Office Held/Name of Interest (M) (S)	Office Held/Name of Interest (WC)(O)	Date of Operational Attribution (S)	Date of Ownership Affiliation (S)
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<b>ALABAMA</b>										
850 NW 9th Street Operating Company, LLC	Lareton Rehabilitation & Nursing Center	850 NW 9th Street, Abbeville, ALA	SNF/Skilled Nursing	N/A	Alabama Dept of Public Health, Div. of Health Care Facilities	Health Provider Services Division, P.O. Box 303017, Suite 690, Montgomery, ALA, 36130-2017	minority member - facility ownership and operations	minority member - facility ownership only	2006-2008	2001-2008

<b>NEW JERSEY</b>										
Milennium Healthcare Centers II, LLC (FKA Care One at Westwood)	Care One at Dumont	2211 County Road Crosskill, NJ 07928	SNF/Skilled Nursing	062208	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2001-present	2001-present
Care One at East Brunswick, LLC	Care One at East Brunswick	595 Cranbury Road, Crosskill, NJ 07952	SNF/Skilled Nursing	NIND1991	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Elmwood Everham Associates, LLC	Care One at Everham	970 E. Route 70, Hamilton, NJ 08053	SNF/Skilled Nursing	156002	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care One at Mercer, LLC	Care One at Ewing	1201 Parkway Avenue, Ewing, NJ 08628	SNF/Skilled Nursing	476003	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care One at Hamilton, LLC	Care One at Hamilton	1560 Whitehouse-Hamilton Sq, Rd, Hamilton Twp, NJ 08619	SNF/Skilled Nursing	0611X2	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
HCC, LLC	Care One at Homdel	188 Highway 24, Homdel, NJ 07733	SNF/Skilled Nursing	061312	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
11 History Lane Operating Company, LLC (FKA Care One at Jackson, LLC)	Care One at Jackson (FKA Jackson Health Care Center)	11 History Lane, Jackson, NJ 08527	SNF/Skilled Nursing	061525	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
King James Care Center of Middletown, LLC (FKA King James Acquisition Company, LLC)	Care One at King James	1040 Highway 36, Middletown, NJ 07746	SNF/Skilled Nursing	061315	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care Two, LLC	Care One at Livingston	68-26 Passaic Ave Livingston, NJ 07093	SNF/Skilled Nursing	306301	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care Two, LLC	Care One at Livingston Assisted Living	68-26 Passaic Ave Livingston, NJ 07093	ALF/Assisted Living	30A009	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care One at Madison Avenue, LLC	Care One at Madison Avenue	151 Madison Avenue, Morristown, NJ 07960	SNF/Skilled Nursing	60921	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
CareOne at Moorestown, LLC	Care One at Moorestown	995 Westfield Avenue, Moorestown, NJ 08057	SNF/Skilled Nursing	106100	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
CareOne at Moorestown, LLC	Care One at Moorestown	995 Westfield Avenue, Moorestown, NJ 08057	ALF/Assisted Living	10A100	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care One at Parsippany-Troy Hills, LLC	Care One at Morris	100 MacArthur Road Parsippany, Troy Hills, NJ 07054	SNF/Skilled Nursing	PST100	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care One at Parsippany-Troy Hills, LLC	Care One at Morris Assisted Living	200 MacArthur Road Parsippany, Troy Hills, NJ 07054	ALF/Assisted Living	GRU007	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Milennium Healthcare Centers, LLC	Care One at Pine Reef	W. 90 Ridgewood Avenue, Paramus, NJ 07652	SNF/Skilled Nursing	061211	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
The Rehabilitation Hospital at Raritan Bay Medical Center, LLC	Care One at Raritan Bay MC	530 New Brunswick Avenue, Perth Amboy, NJ 08861	LTCH	23098	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2006-2009	2005-present
Care One at Summit, LLC	Care One Harmony Village at Moorestown	307 N. Summit Road, Moorestown, NJ 08057	ALF/Assisted Living		NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Care One at Teaneck, LLC	Care One at Teaneck	544 Teaneck Road, Teaneck, NJ 07666	SNF/Skilled Nursing	02102	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present
Milennium Healthcare Centers, LLC	Care One at The Canals	W. 100 Ridgewood Avenue, Paramus, NJ 07652	ALF/Assisted Living	026000	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2001-2009	2001-present
Care One at Birchwood, LLC	Care One at The Highlands	1350 Inman Avenue Edison, NJ 08820	SNF/Skilled Nursing	061202	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-	minority member - facility ownership and operations	none	2007-2009	2007-present

Whispern Healthcare Centers II, LLC (FPA Care One at Westwood)	Care One at Valley	300 Old Hook Road Westwood, NJ 07675	SNF/Skilled Nursing	060713K	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	none	2001-2009	2001-present
Care One at Wall, LLC	Care One at Wall	2921 Highway 138 Wall, NJ 07719	SNF/Skilled Nursing	550213	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	none	2001-2009	2002-present
483 Birch Oak Ridge Road, LLC	Care One at Wayne	483 Birch Oak Ridge Road, LLC, Wayne, NJ 07270	SNF & ALF	06161VVOXXW17	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	none	2007-2009	2002-present
301 Union Street, LLC	Care One at Wellington	301 Union Street, Hackensack, NJ 07601	SNF/Skilled Nursing	0602035	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	none	2007-2009	2002-present
Care One at Evesham Assisted Living, LLC	Care One at Evesham Assisted Living	870 E. Route 70 Marlton, NJ 08053	ALF/Assisted Living	0333001	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
600 Kinderkamack Road Operating Company, LLC	Orestel Health Care Center	600 Kinderkamack Road Oradell, NJ 07648	SNF/Skilled Nursing	060214	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
1621 Route 22 West Operating Company, LLC	Somerset Valley Rehabilitation and Nursing Center	1621 Route 22 West, Board Brook, NJ 08805	SNF/Skilled Nursing	618110	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	minority member - facility ownership only	2006-2009	2001-present
2 Cooper Plaza Operating Company, LLC	South Jersey Health Care Center	2 Cooper Plaza Camden, NJ 08103	SNF/Skilled Nursing	060412	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
800 River Road Operating Company, LLC	Woodcrest Health Care Center	800 River Road New Milford, NJ 07566	SNF/Skilled Nursing	060222	NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
Care Alternatives, Inc	Care Alternatives of New Jersey	70 Jackson Drive, Cranford, NJ 07016	Hospice		NJ Dept of Health & Senior Services	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	none	2001-2009	2001-present
Bergen Care Home Health, LLC	Bergen Care Home Health	400 Old Hook Road, Westwood, NJ 07675	Home Health	22256	NJ Dept of Health & Senior Services	124 Halsey Street Newark, NJ 07102	minority member - facility ownership and operations	none	2002-2009	2002-present
Bergen Care Personal Touch, LLC	Bergen Care Personal Touch	400 Old Hook Road, Westwood, NJ 07675	Home Care	N/A	NJ Dept of Public Safety - Div of Consumer Affairs	P O Box 360, Trenton, NJ 08625-0360	minority member - facility ownership and operations	minority member - facility ownership only	2002-2004	2001-2004
92 Birch Road Operating Company, LLC	Marlton Rehabilitation Hospital	92 Birch Road, Marlton, NJ 08053	IRF	N/A	NJ Dept of Health & Senior Services	Board of Pharmacy, P O Box 45013, Newark, NJ 07101	minority member - facility ownership and operations	none	2001-2009	2001-present
Partners of New Jersey, LLC	Partners Pharmacy of New Jersey	70 Jackson Drive, Cranford, NJ 07016	Inf. Pharmacy	285800533600	NJ Dept of Public Safety - Div of Consumer Affairs		minority member - facility ownership and operations	none	2001-2009	2001-present
<b>CALIFORNIA</b>										
7173 North Sharon Ave Operating Company, LLC	San Joaquin Valley Rehabilitation Hospital	7173 North Sharon Ave., Fresno, CA 93720	Hosp/IRF	N/A	California Dept of Public Health	Licensing and Certification, P O Box 99737, MS 3000 Sacramento, CA 95899-2377	minority member - facility ownership and operations	minority member - facility ownership only	2003-2004	2001-2004
1125 St Francis Drake Boulevard Operating Company, LLC	Kentfield Rehabilitation Hospital	1125 St Francis Drake Boulevard, Kentfield, CA 94904	Hosp/IRF	N/A	California Dept of Public Health	Licensing and Certification, P O Box 99737, MS 3000 Sacramento, CA 95899-2377	minority member - facility ownership and operations	minority member - facility ownership only	2003-2004	2001-2004
Care Alternatives of California, LLC	Care Alternatives of California	7344 Magnolia Ave, Suite 245 Riverside, CA 92504	Hospice	N/A	California Dept of Public Health	Licensing and Certification, P O Box 99737, MS 3000 Sacramento, CA 95899-2377	minority member - facility ownership and operations	none	2003-2009	2003-present
<b>COLORADO</b>										
8451 Pearl Street Operating Company, LLC	North Valley Rehabilitation Hospital	8451 Pearl Street, Thornton, Colo., 80229	SNF LTAC, Psychiatric, Hospice	N/A	Colorado Dept of Public Health and Environment	Health Facilities and Emergency Medical Services Division, 4300 Cherry Creek Drive, South Denver, Colo 80246-1530	minority member - facility ownership and operations	minority member - facility ownership only	2007-2004	2001-2004
<b>CONNECTICUT</b>										
107 Osborn Street Operating Company, LLC	Danbury Health Care Center	107 Osborn Street Danbury, CT 06810	SNF/Skilled Nursing	2276	CT Dept of Public Health	410 Capitol Ave, P O Box 340308, Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present

599 Boston Post Operating Company II, LLC, CLOSED	Darien Health Care Center	599 Boston Post Road Darien, CT 06820	SNF/Skilled Nursing	N/A	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2007	2001-2007
2028 Bridgeport Avenue Operating Company II, LLC	Galien Hill Health Care Center	2028 Bridgeport Ave. Middlet, CT 06460	SNF/Skilled Nursing	3281	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
710 Long Ridge Road Operating Company II, LLC	Long Ridge of Stamford	710 Long Ridge Road Stamford, CT 06980	SNF/Skilled Nursing	3279	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
240 Church Street Operating Company II, LLC	Newington Health Care Center	240 Church Street Newington, CT 06111	SNF/Skilled Nursing	3264	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
182 South Britain Road Operating Company II, LLC	River Glen Health Care Center (aka Southbury Health Care Center)	182 South Britain Road Southbury, CT 06488	SNF/Skilled Nursing	3260	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
745 Highland Avenue Operating Company, LLC	The Highlands Health Care Center	745 Highlands Avenue Cheshire, CT 06410	SNF/Skilled Nursing	3265	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
245 Orange Avenue Operating Company II, LLC	West River Health Care Center (FKA Milford North Health Center)	245 Orange Avenue Milford, CT 06460	SNF/Skilled Nursing	3278	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
1 Burr Road Operating Company II, LLC	Westport Health Care Center	1 Burr Road Westport, CT 06880	SNF/Skilled Nursing	3292	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
341 Jordan Lane Operating Company II, LLC	Webstersfield Health Care Center	341 Jordan Lane Webstersfield, CT 06109-1128	SNF/Skilled Nursing	3283	CT Dept of Public Health	410 Capitol Ave PO Box 340308 Hartford, CT 06134	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
Partners of Connecticut, LLC	Partners Pharmacy of Connecticut	6 Thompson Road East Windsor, CT 06088	Inst Pharmacy	PCV0001843	Connecticut Dept of Consumer Protection	185 Capitol Ave, Hartford, CT 06106	minority member - facility ownership and operations	none	2002-2009	2007-present

<b>KANSAS</b>										
Care Alternatives of Kansas, LLC	Care Alternatives of Kansas	939 W. 10th Street, Bldg 51 Corporate Woods Suite 500 Overland Park, KS 66210	Hospice	N/A	Kansas Dept of Health & Environment	Bureau of Health Facilities, 1005W Jackson Suite 200 Topeka, KS 66612-1385	minority member - facility ownership and operations	none	2004-2009	2004-present

<b>KENTUCKY</b>										
1300 Campbell Lane Operating Company, LLC	Southern Kentucky Rehabilitation Hospital	1300 Campbell Lane Bowling Green, KY 42104	IRF	N/A	Kentucky Cabinet for Health and Family Services	Division of Health Care, 275 E Main Street, SE4, Frankfort, KY 40621	minority member - facility ownership and operations	minority member - facility ownership only	2007-2004	2001-2004

<b>MARYLAND</b>										
19301 Walkers Mill Road Operating Company, LLC	Montgomery Village Health Care Center	19301 Walkers Mill Rd, Montgomery Village, MD 20886	SNF/Skilled Nursing	15061	MD Dept of Health & Mental Hygiene	Office of Health Care Quality, Lung Term Care Unit Spring Grove Center, 8001 Bryar Ridge, 55 Wade Ave, Catonsville, MD 21228	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present

<b>MASSACHUSETTS</b>										
Park, Mason and Vernon Streets Operating Company, LLC	Brookline Health Care Center	99 Park Street Brookline, MA 02445	SNF/Skilled Nursing	0696	Mass Dept of Public Health	Div. of Health Care Quality 95 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
548 Elm Street Operating Company, LLC	Calvin Gerdinge Nursing and Rehab Center for Northampton	548 Elm Street Northampton, MA 01060	SNF/Skilled Nursing	0818	Mass Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
49 Thomas Patten Drive Operating Company, LLC	Cedar Hill Health Care Center (aka Randolph Health Care Center)	49 Thomas Patten Drive Randolph, MA	SNF/Skilled Nursing	0901	Mass Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
57 Old Road to Nine Acres Corner Operating Company, LLC	Concord Health Care Center	57 Old Road to Nine Acres Corner Concord, MA 01742	SNF/Skilled Nursing	0983	Mass Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
265 Essex Street Operating Company, LLC	Essex Park Rehabilitation and Nursing Center	265 Essex Street Beverly, MA 01915	SNF/Skilled Nursing	0280	Mass Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present

260 Easthampton Road Operating Company, LLC	Hoyote Health Care Center	260 Easthampton Road Holyoke, MA 01040	SNF/Skilled Nursing	0816	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
178 Lowell Street Operating Company, LLC	Leighton Health Care Center	178 Lowell Street Leighton, MA 02420	SNF/Skilled Nursing	0204	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
19 Vanum Street Operating Company, LLC	Lowell Health Care Center	19 Vanum Street Lowell, MA 01850	SNF/Skilled Nursing	0734	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
312 Milbury Avenue Operating Company, LLC	Milbury Health Care Center	312 Milbury Avenue Milbury, MA 01528	SNF/Skilled Nursing	0147	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
221 Fitzgerald Drive Operating Company, LLC	New Bedford Health Care Center	221 Fitzgerald Drive New Bedford, MA 02745	SNF/Skilled Nursing	0973	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
2101 Washington Street Operating Company, LLC	Newton Healthcare Center	2101 Washington Street Newton, MA 02462	SNF/Skilled Nursing	0736	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
70 Granite Street Operating Company, LLC CLOSED	North Stire Health Care Center	70 Granite Street Lynn, MA 01994	SNF/Skilled Nursing	N/A	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
199 Andover Street Operating Company, LLC	Peabody/Glen Health Care Center	199 Andover Street Route 114W Peabody, MA 01960	SNF/Skilled Nursing	0190	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
135 Benton Drive Operating Company, LLC	Restone Health Care Center (ha East/Comradow Health Care Center)	135 Benton Drive East Comradow, MA 01028	SNF/Skilled Nursing	0885	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
64 Performance Drive Operating Company, LLC	Weymouth Health Care Center	64 Performance Drive Weymouth, MA 02189	SNF/Skilled Nursing	0965	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
750 Woburn Street Operating Company, LLC	Wilmington Health Care Center	750 Woburn Street Wilmington, MA 01887	SNF/Skilled Nursing	0911	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	minority member - facility ownership only	2003-2009	2001-present
Care Alternatives of Massachusetts, LLC	Care Alternatives of Massachusetts	181 Cedar Hill Road Marlborough, MA 01752	Hospice	N/A	Mass. Dept of Public Health	Div. of Health Care Quality 99 Chaucery Street Boston, MA 02111	minority member - facility ownership and operations	none	2007-2009	2007-present
4499 Acushnet Ave. Operating Company, LLC	New Bedford Rehabilitation Hospital	4499 Acushnet Ave., New Bedford, MA 02745	IRF	N/A	Mass. Dept of Public Health	Board of Registration of Pharmacy/239 Causeway Street, 5th Floor, Suite 500 Boston, MA 02114	minority member - facility ownership and operations	minority member - facility ownership only	2007-2009	2001-present
Partners of Massachusetts, LLC	Partners Pharmacy of Massachusetts	181 Cedar Hill Road Marlborough, MA 01752	Inst. Pharmacy	N/A	Mass. Dept of Public Health		minority member - facility ownership and operations	none	2007-2009	2007-present
<b>MICHIGAN</b>										
11941 Belsay Road Operating Company, LLC	Grand Blanc Rehabilitation and Nursing Center	11941 Belsay Road Grand Blanc, MI 48439	SNF/Skilled Nursing	734240	Mich. Dept of Community Health - Bureau of Health Systems	Division of Nursing Home Monitoring PO Box 30661 Lansing, MI 48909	minority member - facility ownership and operations	minority member - facility ownership only	2006-2009	2001-present
<b>MISSOURI</b>										
4700 NW Carr View Drive Operating Company, LLC, SGLD	Cliffview at Riverside Rehab & Nursing Center	4700 NW Carr View Drive, Kansas City, MO 64189	SNF/Skilled Nursing	N/A	Missouri Dept of Health & Senior Services	Section for LTC 3418 Knapp Drive Suite F PO Box 670 Jefferson City, MO 65102	minority member - facility ownership and operations	minority member - facility ownership only	2006-2009	2001-present
Care Alternatives of Missouri, LLC	Care Alternatives of Missouri	1420 NW Vivion Rd Suite 105 Kansas City, MO 64118	Hospice	N/A	Missouri Dept of Health & Senior Services	PO Box 530 Jefferson City, MO 65102-0530	minority member - facility ownership and operations	none	2004-2009	2004-present
Chesapeake Pharmacy Systems, LLC	Partners Pharmacy of Missouri	6637 N. Cosby Ave. Kansas City, MO 64151	Inst. Pharmacy	2002016161	Missouri Board of Pharmacy	3605 Missouri Blvd Jefferson City, MO 65102-0625	minority member - facility ownership and operations	none	2007-2009	2007-present

1857 N Lakeman Ave Operating Company, LLC	Bedrock Health Care Center	1857 N Lakeman Drive Bedrock, OH 44395	SNF/Skilled Nursing	1732N	One Dept of Health - Nursing Homes & Facilities	246 North High Street, 3rd Floor Columbus, OH 43215	minority member - facility ownership and operations	minority member - facility ownership only	2006-2009	2001-present
115 Elmwood Circle Operating Company, LLC	The Rehabilitation and Nursing Center at Elm Creek	115 Elmwood Circle West Carleton OH 45449	SNF/Skilled Nursing	1709N	Ohio Dept of Health - Nursing Homes & Facilities	246 North High Street, 3rd Floor Columbus, OH 43215	minority member - facility ownership and operations	minority member - facility ownership only	2006-2009	2001-present
204 W Main Street Operating Company, LLC	The Rehabilitation and Nursing Center at Friends	204 W Main Street, New London OH 44651	SNF/Skilled Nursing	1825N	Ohio Dept of Health - Nursing Homes & Facilities	246 North High Street, 3rd Floor Columbus, OH 43215	minority member - facility ownership and operations	minority member - facility ownership only	2006-2009	2001-present
5440 Charlesgate Road Operating Company, LLC	The Rehabilitation and Nursing Center at Spring Creek	5440 Charlesgate Road, Haber Heights OH 45424	SNF/Skilled Nursing	1725N	Ohio Dept of Health - Nursing Homes & Facilities	246 North High Street, 3rd Floor Columbus, OH 43215	minority member - facility ownership and operations	minority member - facility ownership only	2006-2009	2001-present

**PENNSYLVANIA**

4114 Schaper Avenue Operating Company, LLC	Presque Isle Rehabilitation and Nursing Center	4114 Schaper Avenue, Erie PA 16508	SNF/Skilled Nursing	533A02	PA Dept of Health - Div of Nursing Care Facilities	Health and Welfare Building 8th Floor West Harrisburg, PA 17120	minority member - facility ownership and operations	minority member - facility ownership only	2/2011-present	2/2011-present
800 Weatherwood Lane Operating Company, LLC	The Rehabilitation and Nursing Center at Greater Pitsburg	800 Weatherwood Lane, Greentown PA 15601	SNF/Skilled Nursing	92N02	PA Dept of Health - Div of Nursing Care Facilities	Office of Developmental Programs PO Box 2875 Harrisburg, PA 17105	minority member - facility ownership and operations	minority member - facility ownership only	2/2011-present	2/2011-present
90 Cattery Road Operating Company, LP	Pediatric Specialty Care at Point Pleasant	90 Cattery Road, Point Pleasant, PA 15950	Pediatric Group Home	1357/01/3686/01	PA Dept. Of Public Welfare	Div of Children & Youth 801 Market Street Phila, PA 19107	50%owner - operations and real estate	50%owner - operations and real estate	2/2011-present	2/2011-present
3939 Glen Drive Operating Company, LP	Pediatric Specialty Care at Doylestown	3939 Glen Drive, Doylestown, PA 18901	Pediatric Group Home	136570	PA Dept. Of Public Welfare	Div of Children & Youth 801 Market Street Phila, PA 19107	50%owner - operations and real estate	50%owner - operations and real estate	2/2011-present	2/2011-present
425 Cedarcrest Road Operating Company, LP	Pediatric Specialty Care at Quakertown	425 Cedarcrest Road, Quakertown, PA 18951	Pediatric Group Home	136710	PA Dept. Of Public Welfare	Div of Children & Youth 801 Market Street Phila, PA 19107	50%owner - operations and real estate	50%owner - operations and real estate	2/2011-present	2/2011-present
120 Rider Avenue Operating Company, LP	Pediatric Specialty Care at Lancaster	120 Rider Avenue, Lancaster, PA 17603	Pediatric Group Home	328690/328690	PA Dept. Of Public Welfare	Division of Children & Youth Health and Welfare Bldg, Rm 131 Hershey, PA 17105	50%owner - operations and real estate	50%owner - operations and real estate	2/2011-present	2/2011-present
2900 Johnson Street Operating Company, LP	Pediatric Specialty Care at Hopewell	2900 Johnson Street, Manjupia, PA 15001	Pediatric Group Home	442890	PA Dept. Of Public Welfare	Region 302 State Office Bldg 300 Liberty Ave Pitsburg, PA 15222	50%owner - operations and real estate	50%owner - operations and real estate	2/2011-present	2/2011-present
120 Rider Avenue PCH Operating Company, LP	Senior Living at Lancaster	120 Rider Avenue, Lancaster, PA 17603	Personal Care Home	328631	PA Dept. Of Public Welfare	Adult Residential Licensing Central Reg Ofc 1401 N. 7th Street 4th Flr Health and Welfare Building 8th Floor West 425 Foster Street Harrisburg, PA 17120	minority member - facility ownership and operations	50%owner - operations and real estate	2/2011-present	2/2011-present
Care Alternatives of Pennsylvania, LLC	Care Alternatives of Pennsylvania	501 Office Center Drive, Suite 206 Fort Washington, PA 19034	Hospice		PA Dept. of Health		minority member - facility ownership and operations	none	2001-2009	2001-present

**PUERTO RICO**

MMW Healthcare, Inc	Medicare v Muchu Has	350 Chardon Ave, Suite 500 Torre Chardon San Juan, PR, 00918-2101	HMO/Medicare Advantage Plan	N/A	Office of the Commissioner of Insurance	85 Calle Tauxera, Suite 216, PNB 350 Guaynabo, PR 00985-5023	minority member - ownership	minority member - ownership and operations	2005-2009	2004-present
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**RHODE ISLAND**

981 Kings Town Road Operating Company, LLC	Seaside Shell Nursing & Rehabilitation Center	891 Kingston Road, Pease Dale, RI 02879	SNF/Skilled Nursing	LTC00352	Rhode Island Dept of Health	The Cancer Building 3 Canal Hill, Rm. 305 Providence, RI 02908	50% owner - Facility property and operation	50% owner - Facility property and operation	1/2010-present	1/2010-present
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**VIRGINIA**

Colonial Heights Operations, LLC	Colonial Heights Health Care Center	831 East Erie/ale Avenue Colonial Heights, VA 23834	SNF/Skilled Nursing	NI12317	Virginia Dept of Health - Div of LTC Services	9650 Mayland Drive, Suite 401 Richmond, VA 23233	minority member - facility ownership and operations	50%owner - operations and real estate	2007-2009	2007-present
West End Operations, LLC	Gentlecare Rehabilitation and Nursing Center	1901 Libbe Avenue, Richmond, VA	SNF/Skilled Nursing	NI12608	Virginia Dept of Health - Div of LTC Services	9650 Mayland Drive, Suite 401 Richmond, VA 23233	minority member - facility ownership and operations	50%owner - operations and real estate	2007-2009	2007-present
Hopewell Operations, LLC	Hopewell Health Care Center	905 Cousins Avenue Hopewell, VA 23860	SNF/Skilled Nursing	NI12391	Virginia Dept of Health - Div of LTC Services	9650 Mayland Drive, Suite 401 Richmond, VA 23233	minority member - facility ownership and operations	50%owner - operations and real estate	2007-2009	2007-present
Mountain Empire Operations, LLC	Valley Health Care Center	940 East Lee Highway Chatham, VA 24319	SNF/Skilled Nursing	NI1206/ALF109	Virginia Dept of Health - Div of LTC Services	9650 Mayland Drive, Suite 401 Richmond, VA 23233	minority member - facility ownership and operations	50%owner - operations and real estate	2007-2009	2007-present
Westport Operations, LLC	Westport Health Care Center	7300 Forest Avenue Richmond, VA 23226	SNF/Skilled Nursing	NI12723	Virginia Dept of Health - Div of LTC Services	9650 Mayland Drive, Suite 401 Richmond, VA 23233	minority member - facility ownership and operations	50%owner - operations and real estate	2007-2009	2007-present

Care Alternatives of Virginia, LLC	Care Alternatives of Virginia	6802 Paragon Place, Suite 103 Richmond, VA 23230	Hospice	N/A	Virginia Dept of Health - Office of Licensure & Certification	Acute Care Division 9960 Maryland Dr, Suite 401 Richmond, VA 23233-1463	minority member - facility ownership and operations	none	2007-2009	2007-present
Partners of Virginia, LLC	Partners Pharmacy of Virginia	1610 E. Parham Road Richmond, VA 23228	Inst Pharmacy	N/A	Virginia Board of Pharmacy	Perimeter Center 9960 Mayland Drive Suite 300 Herndon, VA 23233-1463	minority member - facility ownership and operations	none	2007-2009	2007-present

**NORTH CAROLINA**

Blue Ridge of Raleigh, LLC	Blue Ridge HCC	3130 Blue Ridge Road Raleigh, NC 27612	SNF/Skilled Nursing	NH1428	NC Div of Health Services Regulation - Nursing Home Licensure Section	2711 Mail Service Center, Raleigh, NC 27699-2711	minority member - facility ownership and operations	minority member facility ownership	2007-2009	2007-present
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- (1) Ownership interest with no accompanying operational affiliation means holder exercises no authority, control or influence over day to day facility operations and management
- (2) Specific start dates for operational and ownership interest are not readily available in all cases but will be developed in the course of out of state reviews.
- (3) Some facility or service license numbers are currently unavailable but will be provided.

17

## **POLICY AND PROCEDURES FOR COMMUNICATION WITH PERSONS WITH LIMITED ENGLISH PROFICIENCY**

### **POLICY:**

*Scallop Shell Nursing & Rehabilitation Center* (The "Facility") will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in our services, activities, programs and other benefits. The policy of *Scallop Shell Nursing & Rehabilitation Center* is to ensure meaningful communication with LEP patients/clients and their authorized representatives involving their medical conditions and treatment. The policy also provides for communication of information contained in vital documents, including but not limited to, waivers of rights, consent to treatment forms, financial and insurance benefit forms, etc. All interpreters, translators and other aids needed to comply with this policy shall be provided without cost to the person being served, and patients/clients and their families will be informed of the availability of such assistance free of charge.

Language assistance will be provided through use of competent bilingual staff, staff interpreters, contracts or formal arrangements with local organizations providing interpretation or translation services, or technology and telephonic interpretation services. All staff will be provided notice of this policy and procedure, and staff that may have direct contact with LEP individuals will be trained in effective communication techniques, including the effective use of an interpreter.

*Scallop Shell Nursing & Rehabilitation Center* will conduct a regular review of the language access needs of our patient population, as well as update and monitor the implementation of this policy and these procedures, as necessary.

### **PROCEDURES:**

#### **1. IDENTIFYING LEP PERSONS AND THEIR LANGUAGE**

*Scallop Shell Nursing & Rehabilitation Center* will as part of its preadmission process, and thereafter as necessary, identify the language and communication needs of the LEP person. If necessary, staff will use a language identification card or posters to determine the language. In addition, when records are kept of past interactions with residents or family members, the language used to communicate with the LEP person will be included as part of the record.

#### **2. OBTAINING A QUALIFIED INTERPRETER**

*Scallop Shell Social Services 401-789-3006* is responsible for:

(a) Maintaining an accurate and current list showing the name, language, phone number and hours of availability of bilingual staff;

(b) Contacting the appropriate bilingual staff member to interpret, in the event that an interpreter is needed, if an employee who speaks the needed language is available and is qualified to interpret;

(c) Obtaining an outside interpreter if a bilingual staff or staff interpreter is not available or does not speak the needed language.

**International Language Bank** and **International Institute** have agreed to provide qualified interpreter services. The agencies' contact information is as follows and the hours of availability are 24hrs/day, 7 days/week.

**International Language Bank** – 270 Elmwood Ave. Providence, RI 02907  
401-274-8811 x14 (voice), 401-785-5766 (24hr pager), 401-419-3507 (cell)

**International Institute** – 645 Elmwood Ave. Providence, RI 02907  
401-461-5940 (main), 401-784-8666 (Interpreting & Translating Director)

Family members or friends of the LEP person will only be used as interpreters when specifically requested by the LEP person and only *after* the LEP person has understood that an offer of an interpreter at no charge to the person has been made by the facility. Such an offer and the response will be documented in the person's file. If the LEP person chooses to use a family member or friend as an interpreter, issues of competency of interpretation, confidentiality, privacy, and conflict of interest will be considered. If the family member or friend is not competent or appropriate for any of these reasons, competent interpreter services will be provided to the LEP person.

Children and other clients/patients/residents will **not** be used to interpret, in order to ensure confidentiality of information and accurate communication.

### 3. PROVIDING WRITTEN TRANSLATIONS

(a) When translation of vital documents is needed, each unit of the Facility will submit documents for translation into frequently-encountered languages to **Social Services**. Original documents being submitted for translation will be in final, approved form with updated and accurate legal and medical information.

(b) The facility will provide translation of other written materials, if needed, as well as written notice of the availability of translation, free of charge, for LEP individuals.

(c) **Scallop Shell Nursing & Rehabilitation Center** will set benchmarks for translation of vital documents into additional languages over time as the need for such services arises..

### 4. PROVIDING NOTICE TO LEP PERSONS

**Scallop Shell Nursing & Rehabilitation Center** will inform LEP persons of the availability of language assistance, free of charge, by providing written notice in languages LEP persons will

understand. At a minimum, notices and signs will be posted on the resident/family communication board. Notification will also be provided through one or more of the following: outreach documents, telephone voice mail menus, local newspapers, radio and television stations, and/or community-based organizations.

## **5. MONITORING LANGUAGE NEEDS AND IMPLEMENTATION**

On an ongoing basis, *Scallop Shell Nursing & Rehabilitation Center* will assess changes in demographics, types of services or other needs that may require reevaluation of this policy and its procedures. In addition, the Facility will regularly assess the efficacy of these procedures, including but not limited to mechanisms for securing interpreter services, equipment used for the delivery of language assistance, complaints filed by LEP persons, feedback from patients and community organizations, etc.

In the absence of a Social Worker, notice or requests can also be made to the nurse on duty and the message can be passed appropriately and timely.

18

## **Chestnut Terrace Nursing and Rehabilitation Center**

### **Charity Care Policy**

1. Purpose. It shall be the policy of Chestnut Terrace Nursing & Rehabilitation Center (“Provider”) to provide free care to patients on a case-by-case basis.
2. Qualifying Patients. Provider will provide free care to those patients who have a medical need for Provider’s services and who meet the charity care guidelines as outlined herein (“Qualifying Patients”). Accordingly, Qualifying Patients will be those uninsured or underinsured patients with incomes up to 125% of the Federal Poverty Limits and who are without readily available funds that could be used to pay for their care. Qualifying Patients must have applied for any governmental assistance programs for which they qualify. If a Qualifying Patient is not eligible for governmental assistance or is denied governmental assistance, such patient may apply for charity care.
3. Charity Care Policy. Provider agrees it will neither bill Qualifying Patients for services directly supplied by Provider nor collect any fees for provision of such services. Services that are provided under contract with an outside provider shall not be eligible for charity care and will be billed in the customary manner, unless otherwise explicitly agreed to in writing by the outside provider.
4. Monitoring. A summary of charity care provided will be drafted and provided to management on an annual basis.

**Chestnut Terrace Nursing and Rehabilitation Center  
Charity Care Application**

Patient Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: (c) \_\_\_\_\_ (h) \_\_\_\_\_ (w) \_\_\_\_\_

Previous Year Income: \_\_\_\_\_ \* Please provide documentation such as a W-2 form, tax return, pay stub, or other similar documentation.

Size of Family Unit: \_\_\_\_\_

I hereby attest and affirm that the information provided in this Charity Care Application is true and accurate to the best of my knowledge.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

21



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

KEVIN T. CASEY  
Deputy Secretary  
Office of Developmental Programs

TELEPHONE NUMBER: (717) 787-3700  
FAX: (717) 787-6583

Jeffrey Rubin, Owner  
90 Cafferty Road Operating Company, LP  
590 Madison Avenue, 21<sup>st</sup> Floor  
New York, New York, 10022

**MAR 16 2011**

Re: Pediatric Specialty Care  
At Point Pleasant  
104 Cafferty Road  
Point Pleasant, Pennsylvania 18950

Dear Mr. Rubin:

On January 31, 2011 the Department of Public Welfare conducted a licensing inspection of the above named program. As a result of our licensing inspection, a Regular Certificate of Compliance is being issued in accordance with 55 Pa. Code CH. 6400. Your Certificate of Compliance is enclosed.

If areas of non-compliance were found during our licensing inspection a copy of your approved Licensing Inspection Summary is also enclosed. You are responsible for complying with the requirements in the Licensing Inspection Summary. As soon as areas of non-compliance are corrected, please notify the Regional Office of Mental Retardation so that compliance can be verified.

If you have any questions regarding the above licensing action, please contact Southeast Region licensing staff at (215) 560-2245.

Sincerely,

Kevin T. Casey

Enclosure

c: Mary Beth Mahoney, Administrator  
Bucks County MH/MR Program

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 90 CAFFERTY ROAD OPERATING COMPANY, LP  
LEGAL ENTITY  
To operate PEDIATRIC SPECIALTY CARE AT POINT PLEASANT  
NAME OF FACILITY OR AGENCY  
Located at 104 CAFFERTY ROAD, POINT PLEASANT, PA. 18950  
COMPLETE ADDRESS OF FACILITY OR AGENCY

ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Community Home Services-Large Home  
TYPE OF SERVICES TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 15  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.  
MAXIMUM CAPACITY

Restrictions: \_\_\_\_\_  
This certificate is granted in accordance with the Public Welfare Code of 1967, P. L. 31, as amended, and Regulations

55 Pa. Code Chapter 6400: Community Homes For Individuals With Mental Retardation  
(ORIGINAL NUMBER AND TITLE OF REGULATION)  
and shall remain in effect from January 31, 2011 until January 31, 2012  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 135830  
Robert E. Robinson ISSUING OFFICER  
Kevin D. Casey DEPUTY SECRETARY

NOTE: This certificate is issued for the above facility only and is not transferable and should be posted in a conspicuous place in the facility.

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant 104 Cafferty Road, P.O. Box 217, Point Pleasant, Pennsylvania 18950		GENERAL LICENSING OFFICER FOR William A. Evans/Ann Favarella/Walter Scott	
INSPECTION DATE (S) 1/31/11	DATE 2/18/11	SIGNATURE OF AGENCIES Bannan	DATE 2/24/11
SIGNATURE Dodd		SIGNATURE Lillian Glass	

1 REGULATION	2 NON-COMPLIANCE AREA	3 DATE BY WHICH CORRECTION WILL BE COMPLETED	4 PROVIDER'S PLAN OF CORRECTION	5 DATE COMPLIANCE VALIDATED
6400.32	An individual may not be deprived of rights.  The refrigerator in the kitchen area of this home was locked, denying reasonable access to food for individuals living in the home.	2/1/11	Lock is removed from refrigerator. (See pictures)	Dodd 2/24/11 Lillian Glass

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant 104 Caffery Road, P.O. Box 217, Point Pleasant, Pennsylvania 18950		REGIONAL LICENSING DIRECTOR William A. Evans/Ann Fucignello/Walter Scott		DATE 2/2/11	DATE 2/2/11
INSPECTION DATE (S) 1/31/11		INSPECTOR APPROVAL <i>[Signature]</i>		DATE 2/2/11	
PLAN SUBMITTED BY (CFO OR DESIGNER) <i>[Signature]</i>		INSPECTOR SIGNATURE <i>[Signature]</i>		DATE 2/2/11	
1 REGULATION	2 NON-COMPLIANCE AREA	3 DATE BY WHICH CORRECTION WILL BE COMPLETED	4 PROVIDER'S PLAN OF CORRECTION	5 DATE COMPLIANCE VALIDATED	
6400.200(h)	<p>The use of a mechanical restraint is prohibited except for use of helmets, mitts and muffs to prevent self-injury on an interim basis not to exceed 3 months after an individual is admitted to the home.</p> <p>Waist straps were being used for one individual to control acute or episodic behavior that restricts the movement or function of that person.</p>	2/1/11	<p>Waist straps should be used on all individuals during the home.</p> <p>Formaldehyde will not be used on any individual during the home.</p> <p>Please see Company Policy - Restraint Free Facility All staff will be retrained on policy and Regulatory Requirements</p>	2/2/11 2/2/11	



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Human Services Provider Directory

**Search for Provider**

Service Code  
 COMMUNITY HOME SERVICES - LARGE HOME

Program Office  
 OFFICE OF DEVELOPMENTAL PROGRAMS  For a historical list of Developmental Program Providers prior to June 1, 2012, use the dropdown above. For current information please use the [Online Developmental Programs Provider Search](#)

Region  County

Zip Code

Facility / Legal Entity Name

Directory of Provider Information was last updated on 01/07/2013

**COMMUNITY HOME SERVICES - LARGE HOME : 5  
 OFFICE OF DEVELOPMENTAL PROGRAMS**

NO	Name and Address	Capacity	Type of Operation	Status & License #	Type of License
1	PEDIATRIC SPECIALTY CARE AT POINT PLEASANT 90 CAFFERTY ROAD OPERATING COMPANY LP 90 CAFFERTY ROAD PO BOX 217 POINT PLEASANT PA - 18950 Phone: 5184136321 County: BUCKS Region: SOUTHEAST	53	PROFIT	LICENSED [135770] <a href="#">Inspection Summary</a>	FULL

To find directory information on the type of licensed human service you are interested in, select a service from the drop-down box below and click the Go button. The default will display all listings for the whole state. You may narrow your search by selecting a Region or County, and/or entering a zip code. You may search for a specific facility name or Legal entity name. Special Characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

You may narrow your search further by selecting a service type and typing in the name of a Legal Entity, in addition to designating a specific Region/County or zip code. The search will return all of the facilities for a specific type of service provided by the designated Legal Entity in either the Region/County or the zip code designated. Again, remember that special characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

After clicking GO, the name of the DPW program office responsible for regulating that type of facility or agency will be displayed in the header, along with the information requested.

The directory includes the following information on each home/facility:

- DPW licensing office region of the state in which the facility is located
- County of location
- Name of facility/provider
- Address
- City
- State
- Zip code
- Licensed capacity
- Phone number of facility
- Business status (profit or non-profit business)
- Current type of license the facility's legal entity/ licensee holds for the facility. It can be either Full/Regular License, which is usually 12 months in length, or Provisional Status, which usually is a six-month license.

A facility listing on this page does not indicate an endorsement or referral by the commonwealth of Pennsylvania, the Department of Public Welfare, any of its program offices or staff. It is important that consumers verify licensing information prior to engaging the services of a provider. This can be done by:

- Visiting or calling the facility/provider and asking to see the license prior to engaging services.
- Calling or visiting the DPW regional program office with responsibility for regulating and/or monitoring the activities of the provider/facility.

**Other Topics**

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- [Personal Care Homes Directory](#)
- [Online Child Care Provider Search](#)

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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

JAN 30 2012

Michael Burns, CEO  
Pediatric Specialty Care  
At Point Pleasant  
90 Cafferty Road  
Point Pleasant, Pennsylvania 18950

Dear Mr. Burns:

On November 22, 2011 the Department of Public Welfare conducted a licensing inspection of the above named program. As a result of our licensing inspection, a Regular Certificate of Compliance is being issued in accordance with 55 Pa. Code CH. 6400. Your Certificate of Compliance is enclosed.

If areas of non-compliance were found during our licensing inspection a copy of your approved Licensing Inspection Summary is also enclosed. You are responsible for complying with the requirements in the Licensing Inspection Summary. As soon as areas of non-compliance are corrected, please notify the Regional Office of Developmental Programs so that compliance can be verified.

If you have any questions regarding the above licensing action, please contact Southeast Region licensing staff at (215) 560-2245.

Sincerely,

A handwritten signature in black ink that reads "Kevin M. Friel".

Kevin M. Friel  
Deputy Secretary

Enclosure

c: Mary Beth Mahoney, Administrator  
Bucks County MH/MR Program

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant		REGIONAL LICENSING INSPECTOR William A. Evans/Walter Szott <i>WS</i>		
INSPECTION DATE(S) 11/22/11		DATE 1/6/2012		
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: Mike Burnis, CEO <i>Mike Burnis</i>		INSPECTOR APPROVAL SIGNATURE: <i>Walter Szott</i>		
DATE 1/6/2012		DATE 1/10/12		
1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400. 164(a)	<p>A medication log listing the medications prescribed, dosage, time and date that prescription medications, including insulin, were administered and the name of the person who administered the prescription medication or insulin shall be kept for each individual who does not self-administer medication.</p> <p>4 doses of Ovaprel were missed during medication administration and not logged in for one individual.</p>	1/31/2012	<p>A new policy and procedure has been developed on Transcription of Physician Orders. All staff will be in-serviced by 1/31/2012. See attached P&amp;P.</p>	

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant		REGIONAL LICENSING INSPECTOR William A. Evans/Walter Szott	DATE 1/10/12
INSPECTION DATE (M) 11/22/11	PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>Michael Burns</i>	INSPECTOR APPROVAL SIGNATURE: <i>Walter Szott</i>	DATE 1/10/12
<b>1 REGULATION</b> <b>6400.181(e)(12)</b>	<b>2 NON-COMPLIANCE AREA</b> The assessment must include the following information: Recommendations for specific areas of training, programming and services. One individual did not have recommendations for specific training, programming and services in their assessment.	<b>3 DATE BY WHICH CORRECTION WILL BE COMPLETED</b> 1/1/2012	<b>4 PROVIDER'S PLAN OF CORRECTION</b> All assessments will include the recommendations for specific areas of training, programming, and services.
			<b>5 DATE COMPLIANCE VALIDATED</b>

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant		REGIONAL LICENSING INSPECTOR William A. Evans/Walter Szott	DATE 1/6/2012
INSPECTION DATE(S) 11/22/11	PLAN SUBMITTED BY (CEO OR DESIGNEE) Mike Burns, CEO	INSPECTOR APPROVAL SIGNATURE: <i>Matthew Scott</i>	DATE 1/6/12

1 REGULATION	2 NON-COMPLIANCE AREA	3 DATE BY WHICH CORRECTION WILL BE COMPLETED	4 PROVIDER'S PLAN OF CORRECTION	5 DATE COMPLIANCE VALIDATED
6400.1182(d)(3)	<p>The plan lead shall develop, update and revise the ISP according to the following:</p> <p>The ISP, annual updates and revisions shall be documented on the Department-designated form located in the Home and Community Services Information System (HCSIS) and also on the Department's web site.</p> <p>The annual plan was not documented on the department's designated form for one individual.</p>	1/31/2012	<p>The plan lead will develop, update and revise the ISP on the HCSIS Department-designated form.</p>	

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant		REGIONAL LICENSING INSPECTOR William A. Evans/Walter Szott		DATE 1/10/12
INSPECTION DATE (S) 1/22/11		INSPECTOR APPROVAL SIGNATURE: <i>Walter Szott</i>		
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>Mike Burns</i>		DATE 1/6/2012		
1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400.186(c)(1)	<p>The ISP review must include the following:</p> <p>A review of the monthly documentation of an individual's participation and progress during the prior 3 months toward ISP outcomes supported by services provided by the residential home licensed under this chapter.</p> <p>One individual did not have a monthly review for the month of October, 2011.</p>	1/1/2012	<p>The plan lead will review the monthly documentation of the progress or lack of progress in a descriptive manner for each individual's monthly review.</p>	



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

**KEVIN T. CASEY**  
Deputy Secretary  
Office of Developmental Programs

TELEPHONE NUMBER: (717) 787-3700  
FAX: (717) 787-6583

Jeffrey Rubin, Owner  
90 Cafferty Road Operating Company, LP  
590 Madison Avenue, 21<sup>st</sup> Floor  
New York, New York, 10022

**MAR 1 6 2011**

Re: Pediatric Specialty Care  
At Point Pleasant



Dear Mr. Rubin:

On January 31, 2011 the Department of Public Welfare conducted a licensing inspection of the above named program. As a result of our licensing inspection, a Regular Certificate of Compliance is being issued in accordance with 55 Pa. Code CH. 6400. Your Certificate of Compliance is enclosed.

If areas of non-compliance were found during our licensing inspection a copy of your approved Licensing Inspection Summary is also enclosed. You are responsible for complying with the requirements in the Licensing Inspection Summary. As soon as areas of non-compliance are corrected, please notify the Regional Office of Mental Retardation so that compliance can be verified.

If you have any questions regarding the above licensing action, please contact Southeast Region licensing staff at (215) 560-2245.

Sincerely,

Kevin T. Casey

Enclosure

c: Mary Beth Mahoney, Administrator  
Bucks County MH/MR Program

LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant		REGIONAL LICENSING INSPECTOR William A. Evans/Ann Favarella/Walter Szott	
DATE 1/31/11	DATE 2/18/11	INSPECTOR APPROVAL SIGNATURE <i>[Signature]</i>	DATE 2/24/11
PLAN SUBMITTED BY CEO OR DESIGNER <i>[Signature]</i>			

1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400.21(a)	An application for a Pennsylvania criminal history record check shall be submitted to the State Police for prospective employees of the home who will have direct contact with individuals, including part-time and temporary staff persons who will have direct contact with individuals, within 5 working days after the person's date of hire.  All staff did not have a Pennsylvania Criminal History record check submitted to the State Police within (5) working days after the person's date of hire.	2/11/11	Staff will have a Pennsylvania Criminal History Report (Patch) upon hire.	

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant		REGIONAL LICENSING INSPECTOR William A. Evans/Ann Favarella/Walter Scott	DATE 2/18/11	DATE 2/24/11
INSPECTION DATE (S) 1/31/11		INSPECTOR APPROVAL SIGNATURE: <i>[Signature]</i>		
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>[Signature]</i>				

1 REGULATION	2 NON-COMPLIANCE AREA	3 DATE BY WHICH CORRECTION WILL BE COMPLETED	4 PROVIDER'S PLAN OF CORRECTION	5 DATE COMPLIANCE VALIDATED
6400.21(b)	<p>If a prospective employee who will have direct contact with individuals resides outside this Commonwealth, an application for a Federal Bureau of Investigation (FBI) criminal history record check shall be submitted to the FBI in addition to the Pennsylvania criminal history record check, within 5 working days after the person's date of hire.</p> <p>One staff person did not have a Federal Bureau of Investigation (FBI) record check submitted to the FBI within (5) working days after the person's date of hire.</p>	2/11/11	All employees will have Federal Bureau of Investigation (FBI) Upon Hire.	

OFFICE OF MENTAL RETARDATION  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Point Pleasant		REGIONAL LICENSING INSPECTOR William A. Evans/Ann Favarella/Walter Szott		DATE 2/18/11	DATE 2/24/11
DATE OF INSPECTION (6) 1/31/11		INSPECTOR APPROVAL SIGNATURE: <i>[Signature]</i>		DATE 2/24/11	
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>[Signature]</i>		REGIONAL LICENSING INSPECTOR SIGNATURE: <i>[Signature]</i>		DATE 2/24/11	
1 REGULATION 6400.151(a)	NON-COMPLIANCE AREA A staff person who comes into direct contact with the individuals or who prepares or serves food, for more than 5 days in a 6-month period, including temporary, substitute and volunteer staff, shall have a physical examination within 12 months prior to employment and every 2 years thereafter.  There was no documentation that one staff person had a physical examination within the past two years.	DATE BY WHICH CORRECTION WILL BE COMPLETED 2.1.11	PROVIDER'S PLAN OF CORRECTION The employee will not come into direct contact with individuals until she can produce current physical examination. All staff prior to hire will have current physical within one year and every two year thereafter. Received physical Exam from staff person. See attached.	DATE COMPLIANCE VALIDATED 2/24/11	DATE 2/24/11



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Human Services Provider Directory

**Search for Provider**

Service Code

Program Office  
 \* For a historical list of Developmental Program Providers prior to June 1, 2012, use the dropdown above. For current information please use the [Online Developmental Programs Provider Search](#)

Region  County

Zip Code

Facility / Legal Entity Name

Directory of Provider Information was last updated on 01/07/2013

**RESIDENTIAL SERVICES : 36**  
**OFFICE OF CHILDREN & YOUTH PRIVATE CHILDREN & YOUTH FACILITIES**

NO	Name and Address	Capacity	Type of Operation	Status & License #	Type of License
1	PEDIATRIC SPECIALTY CARE AT POINT PLEASANT 90 CAFFERTY ROAD OPERATING COMPANY LP 100 CAFFERTY ROAD POINT PLEASANT, PA - 18950 Phone: 2152975555 County: BUCKS Region: SOUTHEAST	6	PROFIT	LICENSED [136680] <a href="#">Inspection Summary</a>	FULL

To find directory information on the type of licensed human service you are interested in, select a service from the drop-down box below and click the Go button. The default will display all listings for the whole state. You may narrow your search by selecting a Region or County, and/or entering a zip code. You may search for a specific facility name or Legal entity name. Special Characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

You may narrow your search further by selecting a service type and typing in the name of a Legal Entity, in addition to designating a specific Region/County or zip code. The search will return all of the facilities for a specific type of service provided by the designated Legal Entity in either the Region/County or the zip code designated. Again, remember that special characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

After clicking GO, the name of the DPW program office responsible for regulating that type of facility or agency will be displayed in the header, along with the information requested.

The directory includes the following information on each home/facility:

- DPW licensing office region of the state in which the facility is located
- County of location
- Name of facility/provider
- Address
- City
- State
- Zip code
- Licensed capacity
- Phone number of facility
- Business status (profit or non-profit business)
- Current type of license the facility's legal entity/ licensee holds for the facility. It can be either Full/Regular License, which is usually 12 months in length, or Provisional Status, which usually is a six-month license.

A facility listing on this page does not indicate an endorsement or referral by the commonwealth of Pennsylvania, the Department of Public Welfare, any of its program offices or staff. It is important that consumers verify licensing information prior to engaging the services of a provider. This can be done by:

- Visiting or calling the facility/provider and asking to see the license prior to engaging services.
- Calling or visiting the DPW regional program office with responsibility for regulating and/or monitoring the activities of the provider/facility.

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- [Human Services Provider Directory](#)
- [Personal Care Homes Directory](#)
- [Online Child Care Provider Search](#)

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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 90 CAFFERTY ROAD OPERATING COMPANY, LP  
To operate PEDIATRIC SPECIALTY CARE AT POINT PLEASANT  
Located at 100 CAFFERTY ROAD, POINT PLEASANT, PA 18950

LEGAL ENTITY:  
NAME OF FACILITY OR AGENCY  
(COMPLETE ADDRESS OF FACILITY OR AGENCY)  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent  
TYPE OF SERVICES TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 6  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.  
(MAXIMUM CAPACITY)

Restrictions:  
This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities  
(MANUAL NUMBER AND TITLE OF REGULATIONS)  
and shall remain in effect from February 1, 2012 until February 1, 2013  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 136680  
Robert E. Robinson ISSUING OFFICER  
Burly D. Mackey DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable and should be posted in a conspicuous place in the facility.



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

Office of Children, Youth & Families  
Deputy Secretary's Office

Phone: 717-787-4756  
Fax: 717-787-0414

JUL 18 2012

Mr. Michael Burns  
Chief Executive Officer  
425 Cedarcrest Road Operating Company, LP  
100 Cafferty Road, P.O. Box 217  
Point Pleasant, Pennsylvania 18950

**RE:** Pediatric Specialty Care at Point Pleasant  
100 Cafferty Road, P.O. Box 217  
Point Pleasant, Pennsylvania 18950  
License# 136680

Dear Mr. Burns:

As a result of the Department of Public Welfare's Annual Evaluation conducted January 9, 2012 to January 10, 2012, we have found the above-named facility in complete compliance with 55 Pa. Code Chapter 3800 – Child Residential and Day Treatment Facilities.

Your copy of the certificate is enclosed.

Sincerely,

Beverly D. Mackereth  
Deputy Secretary

Enclosure

## LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

NAME OF AGENCY/FACILITY: Pediatric Specialty Care at Point Pleasant ADDRESS: 100 Cafferty Road Point Pleasant, PA 18950		TELEPHONE: 215-297-5555 COUNTY: Bucks	OCYF REGIONAL STAFF APPROVAL <i>[Signature]</i>	DATE 1/17/12
INSPECTED BY: Karen Knellinger and Jawahl Voorhees		INSPECTION DATE(S): January 9-10, 2012	<i>[Signature]</i>	3/20/2012
INITIAL INSPECTION	RENEWAL INSPECTION	COMPLAINT	UNANNOUNCED INSPECTION	RANDOM SAMPLE
# 136680				

1. 55 PA CODE CHAPTER	2. NON-COMPLIANCE AREA	3. CORRECTION REQUIRED	4. REQUIRED CORRECTION DATE	5. PROVIDER'S PLAN OF CORRECTION OR RESPONSE	6. STATUS OF CORRECTION
-----------------------	------------------------	------------------------	-----------------------------	--	-------------------------

The Department of Public Welfare Office of Children Youth and Families (Department) conducted its annual inspection of Pediatric Specialty Care private residential services that provides community based residential services to medically fragile children in a 6 bed facility. The children receive all of their care through medically trained staff. The facility uses community schools and supports to assist with the children's educational and recreational needs. During the time under review, the agency serviced 6 children in the home. The Department reviewed 2 of the 6 child files. The agency employed 195 staff. The Department reviewed 56 personnel files for training, health records and clearances, including all new hires for the period under review. In addition, the Department conducted an on-site walk through of the facility and interviewed staff and children.

The Department has not received any child abuse or unnumbered reports from ChildLine during the review period. The agency has been compliant with reporting procedures.

Documentation in the child files support that their medical needs were being met. The Individual Service Plans are specific to the individual needs of the child and there is monthly documentation of progress made.

As of the date of inspection, there were no regulatory or case practice issues identified.

Chapter 3800	No areas of non-compliance noted during this review.

THE LEGAL ENTITY REPRESENTATIVE MUST COMPLETE COLUMN 5, SIGN ON THE SIGNATURE LINE AT THE BOTTOM AND DATE ALL PAGES OF THIS DOCUMENT. RETURN THIS ENTIRE DOCUMENT TO YOUR REGIONAL OFFICE BY: XXXXXX

SIGNATURE OF LEGAL ENTITY REPRESENTATIVE	TITLE
--	-------

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 90 CAFFERTY ROAD OPERATING COMPANY, LP  
To operate PEDIATRIC SPECIALTY CARE AT POINT PLEASANT  
Located at 100 CAFFERTY ROAD, POINT PLEASANT, PA 18950

LEGAL ENTITY  
NAME OF FACILITY OR AGENCY  
(COMPLETE ADDRESS OF FACILITY OR AGENCY)  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent  
TYPE OF SERVICES TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 6  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.  
(MAXIMUM CAPACITY)

Restrictions:  
This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities  
(MANUAL NUMBER AND TITLE OF REGULATIONS)  
and shall remain in effect from February 1, 2011 until February 1, 2012,  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 136680

Robert E. Robinson  
ISSUING OFFICER

Richard J. Sped  
DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable  
and should be posted in a conspicuous place in the facility.



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

Richard J. Gold  
Deputy Secretary for  
Children, Youth and Families

PHONE: (717) 787-4766  
FAX: (717) 787-0414

FEB 11 2011

Dr. Jeffrey Rubin  
President  
90 Cafferty Road Operating Company, LP  
Post Acute Partners  
590 Madison Avenue  
21<sup>st</sup> Floor  
New York, NY 10022

**RE:** Pediatric Specialty Care at Point Pleasant  
100 Cafferty Road  
Point Pleasant, Pennsylvania 18950

Dear Dr. Rubin:

As a result of the Department of Public Welfare's Initial Evaluation conducted February 4, 2011, we have found the above-named facility in complete compliance with 55 Pa. Code Chapter 3800 relating to Child Residential and Day Treatment Facilities.

Your copy of the certificate is enclosed.

Sincerely,

Richard J. Gold

Enclosures

# LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

<b>NAME OF AGENCY/FACILITY:</b>	<b>TELEPHONE:</b>	
Pediatric Specialty Care at Point Pleasant	(215) 297-5555	
<b>ADDRESS:</b>	<b>COUNTY:</b>	
100 Cafferty Road, Point Pleasant, PA 18950	Bucks	<i>2/15/11</i>
<b>INSPECTED BY:</b>	<b>INSPECTION DATE(S):</b>	
Robert Distanislo	9/22/2010&2/4/2011	<i>2/15/11</i>
<b>X</b>		<i>2/10/11</i>

The Department of Public Welfare conducted an initial licensing inspection of the Pediatric Specialty Care facility at Point Pleasant for the licensing year extending from February 1, 2011 to February 1, 2012. During the inspection, Department staff conducted a walk-through inspection of the facility, and reviewed policies for the new legal entity. There has been a change in the legal entity for this program. The children and staff are remaining from the previous legal entity. The agency treats medically fragile children in a 6-bed facility. The children receive all of their care through medically trained staff. The children facility uses community schools and supports to assist with the children's educational and recreational needs

3800	No violations		



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Human Services Provider Directory

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Service Code  
RESIDENTIAL SERVICES

Program Office  
OFFICE OF CHILDREN & YOUTH PRIVATE CHILDREN & YOUTH FACILITIES \* For a historical list of Developmental Program Providers prior to June 1, 2012, use the dropdown above. For current information please use the [Online Developmental Programs Provider Search](#)

Region: -- SELECT --      County: -- SELECT --

Zip Code: \_\_\_\_\_

Facility / Legal Entity Name: \_\_\_\_\_

Directory of Provider Information was last updated on 01/07/2013

**RESIDENTIAL SERVICES : 36**  
**OFFICE OF CHILDREN & YOUTH PRIVATE CHILDREN & YOUTH FACILITIES**

NO	Name and Address	Capacity	Type of Operation	Status & License #	Type of License
1	PEDIATRIC SPECIALTY CARE AT DOYLESTOWN 3938 GLEN DRIVE OPERATING COMPANY LP 3938 GLEN DRIVE DOYLESTOWN, PA - 18501 Phone 2152975555 County: BUCKS Region: SOUTHEAST	6	PROFIT	LICENSED {136670} <a href="#">Inspection Summary</a>	FULL

To find directory information on the type of licensed human service you are interested in, select a service from the drop-down box below and click the Go button. The default will display all listings for the whole state. You may narrow your search by selecting a Region or County, and/or entering a zip code. You may search for a specific facility name or Legal entity name. Special Characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

You may narrow your search further by selecting a service type and typing in the name of a Legal Entity, in addition to designating a specific Region/County or zip code. The search will return all of the facilities for a specific type of service provided by the designated Legal Entity in either the Region/County or the zip code designated. Again, remember that special characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

After clicking GO, the name of the DPW program office responsible for regulating that type of facility or agency will be displayed in the header, along with the information requested.

The directory includes the following information on each home/facility:

- DPW licensing office region of the state in which the facility is located
- County of location
- Name of facility/provider
- Address
- City
- State
- Zip code
- Licensed capacity
- Phone number of facility
- Business status (profit or non-profit business)
- Current type of license the facility's legal entity/ licensee holds for the facility. It can be either Full/Regular License, which is usually 12 months in length, or Provisional Status, which usually is a six-month license.

A facility listing on this page does not indicate an endorsement or referral by the commonwealth of Pennsylvania, the Department of Public Welfare, any of its program offices or staff. It is important that consumers verify licensing information prior to engaging the services of a provider. This can be done by:

- Visiting or calling the facility/provider and asking to see the license prior to engaging services.
- Calling or visiting the DPW regional program office with responsibility for regulating and/or monitoring the activities of the provider/facility.

**Other Topics**

- [Developmental Programs Provider Search](#)
- [Human Services Provider Directory](#)
- [Personal Care Homes Directory](#)
- [Online Child Care Provider Search](#)

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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 3938 GLEN DRIVE OPERATING COMPANY, LP

To operate PEDIATRIC SPECIALTY CARE AT DOYLESTOWN

Located at 3938 GLEN DRIVE, DOYLESTOWN, PA. 18901

ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent

TYPE OF SERVICES TO BE PROVIDED

The total number of persons which may be cared for at one time may not exceed 6  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller

(MAXIMUM CAPACITY)

Restrictions:

This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities

(MANUAL NUMBER AND TITLE OF REGULATIONS)

and shall remain in effect from February 1, 2012 until February 1, 2013

unless sooner revoked for non-compliance with applicable laws and regulations.

No: 136670

Robert E. Robinson

ISSUING OFFICER

Beverly D. Mackessell

DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable  
and should be posted in a conspicuous place in the facility.

PW 628 - 11/11



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

Office of Children, Youth & Families  
Deputy Secretary's Office

Phone: 717-787-4756  
Fax: 717-787-0414

APR 04 2012

Mr. Michael Burns, MBA  
Chief Executive Officer  
3938 Glen Drive Operating Co., LP  
90 Cafferty Road  
Point Pleasant, PA 18950

**RE:** Pediatric Specialty Care at Doylestown  
3938 Glen Drive  
Doylestown, PA 18901  
License #136670

Dear Mr. Burns:

As a result of the Department of Public Welfare's Annual Evaluation conducted January 9, 2012 to January 10, 2012 at the above-named facility, we have noted deficiencies with 55 Pa. Code Chapter 3800 – Child Residential and Day Treatment Facilities. Your plan of correction has been reviewed and approved. Based on your approved plan of correction a full certificate of compliance is being issued to the above-named site for 55 Pa. Code Chapter 3800 – Child Residential and Day Treatment Facilities.

Your copy of the certificate is enclosed.

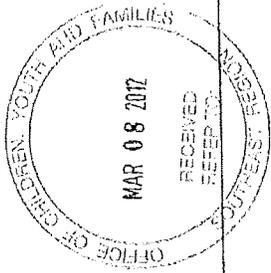
Sincerely,

A handwritten signature in cursive script that reads "Beverly Mackereth".

Beverly D. Mackereth  
Deputy Secretary

Enclosure

# LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

NAME OF AGENCY/FACILITY:	TELEPHONE:	OCYF REGIONAL STAFF APPROVAL	DATE
Pediatric Specialty Care at Doylestown ADDRESS: 3938 Glen Dr. Doylestown, PA 18901	215-340-1364 COUNTY: Bucks	<i>[Signature]</i>	3/23/12
INSPECTED BY: Karen Knellinger and Jawahl Voorhees	INSPECTION DATE(S): January 9-10, 2012	<i>[Signature]</i>	3/23/2012
X	UNANNOUNCED RANDOM SAMPLE	<i>[Signature]</i>	3/23/2012
6. STATUS OF CORRECTION 5. PROVIDER'S PLAN OF CORRECTION 4. REQUIRED CORRECTION DATE 3. COMPLIANCE AREA 2. NON-COMPLIANCE AREA 1. CHAPTER			
The Department of Public Welfare Office of Children Youth and Families (Department) conducted its annual inspection of Pediatric Specialty Care private residential services that provides community based residential services to medically fragile children in a 6 bed facility. The children receive all of their care through medically trained staff. The facility uses community schools and supports to assist with the children's educational and recreational needs. During the time under review, the agency serviced 6 children in the home. The Department reviewed 2 of the 6 child files. The agency employed 195 staff. The Department reviewed 56 personnel files for training, health records and clearances, including all new hires for the period under review. In addition, the Department conducted an on-site walk through of the facility and interviewed staff and children.			
The Department has not received any child abuse or unnumbered reports from ChildLine during the review period. The agency has been compliant with reporting procedures.			
Documentation in the child files support that their medical needs were being met. The Individual Service Plans are specific to the individual needs of the child and there is monthly documentation of progress made.			
Chapter 3800	Two personnel files reviewed noted the employee did not have valid clearances on file within the provisional time period and the employee continued to work in direct contact with children. One personnel file reviewed noted the employee had an expired FBI and Child Abuse	If valid clearances are not obtained within the provisional time period the employee must not have direct contact with children until in compliance. Clearances must be updated as required. Employees must not have direct contact with children until in compliance.	Immediately
CPSL6344(m)	RECEIVED APR 04 2012 Human Services Licensing Management and Research	Please see attachment A	

	clearance and was not updated. The employee continued to work directly with children.				
.55(g)	One staff file reviewed did not contain proof of education or experience to qualify for the position.	Files must contain verification of education/experience to qualify for the position.	Within 10 days.	All existing employees will provide their most recent diploma and certificate for their personnel files and going forward all new employees will provide this information during orientation.	S/John 3/1/21
<p>THE LEGAL ENTITY REPRESENTATIVE MUST COMPLETE COLUMN'S SIGN ON THE SIGNATURE LINE AT THE BOTTOM AND DATE ALL PAGES OF THIS DOCUMENT. RETURN THIS ENTIRE DOCUMENT TO YOUR PERSONAL OFFICE. XXXXX</p>					
<p><i>Michael Damm</i> CEO</p>					
<p>SIGNATURE OF LEGAL ENTITY REPRESENTATIVE TITLE</p>					
<p>3/5/2018 610.721.9136</p>					
<p>DATE TELEPHONE NUMBER</p>					

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 3938 GLEN DRIVE OPERATING COMPANY, LP  
To operate PEDIATRIC SPECIALTY CARE AT DOYLESTOWN  
Located at 3938 GLEN DRIVE, DOYLESTOWN, PA 18901

LEGAL ENTITY  
NAME OF FACILITY OR AGENCY  
(COMPLETE ADDRESS OF FACILITY OR AGENCY)  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent

The total number of persons which may be cared for at one time may not exceed 6  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.

Restrictions:

This certificate is granted in accordance with the Public Welfare Code of 1967, P. L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities

and shall remain in effect from February 1, 2011 until February 1, 2012,  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 136670

*Robert E. Robinson*

ISSUING OFFICER

*Patricia J. Sold*

DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable  
and should be posted in a conspicuous place in the facility.



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**  
P.O. BOX 2875  
HARRISBURG, PENNSYLVANIA 17105-2875

Richard J. Gold  
Deputy Secretary for  
Children, Youth and Families

PHONE: (717) 787-4766  
FAX: (717) 787-0414

FEB 11 2011

Dr. Jeffrey Rubin  
President  
3938 Glen Drive Operating Co. LP  
590 Madison Avenue  
21<sup>st</sup> Floor  
New York, NY 10022

**RE:** Pediatric Specialty Care at Doylestown  
3938 Glen Drive  
Doylestown, Pennsylvania 18901

Dear Dr. Rubin:

As a result of the Department of Public Welfare's Initial Evaluation conducted February 4, 2011, we have found the above-named facility in complete compliance with 55 Pa. Code Chapter 3800 relating to Child Residential and Day Treatment Facilities.

Your copy of the certificate is enclosed.

Sincerely,

Richard J. Gold

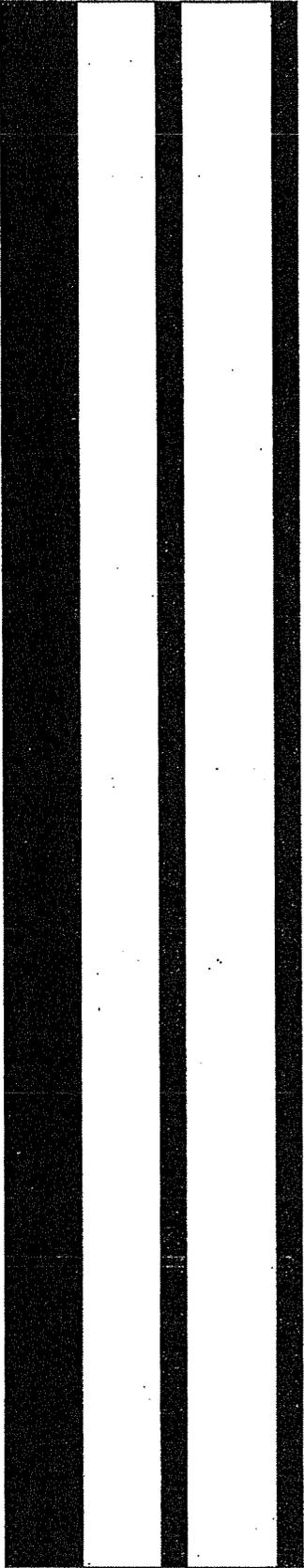
Enclosures

LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

NAME OF AGENCY/FACILITY: Pediatric Specialty Care at Doylestown		TELEPHONE: 215 340 1364
ADDRESS: 3938 Glen Drive, Doylestown PA 18901		COUNTY: Bucks
INSPECTED BY: Bob DiStanislaw		INSPECTION DATE: 2/4/11
X		<i>Pat S. Stevens</i> <i>Shirley D. Dalka</i> <i>Robert J. Small</i>

The Department of Public Welfare conducted an Initial Licensing Inspection of Pediatric Specialty care at Point Pleasant for the licensing year extending from February 1, 2011 to February 1, 2012. During the inspection Departmental staff conducted a walk through inspection of the facility and reviewed 2 of the 5 children files. There has been a change in the legal entity for this program. The children and staff are remaining from the previous legal entity. The agency treats medically fragile children in a 6 children facility. The children receive all of their care through medically trained staff. The facility community schools and supports to assist with the children's education and recreation.

3800	No violations						
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Search DPW Site.....

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 Tom Corbett, Governor | Gary D. Alexander, Secretary

| Provider | Community Partners | Publications | DPW Organization | Employment |

[Home](#) | [Search For Provider](#) | Human Services Provider Directory

Human Services Provider Directory

**Search for Provider**

Service Code

Program Office  
 \* For a historical list of Developmental Program Providers prior to June 1, 2012, use the dropdown above. For current information please use the [Online Developmental Programs Provider Search](#)

Region:  County:

Zip Code:

Facility / Legal Entity Name:

Directory of Provider Information was last updated on 01/07/2013

**RESIDENTIAL SERVICES : 36**  
**OFFICE OF CHILDREN & YOUTH PRIVATE CHILDREN & YOUTH FACILITIES**

NO	Name and Address	Capacity	Type of Operation	Status & License #	Type of License
1	PEDIATRIC SPECIALTY CARE AT QUAKERTOWN 425 CEDARCREST ROAD OPERATING COMPANY LP 425 CEDARCREST ROAD QUAKERTOWN PA - 18951 Phone: 2152975855 County: BUCKS Region: SOUTHEAST	6	PROFIT	LICENSED (136710) <a href="#">Inspection Summary</a>	FULL

To find directory information on the type of licensed human service you are interested in, select a service from the drop-down box below and click the Go button. The default will display all listings for the whole state. You may narrow your search by selecting a Region or County, and/or entering a zip code. You may search for a specific facility name or legal entity name. Special Characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

You may narrow your search further by selecting a service type and typing in the name of a Legal Entity, in addition to designating a specific Region/County or zip code. The search will return all of the facilities for a specific type of service provided by the designated Legal Entity in either the Region/County or the zip code designated. Again, remember that special characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

After clicking GO, the name of the DPW program office responsible for regulating that type of facility or agency will be displayed in the header, along with the information requested.

The directory includes the following information on each home/facility:

- DPW licensing office region of the state in which the facility is located
- County of location
- Name of facility/provider
- Address
- City
- State
- Zip code
- Licensed capacity
- Phone number of facility
- Business status (profit or non-profit business)
- Current type of license the facility's legal entity/ licensee holds for the facility. It can be either Full/Regular License, which is usually 12 months in length, or Provisional Status, which usually is a six-month license.

A facility listing on this page does not indicate an endorsement or referral by the commonwealth of Pennsylvania, the Department of Public Welfare, any of its program offices or staff. It is important that consumers verify licensing information prior to engaging the services of a provider. This can be done by:

- Visiting or calling the facility/provider and asking to see the license prior to engaging services.
- Calling or visiting the DPW regional program office with responsibility for regulating and/or monitoring the activities of the provider/facility.

**Other Topics**

- [Developmental Programs Provider Search](#)
- [Human Services Provider Directory](#)
- [Personal Care Homes Directory](#)
- [Online Child Care Provider Search](#)

Last Modified: 2/15/2012 8:31



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 425 CEDARCREST ROAD OPERATING COMPANY, LP  
To operate PEDIATRIC SPECIALTY CARE AT QUAKERTOWN  
Located at 425 CEDARCREST ROAD, QUAKERTOWN, PA 18951

LEGAL ENTITY  
NAME OF FACILITY OR AGENCY  
(COMPLETE ADDRESS OF FACILITY OR AGENCY)  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent  
TYPE OF SERVICE(S) TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 6  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.  
(MAXIMUM CAPACITY)

Restrictions:  
This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities  
(ANNUAL NUMBER AND TITLE OF REGULATIONS)  
and shall remain in effect from February 1, 2012 until February 1, 2013  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 136710

Robert E. Robinson  
ISSUING OFFICER

Shirley D. Mackeeth  
DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable  
and should be posted in a conspicuous place in the facility.



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

Office of Children, Youth & Families  
Deputy Secretary's Office

Phone: 717-787-4756  
Fax: 717-787-0414

JUL 18 2012

Mr. Michael Burns  
Chief Executive Officer  
425 Cedarcrest Road Operating Company, LP  
90 Cafferty Road, P.O. Box 217  
Point Pleasant, Pennsylvania 18950

**RE:** Pediatric Specialty Care at Quakertown  
425 Cedarcrest Road  
Quakertown, Pennsylvania 18951  
License# 136710

Dear Mr. Burns:

As a result of the Department of Public Welfare's Annual Evaluation conducted January 9, 2012 to January 10, 2012, we have found the above-named facility in complete compliance with 55 Pa. Code Chapter 3800 – Child Residential and Day Treatment Facilities.

Your copy of the certificate is enclosed.

Sincerely,

A handwritten signature in cursive script that reads "Beverly Mackereth".

Beverly D. Mackereth  
Deputy Secretary

Enclosure

## LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

<b>NAME OF AGENCY/FACILITY:</b> Pediatric Specialty Care at Quakertown <b>ADDRESS:</b> 425 Cedarcrest Rd. Quakertown, PA 18951		<b>TELEPHONE:</b> 215-804-0736 <b>COUNTY:</b> Bucks	<b>OCYF REGIONAL STAFF APPROVAL</b> 	<b>DATE</b> 1/17/12
<b>INSPECTED BY:</b> Karen Knellinger and Jawahl Voorhees		<b>INSPECTION DATE(S):</b> January 9-10, 2012		3/20/2012
INITIAL INSPECTION	RENEWAL INSPECTION	COMPLAINT	UNANNOUNCED INSPECTION	RANDOM SAMPLE
<b>X</b>				
# 136710				
1. 55 PA CODE CHAPTER	2. NON-COMPLIANCE AREA	3. CORRECTION REQUIRED	4. REQUIRED CORRECTION DATE	5. PROVIDER'S PLAN OF CORRECTION OR RESPONSE
				6. STATUS OF CORRECTION
The Department of Public Welfare Office of Children Youth and Families (Department) conducted its annual inspection of Pediatric Specialty Care private residential services that provides community based residential services to medically fragile children in a 6 bed facility. The children receive all of their care through medically trained staff. The facility uses community schools and supports to assist with the children's educational and recreational needs. During the time under review, the agency serviced 6 children in the home. The Department reviewed 2 of the 6 child files. The agency employed 195 staff. The Department reviewed 56 personnel files for training, health records and clearances, including all new hires for the period under review. In addition, the Department conducted an on-site walk through of the facility and interviewed staff and children.				
The Department has not received any child abuse or unnumbered reports from ChildLine during the review period. The agency has been compliant with reporting procedures.				
Documentation in the child files support that their medical needs were being met. The Individual Service Plans are specific to the individual needs of the child and there is monthly documentation of progress made.				
As of the date of inspection, there were no regulatory or case practice issues identified.				
Chapter 3800	No areas of non-compliance noted during this review.			
THE LEGAL ENTITY REPRESENTATIVE MUST COMPLETE COLUMN 5, SIGN ON THE SIGNATURE LINE AT THE BOTTOM AND DATE ALL PAGES OF THIS DOCUMENT. RETURN THIS ENTIRE DOCUMENT TO YOUR REGIONAL OFFICE BY: XXXXXX				
SIGNATURE OF LEGAL ENTITY REPRESENTATIVE				TITLE

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 425 CEDARCREST ROAD OPERATING COMPANY, LP  
To operate PEDIATRIC SPECIALTY CARE AT OAKERTOWN  
Located at 425 CEDARCREST ROAD, OAKERTOWN, PA 18951

LEGAL ENTITY  
NAME OF FACILITY OR AGENCY  
(COMPLETE ADDRESS OF FACILITY OR AGENCY)  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent

TYPE OF SERVICES TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 6  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller. (MAXIMUM CAPACITY)

Restrictions:

This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities  
and shall remain in effect from February 1, 2011 until February 1, 2012  
unless sooner revoked for non-compliance with applicable laws and regulations.  
(MANUAL NUMBER AND TITLE OF REGULATIONS)

No: 136710

Robert E. Robinson

ISSUING OFFICER

Richard J. Spofford

DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable and should be posted in a conspicuous place in the facility.



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**

P.O. BOX 2875  
HARRISBURG, PENNSYLVANIA 17105-2875

Richard J. Gold  
Deputy Secretary for  
Children, Youth and Families

PHONE: (717) 787-4756  
FAX: (717) 787-0414

FEB 11 2011

Dr. Jeffrey Rubin  
President  
425 Cedarcrest Road Operating Company, LP  
Post Acute Partners  
590 Madison Avenue  
21<sup>st</sup> Floor  
New York, NY 10022

**RE:** Pediatric Specialty Care at Quakertown  
425 Cedarcrest Road  
Quakertown, Pennsylvania 18951

Dear Dr. Rubin:

As a result of the Department of Public Welfare's Initial Evaluation conducted February 4, 2011, we have found the above-named facility in complete compliance with 55 Pa. Code Chapter 3800 relating to Child Residential and Day Treatment Facilities.

Your copy of the certificate is enclosed.

Sincerely,

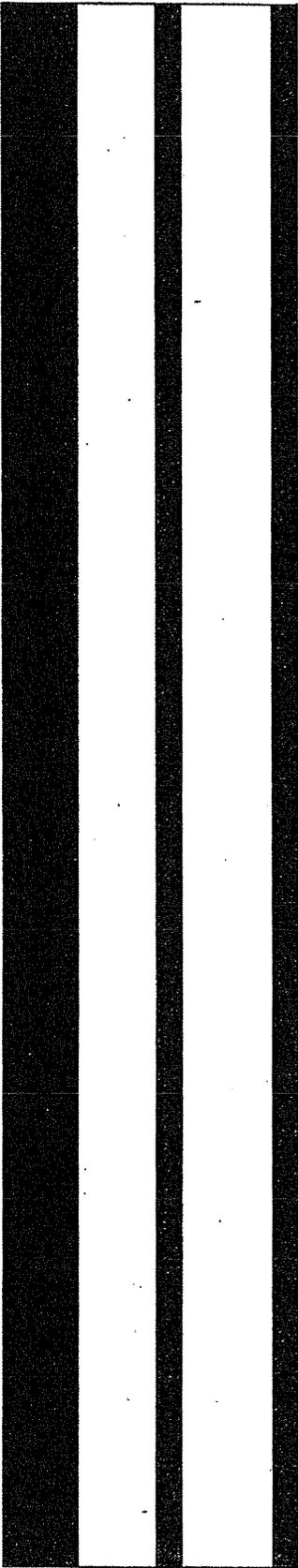
Richard J. Gold

Enclosures

LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

NAME OF AGENCY/FACILITY: Pediatric Specialty care at Quakertown	TELEPHONE: 215 804 0736	
ADDRESS: 425 Cedar Crest Road, Quakertown, PA 18951	COUNTY: Bucks	<i>Robert S. [Signature]</i>
INSPECTED BY: Bob DiStanislao	INSPECTION DATE: 2/4/11	<i>Shirley S. [Signature]</i>
<b>X</b>		<i>[Signature]</i>
<p>The Department of Public Welfare conducted an Initial Licensing Inspection of Pediatric Specialty care at Point Pleasant for the licensing year extending from February 1, 2011 to February 1, 2012. During the inspection Departmental staff conducted a walk through inspection of the facility and reviewed 2 of the 6 children files. There has been a change in the legal entity for this program. The children and staff are remaining from the previous legal entity. The agency treats medically fragile children in a 6 children facility. The children receive all of their care through medically trained staff.</p> <p>The facility use the community schools and supports to assist with the children's education and recreational needs</p>		

3800	No violations					
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Human Services Provider Directory

**Search for Provider**

Service Code  
 RESIDENTIAL SERVICES

Program Office  
 OFFICE OF CHILDREN & YOUTH PRIVATE CHILDREN & YOUTH FACILITIES \* For a historical list of Developmental Program Providers prior to June 1, 2012, use the dropdown above. For current information please use the [Online Developmental Programs Provider Search](#)

Region  County

Zip Code

Facility / Legal Entity Name

Directory of Provider Information was last updated on 01/07/2013

**RESIDENTIAL SERVICES : 36**  
**OFFICE OF CHILDREN & YOUTH PRIVATE CHILDREN & YOUTH FACILITIES**

NO	Name and Address	Capacity	Type of Operation	Status & License #	Type of License
1	PEDIATRIC SPECIALTY CARE AT LANCASTER 120 RIDER AVENUE OPERATING COMPANY LP 120 RIDER AVENUE LANCASTER PA - 17603 Phone 7173940882 County LANCASTER Region CENTRAL	25	PROFIT	LICENSED [328690] <a href="#">Inspection Summary</a>	FULL

To find directory information on the type of licensed human service you are interested in, select a service from the drop-down box below and click the Go button. The default will display all listings for the whole state. You may narrow your search by selecting a Region or County, and/or entering a zip code. You may search for a specific facility name or Legal entity name. Special Characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

You may narrow your search further by selecting a service type and typing in the name of a Legal Entity, in addition to designating a specific Region/County or zip code. The search will return all of the facilities for a specific type of service provided by the designated Legal Entity in either the Region/County or the zip code designated. Again, remember that special characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

After clicking GO, the name of the DPW program office responsible for regulating that type of facility or agency will be displayed in the header, along with the information requested.

The directory includes the following information on each home/facility:

- DPW licensing office region of the state in which the facility is located
- County of location
- Name of facility/provider
- Address
- City
- State
- Zip code
- Licensed capacity
- Phone number of facility
- Business status (profit or non-profit business)
- Current type of license the facility's legal entity/ licensee holds for the facility. It can be either Full/Regular License, which is usually 12 months in length, or Provisional Status, which usually is a six-month license.

A facility listing on this page does not indicate an endorsement or referral by the commonwealth of Pennsylvania, the Department of Public Welfare, any of its program offices or staff. It is important that consumers verify licensing information prior to engaging the services of a provider. This can be done by:

- Visiting or calling the facility/provider and asking to see the license prior to engaging services.
- Calling or visiting the DPW regional program office with responsibility for regulating and/or monitoring the activities of the provider/facility.

**Other Topics**

- [Developmental Programs Provider Search](#)
- [Human Services Provider Directory](#)
- [Personal Care Homes Directory](#)
- [Online Child Care Provider Search](#)

Last Modified:2/15/2012 8:31



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 120 RIDER AVENUE OPERATING COMPANY, LP  
To operate PEDIATRIC SPECIALTY CARE AT LANCASTER  
Located at 120 RIDER AVENUE, LANCASTER, PA 17603

LEGAL ENTITY  
NAME OF FACILITY OR AGENCY  
(COMPLETE ADDRESS OF FACILITY OR AGENCY)  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent & delinquent  
TYPE OF SERVICES TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 25  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.  
MAXIMUM CAPACITY

Restrictions:  
This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities  
(MANUAL NUMBER AND TITLE OF REGULATIONS)  
and shall remain in effect from February 18, 2012 until February 18, 2013  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 328690

Robert E. Robinson  
ISSUING OFFICER

Beverly D. Mackintosh  
DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable and should be posted in a conspicuous place in the facility.



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

Office of Children, Youth & Families  
Deputy Secretary's Office

JAN 1 9 2012

PHONE: (717) 787-4756  
FAX: (717) 787-0414

120 Rider Avenue Operating Company, LP  
90 Cafferty Road, PO Box 217  
Point Pleasant, PA 18950

Re: Pediatric Specialty Care at Lancaster  
120 Rider Avenue  
Lancaster, PA 17603  
Certificate# 328690

Dear Provider:

As a result of the Department of Public Welfare's licensing/approval inspection on December 5, 2011, at the above named facility, we have found the above named facility to be in complete compliance with 55 Pa. Code Chapter 3800 therefore, a regular Certificate of Compliance is being issued. Your Certificate of Compliance is enclosed.

Sincerely,

A handwritten signature in cursive script that reads "Beverly Mackereth".

Beverly D. Mackereth  
Deputy Secretary

Enclosure

### LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

NAME OF AGENCY/FACILITY: Pediatric Specialty Care at Lancaster		TELEPHONE: (717) 201-8448	OCYF REGIONAL STAFF APPROVAL	DATE
ADDRESS: 120 Rider Ave, Lancaster, Pa. 17603		COUNTY: Lancaster	<i>[Signature]</i>	1/3/12
INSPECTED BY: Michael Yakum, Mark Schrode, Joyce Christian		INSPECTION DATE(S): 12/5/11	<i>[Signature]</i>	1/4/12
INITIAL INSPECTION	RENEWAL INSPECTION	COMPLAINT	UNANNOUNCED INSPECTION	RANDOM SAMPLE
	<b>X</b>			

The Department of Public Welfare conducted an annual Licensing inspection of Pediatric Specialty Care at Lancaster on December 5, 2011 for the licensing year extending from February 18, 2011 to February 18, 2012.

Pediatric Specialty Care at Lancaster provides 24 hour residential care for children with highly complex medical needs. The facility provides medical residential care for children ages newborn through eighteen years of age determined to be medically fragile. The facility specializes in the care of children with pulmonary difficulties that require specialized care and medical equipment to meet their needs. The facility staff work to create a homelike setting for the residents they serve. The facility promotes family (parent) involvement. A child's family is provided the opportunity to be involved in the child's medical care. Family caretaker training is offered to family members who are willing and able to learn how to care for their children. This is especially important prior to the child returning home to their family. Families are provided the opportunity to participate in the development of the child's Individual Service Plan / Individual Habilitative Plan. Families are encouraged to participate in subsequent reviews of the established plan to discuss the child's progress as well as any need to modify the existing plan to meet the child's needs. Visitation is strongly encouraged, and parents are able to visit daily. The facility has a designated area on grounds where individual families can stay during scheduled visits should travel distance become an issue.

The facility staff consists of a wide range of medical professionals who provide 24 hour care to each resident. The facility has a licensed physician available on call 24 hours a day seven days a week. The facility has a good working relationship with local hospitals. Referrals to the program are primarily from medical insurance agencies or children's hospitals; however, there are times when county children and youth agencies refer children with complex medical needs to the facility. Education is provided by the Lancaster Lebanon Intermediate Unit 13. Education is generally provided on grounds; however, some residents are able to attend local schools off facility grounds when their medical condition permits.

During the inspection Departmental staff reviewed 6 out of 27 child records, 17 of 17 new personnel files and 21 of 21 ongoing personnel files. The review included a walk through of the facility. The site was observed to be spacious, clean and provided a colorful

atmosphere. Individual rooms are painted various colors and decorated for the children. Facility staff were very knowledgeable and cooperative throughout the licensing process. Facility records were thorough and well organized.

There were no areas of non compliance found in the child records, staff records or during the walk through of the facility. The facility is currently licensed for 24 residents. During the licensing inspection visit there were a total of 19 residents at the facility. The annual inspection was conducted at the facility to determine compliance with Chapter 3800 regulations.

1. 56 PA CODE CHAPTER	2. NON-COMPLIANCE AREA	3. CORRECTION REQUIRED	4. REQUIRED CORRECTION DATE	5. PROVIDER'S PLAN OF CORRECTION OR RESPONSE	6. STATUS OF CORRECTION
Chapter 3800	N/A	N/A	N/A	N/A	N/A
<p>THE LEGAL ENTITY REPRESENTATIVE MUST COMPLETE COLUMN 5. SIGN ON THE SIGNATURE LINE AT THE BOTTOM AND DATE ALL PAGES OF THIS DOCUMENT. RETURN THIS ENTIRE DOCUMENT TO YOUR REGIONAL OFFICE BY: No return necessary due to no cites.</p>					
SIGNATURE OF LEGAL ENTITY REPRESENTATIVE					
DATE					
TITLE					
TELEPHONE NUMBER					

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 120 RIDER AVENUE OPERATING COMPANY, LP  
To operate PEDIATRIC SPECIALTY CARE AT LANCASTER  
Located at 120 RIDER AVENUE, LANCASTER, PA 17603

LEGAL ENTITY  
NAME OF FACILITY OR AGENCY  
COMPLETE ADDRESS OF FACILITY OR AGENCY  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Residential Services - Community based, dependent & delinquent  
TYPE OF SERVICE(S) TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 25  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.  
(MAXIMUM CAPACITY)

Restrictions:  
This certificate is granted in accordance with the Public Welfare Code of 1967, P. L. 31, as amended, and Regulations

55 Pa. Code Chapter 3800: Child Residential and Day Treatment Facilities  
(MANUAL NUMBER AND TITLE OF REGULATIONS)  
and shall remain in effect from February 18, 2011 until February 18, 2012,  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 328690  
Robert E. Robinson  
ISSUING OFFICER  
[Signature]  
DEPUTY SECRETARY

NOTE: This certificate is issued for the above site(s) only and is not transferable  
and should be posted in a conspicuous place in the facility.



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

Richard J. Gold  
Deputy Secretary for  
Children, Youth and Families

PHONE: (717) 787-4756  
FAX: (717) 787-0414

FEB 24 2011

120 Rider Avenue Operating Company, LP  
590 Madison Avenue  
New York, NY 10022

Re: Pediatric Specialty Care at Lancaster  
120 Rider Avenue  
Lancaster, PA 17603  
Certificate# NEW

Dear Provider:

As a result of the Department of Public Welfare's licensing/approval inspection on February 17, 2011, we have found the above named facility to be in complete compliance with 55 Pa. Code Chapter 3800 therefore, a regular Certificate of Compliance is being issued. Your Certificate of Compliance is enclosed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard J. Gold".

Richard J. Gold

Enclosure

## LICENSING/APPROVAL/REGISTRATION INSPECTION SUMMARY

NAME OF AGENCY/FACILITY: Pediatric Specialty Care at Lancaster		TELEPHONE: 717-397-3000	OCYF REGIONAL STAFF APPROVAL		DATE
ADDRESS: 120 Rider Ave., Lancaster, PA 17603		COUNTY: Lancaster			2/18/11
INSPECTED BY: Mike Yakum, Marie James		INSPECTION DATE(S): February 17, 2011			2/18/11
INITIAL INSPECTION	RENEWAL INSPECTION	COMPLAINT	UNANNOUNCED INSPECTION	RANDOM SAMPLE	
<b>X</b>					

The Department of Public Welfare conducted an announced site visit and record review of Pediatric Specialty Care on February 17, 2011 for the purpose of initial licensure of the facility under a new legal entity. During the inspection Departmental staff: reviewed personnel files of all staff and conducted a physical site walk through and inspection of all appropriate areas.

Pediatric Specialty Care provides 24 hour residential care for children, newborn through eighteen years of age who are medically fragile, immobile, pulmonary impaired, mentally disabled, auditory and visually impaired and technologically dependent in a home like setting. The site is spacious, clean and colorful. Individual bedrooms are painted in various bright colors and are decorated age appropriately for the children.

Pediatric Specialty Care staff team includes a site Director, Director of Nursing, trained nurses, respiratory therapists, social worker and nursing technicians who provide structured, individualized programs for each resident. Education for the children is provided by Lancaster Intermediate Unit. Depending on the medical involvement of the child, there is both on-site and off-site education available. Community volunteers and students for local schools are involved in interaction with the child through reading stories, playing music and arts and crafts projects. Family care taker training is available to the families who are willing and able to learn the care of their children and who desire their children reunified with them in their own homes.

1. '55 PA CODE CHAPTER	2. NON-COMPLIANCE AREA	3. CORRECTION REQUIRED	4. REQUIRED CORRECTION DATE	5. PROVIDER'S PLAN OF CORRECTION OR RESPONSE	6. STATUS OF CORRECTION
3800	No areas of non compliance were observed on the date of inspection.				

**THE LEGAL ENTITY REPRESENTATIVE MUST COMPLETE COLUMN 5 SIGN ON THE SIGNATURE LINE AT THE BOTTOM AND DATE ALL PAGES OF THIS DOCUMENT. RETURN THIS ENTIRE DOCUMENT WHEN COMPLETED TO YOUR REGIONAL OFFICE NO LATER THAN 10 CALENDAR DAYS FROM THE MAILING DATE OF THIS CORRESPONDENCE.**

SIGNATURE OF LEGAL ENTITY REPRESENTATIVE	TITLE
DATE	TELEPHONE NUMBER



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Human Services Provider Directory

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Program Office  
 \* For a historical list of Developmental Program Providers prior to June 1, 2012, use the dropdown above. For current information please use the [Online Developmental Programs Provider Search](#)

Region  County

Zip Code

Facility / Legal Entity Name

Directory of Provider Information was last updated on 01/07/2013

**COMMUNITY HOME SERVICES - LARGE HOME : 5  
 OFFICE OF DEVELOPMENTAL PROGRAMS**

NO	Name and Address	Capacity	Type of Operation	Status & License #	Type of License
1	PEDIATRIC SPECIALTY CARE AT LANCASTER 120 RIDER AVENUE OPERATING COMPANY LP 120 RIDER AVENUE LANCASTER PA - 17603 Phone: 7173973000 County: LANCASTER Region: CENTRAL	9	PROFIT	LICENSED [328590] <a href="#">Inspection Summary</a>	FULL

To find directory information on the type of licensed human service you are interested in, select a service from the drop-down box below and click the Go button. The default will display all listings for the whole state. You may narrow your search by selecting a Region or County, and/or entering a zip code. You may search for a specific facility name or Legal entity name. Special Characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

You may narrow your search further by selecting a service type and typing in the name of a Legal Entity, in addition to designating a specific Region/County or zip code. The search will return all of the facilities for a specific type of service provided by the designated Legal Entity in either the Region/County or the zip code designated. Again, remember that special characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

After clicking GO, the name of the DPW program office responsible for regulating that type of facility or agency will be displayed in the header, along with the information requested.

The directory includes the following information on each home/facility:

- DPW licensing office region of the state in which the facility is located
- County of location
- Name of facility/provider
- Address
- City
- State
- Zip code
- Licensed capacity
- Phone number of facility
- Business status (profit or non-profit business)
- Current type of license the facility's legal entity/ licensee holds for the facility. It can be either Full/Regular License, which is usually 12 months in length, or Provisional Status, which usually is a six-month license.

A facility listing on this page does not indicate an endorsement or referral by the commonwealth of Pennsylvania, the Department of Public Welfare, any of its program offices or staff. It is important that consumers verify licensing information prior to engaging the services of a provider. This can be done by:

- Visiting or calling the facility/provider and asking to see the license prior to engaging services.
- Calling or visiting the DPW regional program office with responsibility for regulating and/or monitoring the activities of the provider/facility.

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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

Ms. Linda Barnum, Administrator  
Pediatric Specialty Care at Lancaster  
90 Cafferty Rd  
P.O. Box 217  
Point Pleasant, PA 18950

JUL 31 2012

Re: Pediatric Specialty Care at Lancaster  
Certificate #: 328590

Dear Ms. Barnum:

On February 26 & 27, 2012, the Department of Public Welfare conducted a licensing inspection of the above named agency. As a result of our licensing inspection, a Regular Certificate of Compliance is being issued in accordance to 55 Pa. Code CH: 6400. Your Certificate of Compliance is enclosed.

If areas of non-compliance were found during our licensing inspection, a copy of your approved Licensing Inspection Summary is also enclosed. You are responsible for complying with the requirements in the Licensing Inspection Summary. As soon as areas of non-compliance are corrected, please notify the Regional Office of Developmental Programs so that compliance can be verified.

If you have any questions regarding the above licensing action, please contact the Central Region licensing staff at (717) 772-6507.

Sincerely,

A handwritten signature in black ink that reads "Kevin M. Friel".

Kevin M. Friel,  
Deputy Secretary

Enclosures

OFFICE OF DEVELOPMENTAL PROGRAMS  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care		REGIONAL LICENSING INSPECTOR Amy Knaus & Heidi Faerber		DATE 4-24-12
INSPECTION DATE (S) February 21 & 27, 2012		INSPECTOR APPROVAL SIGNATURE: <i>Amy Knaus</i>		
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>Alexa Sweaney</i>		DATE 3/30/12		
1 REGULATION	2 NON-COMPLIANCE AREA	3 DATE BY WHICH CORRECTION WILL BE COMPLETED	4 PROVIDER'S PLAN OF CORRECTION	5 DATE COMPLIANCE VALIDATED
6400.112(c)	<p><b>Fire drills</b> A written fire drill record shall be kept of the date, time, the amount of time it took for evacuation, the exit route used, problems encountered and whether the fire alarm or smoke detector was operative.</p> <p>There was no documentation of a fire drill held in January 2012.</p> <p><b>Health services</b> Health services, such as medical, nursing, pharmaceutical, dental, dietary and psychological services that are planned or prescribed for the individual shall be arranged for or provided.</p> <p>The January 2012 treatment sheet for Individual #1 did not document if his clonidine patch was checked once per shift as per doctor's orders.</p>	<p>February 14, 2012</p> <p>April 30, 2012</p>	<p>As per our existing policy fire drills will be held on a monthly base, all key information will be noted. See attached policy and February and March fire drills.</p> <p>Health services will be provided as prescribed. Nursing will ensure all physician orders are properly documented on administration records. All nursing staff will be educated on proper documentation of topical patches, as well as the monthly change over process.</p>	<p>4-24-12 AK documents</p> <p>4-24-12 AK documents</p>
6400.144				

**LICENSING INSPECTION SUMMARY**

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care		REGIONAL LICENSING INSPECTOR Amy Knauis & Heidi Faerber	
INSPECTION DATE (S) February 21 & 27, 2012	DATE 3/30/12	INSPECTOR APPROVAL SIGNATURE: <i>Amy Knauis</i>	DATE 4-24-12
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>Alexa Sweeting</i>			

1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400.181(e)(13)	<p><b>Assessment</b> The assessment must include the individual's progress over the last 365 calendar days and current level in health, motor and communication skills, activities of residential living, personal adjustment, socialization, recreation, financial independence, managing personal property, and community-integration.</p> <p>The assessment for Individual #1 did not include progress and growth over the last year in the above mentioned areas.</p>	April 1, 2012	The individual's yearly progress and growth will be documented on in the following areas; health, motor, and communication skills, activities of residential living, personal adjustment, socialization and recreation, financial independence, managing personal property and community -- integration.	4-24-12 <i>OK</i> <i>documents</i>
6400.182(c)	<p><b>Development, annual update, and revision of the ISP</b> When an individual is not receiving services through an SCO, the residential program specialist shall be the plan lead. The plan lead shall be responsible for developing and implementing the ISP, including annual updates and revisions.</p> <p>Individual #1 does not receive services through an SCO. The Program Specialist did not develop an ISP for him.</p>	April 1, 2012	Program Specialist will be plan lead when an individual is not receiving services through an SCO.	4-24-12 <i>OK</i> <i>documents</i>

LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care		REGIONAL LICENSING INSPECTOR Amy Knaus & Heidi Faerber		
INSPECTION DATE(S) February 21 & 27, 2012		DATE 4-24-12		
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>Alexa Swelley</i>		INSPECTOR APPROVAL SIGNATURE: <i>Amy Knaus</i>		
DATE 3/30/12		DATE 4-24-12		
1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400.182(d)(3)	<u>Development, annual update, and revision of the ISP</u> The ISP, annual updates and revisions shall be documented on the Department-designated form located in the Home and Community Services Information System (HCSIS).  The Program Specialist did not use the Department designated ISP form for individual #1's ISP.	April 1, 2012	The ISP will be documented on the HCSIS Department - designated form by the Program Specialist when acting as plan lead.	4-24-12 OK documents
6400.182(d)(4)	<u>Development, annual update, and revision of the ISP</u> An invitation shall be sent to plan team members at least 30 calendar days prior to an ISP meeting.  The Program Specialist did not send invitations to the Plan Team 30 days prior to an ISP meeting.	April 1, 2012	Will be corrected by the Program Specialist sending invitations to all team members 30 days prior to ISP meeting.	4-24-12 OK documents

OFFICE OF DEVELOPMENTAL PROGRAMS  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care		REGIONAL LICENSING INSPECTOR Amy Kraus & Heidi Faerber		
INSPECTION DATE (S) February 21 & 27, 2012	DATE 3/30/12	INSPECTOR APPROVAL SIGNATURE: <i>Amy Kraus</i>	DATE 4-24-12	
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>Alexa Sweeney</i>				
1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400.186(8)	<p><u>Development, annual update, and revision of the ISP</u></p> <p>The program specialist shall notify the plan team members of the option to decline the ISP review documentation.</p> <p>There was no documentation that the Plan Team was notified of their option to decline copies of the ISP reviews.</p>	April 1, 2012	Corrected by adding declination statement to the ISP review letters - informing the ISP team that they may decline the ISP review documentation. See Attached	4-24-12 <i>OK</i> <i>documents</i>
6400.212(b)	<p><u>Individual records</u></p> <p>Entries in an individual's record shall be legible, dated and signed by the person making the entry.</p> <p>Individual #1's 1/13/12 medication administration record stating his medications were to be held was not signed or initialed by the person making the entry.</p> <p>Individual #1's record also included a "problem sheet" that included written entries that were not signed.</p>	April 30, 2012	Entries in the individual's records will be legible with proper documentation of date and initials. Staff will be educated on proper documentation of all entries within the record. The "problem List" includes a direction to sign each written entry. See Attached	4-24-12 <i>OK</i> <i>documents</i>



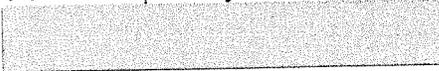
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

KEVIN T. CASEY  
Deputy Secretary  
Office of Developmental Programs

TELEPHONE NUMBER: (717) 787-3700  
FAX: (717) 787-6583

**FEB 28 2011**

Mr. Jeffrey Rubin, Owner  
Pediatric Specialty Care At Lancaster  
590 Madison Ave.  
New York, New York 10022

Re: Pediatric Specialty Care At Lancaster  
  
Certificate #328590

Dear Mr. Rubin:

On January 31, 2011 the Department of Public Welfare, Office of Mental Retardation conducted a certification inspection on the above named facility. As a result of this inspection, a Regular Certificate of Compliance is being issued by the Department of Public Welfare in accordance with 55 Pa. Code CH 6400. Your Certificate of Compliance is enclosed.

If areas of non-compliance were found during the inspection, a copy of your approved License of Inspection Summary is also enclosed. You are responsible for complying with the requirements in the Licensing Inspection Summary.

If you have any questions, please call Susan Harrison, Central Region Licensing Administrator at 717-772-6484.

Sincerely,

Kevin T. Casey

Enclosure

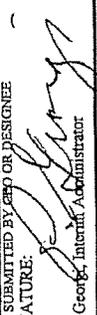
cc: Mr. Jim Laughman, Executive Director  
Lancaster County MH/MR Program

OFFICE OF DEVELOPMENTAL PROGRAMS  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Lancaster		REGIONAL LICENSING INSPECTOR Kay W. Haldeman	DATE 2/7/11
INSPECTION DATE (S) 1/31/11	DATE February 2, 2011	INSPECTOR APPROVAL SIGNATURE: <i>Kay W. Haldeman</i>	
PLAN SUBMITTED BY CRO OR DESIGNEE SIGNATURE: <i>Peter Georgi</i>			
Peter Georgi, Interim Administrator			

1 REGISTRATION	2 NON-COMPLIANCE AREA	3 DATE BY WHICH CORRECTION WILL BE COMPLETED	4 PROVIDER'S PLAN OF CORRECTION	5 DATE COMPLIANCE VALIDATED
6400.80(a)	<p><b>Exterior Conditions</b> Outside walkways shall be free from ice, snow, obstructions and other hazards.</p> <p>The rear exit from the stairwell has a vent over the sidewalk that emits lint. This lint starting to cover the sidewalk and was on the door frame of the exterior door.</p>	February 2, 2011 Clean up of lint around doorway and sidewalk completed and verified by Peter Georgi	Clean up of lint around doorway and sidewalk completed by [redacted] maintenance personnel and to be cleaned every week with Dryer Cleaning Check List initiated weekly by [redacted] each time completed. Refer to attachment# 1.	2/11/11 <i>RSB</i>
6400.104	<p><b>Notification to Local Fire Department</b> The home shall notify the local fire department in writing of the address of the home and the exact location of the bedrooms of individuals who need assistance evacuating in the event of an actual fire. The notification shall be kept current.</p> <p>There was no notification to the local fire department in writing that included the address of the home, the exact location of the bedrooms of the individuals and their need for assistance.</p>	February 2, 2011 Our fire safety personnel, Beth Storer, has completed and notified the fire department w/ required up to date documentation.	A notification to the fire department has been completed by [redacted] with current census and exact location of each individual residing at PSC at Lancaster. Notification by [redacted] will be made to the fire department each time a change occurs of an admission or discharge. Refer to attachment #2.	

OFFICE OF DEVELOPMENTAL PROGRAMS  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY Pediatric Specialty Care at Lancaster		REGIONAL LICENSING INSPECTOR Key W. Haldeman	
INSPECTION DATE (S) 1/31/11	DATE February 2, 2011	INSPECTOR APPROVAL SIGNATURE: 	DATE 2/7/11
PLAN SUBMITTED BY CEO OR DESIGNEE Peter George, Interim Administrator		INSPECTOR APPROVAL SIGNATURE:	

1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400.151(a)	<p><u>Staff Physical Examination</u> A staff person who comes into direct contact with the individuals or who prepares or serves food, for more than 5 days in a 6-month period, including temporary, substitute and volunteer staff, shall have a physical examination within 12 months prior to employment and every 2 years thereafter.</p> <p>Staff #1 did not have an initial physical examination on file from when she was hired 12/20/10.</p>	February 2, 2011 Employees PCP contacted for current physical documentation as employee had been to her PCP for the physical, however a copy not received here.	Current physical attached. The administrator, currently, interim administrator, will track all new staff and required physicals prior to any employee's employment. (will fax physical on 2/7/2011)	2/7/11 



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Human Services Provider Directory

**Search for Provider**

Service Code

Program Office  
 \* For a historical list of Developmental Program Providers prior to June 1, 2012, use the dropdown above. For current information please use the [Online Developmental Programs Provider Search](#)

Region  County

Zip Code

Facility / Legal Entity Name

Directory of Provider Information was last updated on 01/07/2013

**COMMUNITY HOME SERVICES - LARGE HOME : 5**  
**OFFICE OF DEVELOPMENTAL PROGRAMS**

NO	Name and Address	Capacity	Type of Operation	Status & License #	Type of License
1	PEDIATRIC SPECIALTY CARE AT HOPEWELL 2900 JOHNSON STREET OPERATING COMPANY LP 2900 JOHNSON STREET ALIQUIPPA, PA - 15001 Phone 7248579705 County BEAVER Region WESTERN	36	PROFIT	LICENSED [442890] <a href="#">Inspection Summary</a>	FULL

To find directory information on the type of licensed human service you are interested in, select a service from the drop-down box below and click the Go button. The default will display all listings for the whole state. You may narrow your search by selecting a Region or County, and/or entering a zip code. You may search for a specific facility name or Legal entity name. Special Characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

You may narrow your search further by selecting a service type and typing in the name of a Legal Entity, in addition to designating a specific Region/County or zip code. The search will return all of the facilities for a specific type of service provided by the designated Legal Entity in either the Region/County or the zip code designated. Again, remember that special characters are ignored in the search and you must enter at least four characters in order to search for a facility name or legal entity name.

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- DPW licensing office region of the state in which the facility is located
- County of location
- Name of facility/provider
- Address
- City
- State
- Zip code
- Licensed capacity
- Phone number of facility
- Business status (profit or non-profit business)
- Current type of license the facility's legal entity/ licensee holds for the facility. It can be either Full/Regular License, which is usually 12 months in length, or Provisional Status, which usually is a six-month license.

A facility listing on this page does not indicate an endorsement or referral by the commonwealth of Pennsylvania, the Department of Public Welfare, any of its program offices or staff. It is important that consumers verify licensing information prior to engaging the services of a provider. This can be done by:

- Visiting or calling the facility/provider and asking to see the license prior to engaging services.
- Calling or visiting the DPW regional program office with responsibility for regulating and/or monitoring the activities of the provider/facility.

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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

DEC 1 5 2011

Mr. Michael Burns, Chief Operating Officer  
Point Pleasant  
90 Cafferty Road  
PO Box 217  
Point Pleasant, Pennsylvania 18950

Re: Certificate #442890  
Pediatric Specialty Care at Hopewell



Dear Mr. Burns:

On October 24, 2011, the Department of Public Welfare conducted a licensing inspection of the above named program. As a result of our licensing inspection, a Regular Certificate of Compliance is being issued in accordance with 55 Pa. Code CH. 6400. Your Certificate of Compliance is enclosed.

If areas of non-compliance were found during our licensing inspection, a copy of your approved Licensing Inspection Summary is also enclosed. You are responsible for complying with the requirements in the Licensing Inspection Summary. As soon as areas of non-compliance are corrected, please notify the Regional Office of Developmental Programs so that compliance can be validated.

If you have any questions regarding the above licensing action, please contact the Western Region Licensing staff at 412-565-5144.

Sincerely,

Kevin M. Friel  
Deputy Secretary

Enclosure

c: Gerard Mike, Administrator  
Beaver County Behavior Health

OFFICE OF DEVELOPMENTAL PROGRAMS  
LICENSING INSPECTION SUMMARY

PAGE  
1 OF 2

NAME AND ADDRESS OF FACILITY <b>Pediatric Specialty Care at Hopewell</b>		REGIONAL LICENSING INSPECTOR <b>L. Aul &amp; L. Mehts</b>	DATE <b>11/15/11</b>
INSPECTION DATE (S) October 24, 2011	INSPECTOR APPROVAL SIGNATURE: <i>Lorraine Aul</i>		
PLAN SUBMITTED BY CEO OR DESIGNEE <i>Michael Bruno</i>	DATE <b>11/3/2011</b>		

1. REGULATION	2. NON-COMPLIANCE AREA	3. DATE BY WHICH CORRECTION WILL BE COMPLETED	4. PROVIDER'S PLAN OF CORRECTION	5. DATE COMPLIANCE VALIDATED
6400.31(a)	<p><b>Informing and encouraging exercise of rights:</b> Each individual, or the individual's parent, guardian or advocate, if appropriate, shall be informed of the individual's rights upon admission and annually thereafter.</p> <p><i>(Individual #1 was not informed of their rights annually - 9/9/10 to 10/7/11.)</i></p>	11/7/2011	<p>All residents, or the resident's parent/guardian/advocate, will be informed of the individual's rights upon admission and annually thereafter. Social Worker will monitor for compliance.</p>	
6400.163(c)	<p><b>Use of prescription medications:</b> If a medication is prescribed to treat symptoms of a diagnosed psychiatric illness, there shall be a review with documentation by a licensed physician at least every 3 months that includes the reason for prescribing the medication, the need to continue the medication and the necessary dosage.</p> <p><i>(Three month medication reviews for individual #1 dated 3/22/11, 6/14/11 &amp; 9/13/11, do not list the dosages of the medications being reviewed.)</i></p>	11/7/2011	<p>All residents on medication prescribed to treat symptoms of a diagnosed psychiatric illness, will be assessed by a licensed physician at least every three months and there will be documentation supporting the reason for the prescribed medication, the need to continue the medication, and the necessary dosage of the medication. Correspondence will be mailed to the treating physicians outlining these requirements by 11/7/2011. Director of Nursing will monitor for compliance.</p>	

OFFICE OF DEVELOPMENTAL PROGRAMS  
WESTERN REGION OFFICE

NOV 10 2011

OFFICE OF DEVELOPMENTAL PROGRAMS  
LICENSING INSPECTION SUMMARY

NAME AND ADDRESS OF FACILITY  
**Pediatric Specialty Care at Hopewell**

INSPECTION DATE (S)  
October 24, 2011

PLAN SUBMITTED BY CEO OR DESIGNEE  
SIGNATURE: *Michael Burns*

REGIONAL LICENSING INSPECTOR  
L. Aul & L. Metts

INSPECTOR APPROVAL  
SIGNATURE: *Lorriant Aul*

DATE  
11/15/11

REGULATION	NON-COMPLIANCE AREA	DATE BY WHICH CORRECTION WILL BE COMPLETED	PROVIDER'S PLAN OF CORRECTION	DATE COMPLIANCE VALIDATED
6400.31(a)	<p><b>Informing and encouraging exercise of rights:</b> Each individual, or the individual's parent, guardian or advocate, if appropriate, shall be informed of the individual's rights upon admission and annually thereafter.</p> <p><i>(Individual #1 was not informed of their rights annually - 9/9/10 to 10/7/11.)</i></p>	11/7/2011	<p>All residents, or the resident's parent/guardian/advocate, will be informed of the individual's rights upon admission and annually thereafter. Social Worker will monitor for compliance.</p>	
6400.163(c)	<p><b>Use of prescription medications:</b> If a medication is prescribed to treat symptoms of a diagnosed psychiatric illness, there shall be a review with documentation by a licensed physician at least every 3 months that includes the reason for prescribing the medication, the need to continue the medication and the necessary dosage.</p> <p><i>(Three month medication reviews for individual #1 dated 3/22/11, 6/14/11 &amp; 9/13/11, do not list the dosages of the medications being reviewed.)</i></p>	11/7/2011	<p>All residents on medication prescribed to treat symptoms of a diagnosed psychiatric illness, will be assessed by a licensed physician at least every three months and there will be documentation supporting the reason for the prescribed medication, the need to continue the medication, and the necessary dosage of the medication. Correspondence will be mailed to the treating physicians outlining these requirements by 11/7/2011. Director of Nursing will monitor for compliance.</p>	

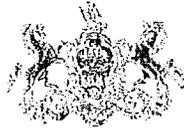
OFFICE OF DEVELOPMENTAL PROGRAMS  
WESTERN REGION OFFICE

NOV 10 2011

OFFICE OF DEVELOPMENTAL PROGRAMS  
LICENSING INSPECTION SUMMARY

PAGE  
2 OF 2

NAME AND ADDRESS OF FACILITY <b>Pediatric Specialty Care at Hopewell</b>		REGIONAL LICENSING INSPECTOR L. Aul & L. Metts		DATE 11/15/11
INSPECTION DATE (s) October 24, 2011	DATE 11/3/2011	INSPECTOR APPROVAL SIGNATURE: <i>Lorraine Aul</i>		
PLAN SUBMITTED BY CEO OR DESIGNEE SIGNATURE: <i>Michelle Burns</i>				
REGULATION	NON-COMPLIANCE AREA	DATE BY WHICH CORRECTION WILL BE COMPLETED	PROVIDER'S PLAN OF CORRECTION	DATE COMPLIANCE VALIDATED
6400.213(7)(ii)	Content of records: Each individual's record must include the following information: A copy of the invitation to - the annual update meeting. <i>(There is no copy of the invitation to the annual ISP annual update meeting in the record for individual #1.)</i>	10/24/11	Corrected by obtaining a copy of the invitation from the Support Coordinator.	"D" 10/24/11 LM
6400.213(10)(iv)	Content of records: Each individual's record must include the following information: Documentation of ISP reviews and revisions under § 6400.186 (relating to ISP review and revision), including the notices that the plan team member may decline the ISP review documentation. <i>(The records of individual's #1&amp;2 do not include notices that the team members can decline the ISP review documentation.)</i>	10/24/11	Corrected by adding declination statement to the ISP review letters informing the ISP team that they may decline the ISP review documentation.	"D" 10/24/11 LM



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

Mailing Date

'APR 11 2011

Mr. Erwin A. Carner, CEO  
2900 Johnson Street Operating Company, LP  
590 Madison Avenue, 21st Floor  
New York, New York, 10022

Re: Certificate 442890  
Pediatric Specialty Care at Hopewell  
[REDACTED]

Dear Mr. Carner:

On February 1, 2011, the Department of Public Welfare, Office of Developmental Programs conducted an initial inspection of the above named facility. As a result of this inspection, a Regular Certificate of Compliance is being issued by the Department of Public Welfare in accordance with 55 Pa. Code CH 6400. Your Certificate of Compliance is enclosed.

If areas of non-compliance were found during our licensing inspection, a copy of your approved Licensing Inspection Summary is also enclosed. You are responsible for complying with the requirements in the Licensing Inspection Summary. As soon as areas of non-compliance are corrected, please notify the Regional Office of Developmental Programs so that compliance can be validated.

If you have any questions regarding the above licensing action, please contact the Western Region Licensing staff at 412-565-5144.

Sincerely,

Kevin Friel  
Acting Deputy Secretary

Enclosure(s)

c: Gerard Mike, Administrator  
Beaver County MH/MR/D&A Program



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### PCH Directory

**Search Personal Care Homes**

Region:

County:

Zip Code:

Facility / Legal Entity Name:

No	Name and Address	Capacity (Number of Residents)	Type of Operation	Status/License Type License #	Expiration Date
1	SENIOR LIVING AT LANCASTER 120 RIDER AVENUE PCH OPERATING COMPANY LP 120 RIDER AVENUE LANCASTER, PA - 17603 Phone: 7173973000 County: LANCASTER Region: CENTRAL	99 (51 on 9/14/2012)	PROFIT	LICENSED / FULL [No. 328630] <a href="#">Inspection Summary</a>	10/16/2013

### Other Topics

Last Modified: 2/15/2012 8:31



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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 120 RIDER AVENUE PCH OPERATING COMPANY, LP

To operate SENIOR LIVING AT LANCASTER

Located at 120 RIDER AVENUE, LANCASTER, PA 17603

ADDRESS OF SATELLITE SITE \_\_\_\_\_

To provide Personal Care Homes

The total number of persons which may be cared for at one time may not exceed 99

or the maximum capacity permitted by the Certificate of Occupancy. If either is smaller

Restrictions: \_\_\_\_\_

This certificate is granted in accordance with the Public Welfare Code of 1967, P. L. 31, as amended, and Regulations

55 Pa. Code Chapter 2600: Personal Care Homes

and shall remain in effect from April 15, 2011 until October 15, 2011

unless sooner revoked for non-compliance with applicable laws and regulations.

No: 328631

*Robert E. Robinson*

ISSUING OFFICER

*R. C. King*

DIRECTOR

NOTE: This certificate is issued for the above site(s) only and is not transferable and should be posted in a conspicuous place in the facility.

PW 628 - 01/11



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
PO BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

ADULT RESIDENTIAL LICENSING

APR 18 2011

PHONE: (717) 783-3670  
FAX: (717) 783-5662

Dr. Jeffrey Rubin, Owner  
120 Rider Avenue PCH Operating Company, LP  
590 Madison Avenue, 21<sup>st</sup> Floor  
New York, New York 10022

RE: Senior Living at Lancaster  
120 Rider Avenue  
Lancaster, Pennsylvania 17603

Dear Dr. Rubin:

As a result of the Department of Public Welfare's licensing inspection on April 11, 2011 of the above personal care home, we have found that your personal care home is in substantial compliance with the regulations, set forth in 55 Pa.Code Ch. 2600 (relating to Personal Care Homes), that can be adequately assessed at this time. The licensing inspector was unable to complete a full inspection because this is a new legal entity operating the home.

During the inspection, violations on the enclosed Violation Report were found. All violations specified on the Violation Report must be corrected by the dates specified on the Violation Report and continued compliance with 55 Pa.Code Ch. 2600 must be maintained. As soon as each violation is corrected, notify the Department's Regional Office of Adult Residential Licensing so that compliance can be verified.

Your PROVISIONAL license is enclosed, based on substantial but not complete compliance with 55 Pa.Code Ch. 2600.

Sincerely,

*Ronald Melusky*  
/s/

Ronald Melusky  
Acting Director

Enclosures  
License  
Violation Report

**VIOLATION REPORT**  
**PERSONAL CARE HOMES - 55 Pa.Code Chapter 2600**

<p><b>NAME AND ADDRESS OF PERSONAL CARE HOME</b>                  Senior Living at Lancaster, 120 Rider Avenue Lancaster, PA 17603</p>	<p><b>CURRENT LICENSE NUMBER</b>                  32863</p>	
<p><b>REGIONAL REPRESENTATIVE</b>                  Serena Chou, Rebecca Riel</p>		
<p><b>INSPECTION DATES (include all dates of the inspection)</b>                  04/11/2011</p>		
<p><b>PRINTED NAME AND TITLE OF LEGAL ENTITY REPRESENTATIVE SIGNING PLAN OF CORRECTION (Required on FIRST PAGE only unless multiple representatives produce the plan)</b>                  BETH STORER  </p>		
<p><b>SIGNATURE OF LEGAL ENTITY</b>  </p>	<p><b>DATE</b>                  4/13/11</p>	<p><b>REGIONAL LICENSING APPROVAL OF PLAN OF CORRECTION</b>  </p>
		<p><b>DATE</b>                  4/14/11</p>

REGULATION	VIOLATION	DATE BY WHICH CORRECTION WILL BE COMPLETED	PLAN OF CORRECTION (include a step-by-step plan to correct the specific violation, as well as a plan to assure the violation does not recur)	DATE COMPLIANCE VERIFIED BY
144d Smoking outside of the smoking room is prohibited.	On 4/11/2011, approximately 25 cigarette butts were found on the ground, next to a pile of tree branches and leaves.	4/11/11  4/13/11	<p>MAINTENANCE SUPERVISOR CLEANED CIGARETTE BUTTS.</p> <p>EMPLOYEE SMOKING POLICY WAS UPDATED (SEE ATTACHED MEMO) AND EMPLOYEES WERE EDUCATED REGARDING THE POLICY AND SAFETY ASPECTS.</p> <p>PROPERTY STAFF WERE SHARED THE PROPERTY WERE ALSO RE-EDUCATED (SEE ATTACHED EMAIL).</p>	Steps have been taken to correct violation; full compliance is not verifiable 4/14/11 BE
	ONGOING		<p>TO PREVENT REOCURENCE, DAILY ROUNDS WILL BE MADE BY ADMIN. OR DESIGNEE. ANY EVIDENCE OF SMOKING OUTSIDE OF THE DESIGNATED AREA WILL BE INVESTIGATED VIA SECURITY CAMERAS. THE PROGRESSIVE DISCIPLINE SYSTEM WILL BE FOLLOWED.</p>	<p>Date                  4/14/11 BE                  Initials (DPW)</p>

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 120 RIDER AVENUE PCH OPERATING COMPANY, LP

To operate SENIOR LIVING AT LANCASTER

Located at 120 RIDER AVENUE, LANCASTER, PA 17603

ADDRESS OF SATELLITE SITE

To provide Personal Care Homes

The total number of persons which may be cared for at one time may not exceed 99 or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller.

(MAXIMUM CAPACITY)

Restrictions:

This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 2600: Personal Care Homes

(MANUAL NUMBER AND TITLE OF REGULATIONS)

and shall remain in effect from October 16, 2011 until October 16, 2012 unless sooner revoked for non-compliance with applicable laws and regulations.

No: 328630

*Robert E. Robinson*

ISSUING OFFICER

*R. C. King*

DIRECTOR

NOTE: This certificate is issued for the above site(s) only and is not transferable and should be posted in a conspicuous place in the facility.

PW 628 - 01/11



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
PO BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

ADULT RESIDENTIAL LICENSING

OCT 13 2011

PHONE: (717) 783-3670  
FAX: (717) 783-5662

Mr. Gregory B. Hook, Chief Compliance Officer  
120 Rider Avenue PCH Operating Company, LP  
145 East 57<sup>th</sup> Street, 11<sup>th</sup> Floor  
New York, New York 10022

RE: Senior Living at Lancaster  
120 Rider Avenue  
Lancaster, Pennsylvania 17603

Dear Mr. Hook:

As a result of the Department of Public Welfare's licensing inspection on July 29, 2011 and August 31, 2011, and the corrections you have made after our inspection, we have found the above personal care home to be in compliance with 55 Pa.Code Ch. 2600 (relating to Personal Care Homes). Therefore, a regular license is being issued. Your license is enclosed.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Melusky", with a long horizontal stroke extending to the right.

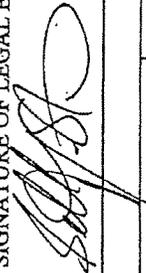
Ronald Melusky  
Director

Enclosure  
License

VIOLATION REPORT

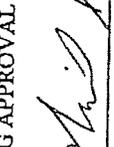
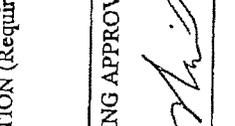
PERSONAL CARE HOMES - 55 Pa. Code Chapter 2600

Page 1 of 3

NAME AND ADDRESS OF PERSONAL CARE HOME Senior Living at Lancaster, 120 Rider Avenue Lancaster, PA 17603		CURRENT LICENSE NUMBER 328461
INSPECTION DATES (Include all dates of the inspection) 7/29/2011	REGIONAL REPRESENTATIVE Ron Minnich	
PRINTED NAME AND TITLE OF LEGAL ENTITY REPRESENTATIVE SIGNING PLAN OF CORRECTION (Required on FIRST PAGE only unless multiple representatives produce the plan) <i>Beth Singer</i>		
SIGNATURE OF LEGAL ENTITY 	DATE 8/17/11	REGIONAL LICENSING APPROVAL OF PLAN OF CORRECTION <i>Phil P. Gody</i>
		DATE 8/31/11

REGULATION	VIOLATION	DATE COMPLIANCE VERIFIED BY	PLAN OF CORRECTION (include a step-by-step plan to correct the specific violation, as well as a plan to assure the violation does not recur)	DATE COMPLIANCE VERIFIED BY
55 Pa. Code §2600				
100a The exterior of the building and the building grounds or yard shall be in good repair and free of hazards.	The home's dryer duct exits the building near the emergency egress ramp next to the home's garden. A thick, smooth layer of lint covers several concrete tiles of the ramp and poses a slipping risk to residents.  PCH Division Central Region Field Office  AUG 19 2011  <b>RECEIVED</b>	IMMEDIATELY	LINT WAS CLEARED FROM SIDEWALK.	NSC 8/31/11
		ONGOING	TO ENSURE CONTINUED COMPLIANCE WITH 100A, THE DUCT CLEANING SCHEDULE HAS BEEN INCREASED TO TWICE A WEEK. ALSO, MAINTENANCE STAFF WILL CLEAN LINT FROM SIDEWALK AS NEEDED DURING DAILY BUILDING TOURS.	

VIOLATION REPORT  
PERSONAL CARE HOMES - 55 Pa.Code Chapter 2600

NAME AND ADDRESS OF PERSONAL CARE HOME Senior Living at Lancaster, 120 Rider Avenue Lancaster, PA 17603		CURRENT LICENSE NUMBER 328461
INSPECTION DATES (Include all dates of the inspection) 7/29/2011	REGIONAL REPRESENTATIVE Ron Minnich	
PRINTED NAME AND TITLE OF LEGAL ENTITY REPRESENTATIVE SIGNING PLAN OF CORRECTION (Required on FIRST PAGE only unless multiple representatives produce the plan)		
SIGNATURE OF LEGAL ENTITY 	DATE 8/17/11	REGIONAL LICENSING APPROVAL OF PLAN OF CORRECTION 
	DATE 8/31/11	

REGULATION 55 Pa.Code §2600	VIOLATION	DATE COMPLIANCE VERIFIED BY	PLAN OF CORRECTION (include a step-by-step plan to correct the specific violation, as well as a plan to assure the violation does not recur)	DATE COMPLIANCE VERIFIED BY
125b Combustible materials shall be inaccessible to residents.	The middle door of the home's storage garage was open and the building contained a full 2-gallon plastic fuel can. This area is accessible to residents.	IMMEDIATELY	GARAGE DOOR WAS CLOSED AND LOCKED. MAINTENANCE STAFF WAS RE-EDUCATED TO MAKE SURE THAT COMBUSTIBLE MATERIALS ARE NOT ACCESSIBLE TO RESIDENTS.	NSC 8/31/11
		ONGOING	TO ENSURE CONTINUED COMPLIANCE WITH 125b, ADMINISTRATOR OR DESIGNEE WILL RANDOMLY INSPECT STORAGE AREAS TO MAKE CERTAIN THAT COMBUSTIBLE MATERIALS ARE INACCESSIBLE TO RESIDENTS.	

VIOLATION REPORT  
PERSONAL CARE HOMES - 55 Pa. Code Chapter 2600

NAME AND ADDRESS OF PERSONAL CARE HOME Senior Living at Lancaster, 120 Rider Avenue Lancaster, PA 17603		CURRENT LICENSE NUMBER 328461
INSPECTION DATES (Include all dates of the inspection) 7/29/2011		REGIONAL REPRESENTATIVE Ron Minnich
PRINTED NAME AND TITLE OF LEGAL ENTITY REPRESENTATIVE SIGNING PLAN OF CORRECTION (Required on FIRST PAGE only unless multiple representatives produce the plan)		
SIGNATURE OF LEGAL ENTITY 	DATE 8/17/11	REGIONAL LICENSING APPROVAL OF PLAN OF CORRECTION Phil A. Cozy
		DATE 8/31/11

REGULATION 55 Pa. Code §2600	VIOLATION	DATE COMPLIANCE VERIFIED BY	PLAN OF CORRECTION (include a step-by-step plan to correct the specific violation, as well as a plan to assure the violation does not recur)	DATE COMPLIANCE VERIFIED BY
144c2 The location of a smoking room or outside smoking area shall be a safe distance from heat sources, hot water heaters, combustible or flammable materials and away from common walkways and exits.	The middle door of the home's storage garage was open and the building contained a full 2-gallon plastic fuel can. The home's designated smoking area is located right beside the storage garage and resident's must pass near the fuel can to enter and exit the home.	IMMEDIATELY	GARAGE DOOR WAS CLOSED AND LOCKED. MAINTENANCE STAFF WAS RE-EDUCATED TO MAKE SURE THAT COMBUSTIBLE MATERIALS ARE NOT ACCESSIBLE TO RESIDENTS EN ROUTE TO THE SMOKING AREA.	NSC 8/31/11
		ONGOING	TO ENSURE CONTINUED COMPLIANCE WITH 144c2, ADMINISTRATOR OR DESIGNEE WILL RANDOMLY INSPECT STORAGE AREAS TO MAKE CERTAIN THAT COMBUSTIBLE MATERIALS ARE INACCESSIBLE TO RESIDENTS.	

VIOLATION REPORT  
PERSONAL CARE HOMES - 55 Pa. Code Chapter 2600  
Page 1 of 1

NAME AND ADDRESS OF PERSONAL CARE HOME SENIOR LIVING AT LANCASTER, 120 RIDER AVENUE LANCASTER, PA 17603	CURRENT LICENSE NUMBER 328631
INSPECTION DATES (Include all dates of the inspection) 08/31/2011	REGIONAL REPRESENTATIVE Jaime Erb, Lynn Loudenslager
PRINTED NAME AND TITLE OF LEGAL ENTITY REPRESENTATIVE SIGNING PLAN OF CORRECTION (Required on FIRST PAGE only unless multiple representatives produce the plan) BETH STEEL, Administrator	
SIGNATURE OF LEGAL ENTITY 	REGIONAL LICENSING APPROVAL OF PLAN OF CORRECTION 
DATE 9/26/11	DATE 10/4/11

REGULATION	VIOLATION	DATE COMPLIANCE VERIFIED BY	PLAN OF CORRECTION (include a step-by-step plan to correct the specific violation, as well as a plan to assure the violation does not recur)	DATE COMPLIANCE VERIFIED BY
55.Pa.Code §2600  96C The first aid kit shall be in a location that is easily accessible to staff persons.	The home's only first aid kit is located in the locked Medication Room and is not accessible to all staff because only the Nurses and the staff that administer medications have keys to the Medication Room.	9/22/11	AN ADDITIONAL FIRST AID KIT WITH ALL REQUIRED ITEMS HAS BEEN PLACED ON THE GROUND FLOOR IN A LOCATION THAT IS ACCESSIBLE TO ALL STAFF. ALL STAFF HAVE BEEN MADE AWARE OF THE LOCATION OF THE ADDITIONAL FIRST AID KIT.	NSC 10/4/11
	PCH Division Central Region Field Office  SEP 29 2011  <b>RECEIVED</b>	ONGOING	THE KIT WILL BE INVENTORIED AT EACH CHANGE OF SHIFT TO ENSURE IT IS STOCKED ADEQUATELY AT ALL TIMES.	



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
PO BOX 2675  
HARRISBURG, PENNSYLVANIA 17102-1810

ADULT RESIDENTIAL LICENSING  
Central Region Field Office  
555 Walnut Street, 6<sup>th</sup> Floor  
Harrisburg, Pennsylvania 17101

PHONE: (717) 772-4673  
FAX: (717) 783-3956  
Toll Free: 1-800-882-1885

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**  
**MAILING DATE: July 3, 2012**

Mr. Gregory B. Hook, Chief Compliance Officer  
120 Rider Avenue PCH Operating Company, LP  
145 East 57<sup>th</sup> Street, 11<sup>th</sup> Floor  
New York, New York 10022

RE: Senior Living at Lancaster  
120 Rider Avenue  
Lancaster, PA 17603

Dear Mr. Hook:

As a result of the Department of Public Welfare's licensing inspection on February 9, 2012 of the above personal care home, a violation with 55 Pa.Code Ch. 2600 (relating to Personal Care Homes) specified on the enclosed Violation Report was found.

The violation specified on the enclosed Violation Report must be corrected by the dates specified on the Violation Report and continued compliance with 55 Pa.Code Ch. 2600 must be maintained. As soon as the violation is corrected, notify the Department's Regional Office of Adult Residential Licensing so that compliance can be verified.

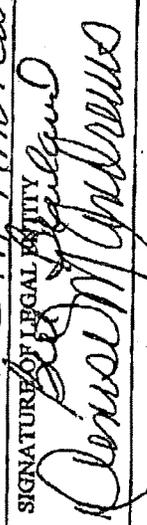
Sincerely,

A handwritten signature in cursive script that reads "Gloria Emick".

Gloria Emick  
Regional Licensing Administrator

Enclosure(s)

VIOLATION REPORT  
 PERSONAL CARE HOMES - 55 Pa.Code Chapter 2600  
 Page 1 of 1

NAME AND ADDRESS OF PERSONAL CARE HOME SENIOR LIVING AT LANCASTER, 120 RIDER AVENUE LANCASTER, PA 17603	CURRENT LICENSE NUMBER 328631
INSPECTION DATES (include all dates of the inspection) 02/09/2012	REGIONAL REPRESENTATIVE Lori Genisl
PRINTED NAME AND TITLE OF LEGAL ENTITY REPRESENTATIVE SIGNING PLAN OF CORRECTION (Required on FIRST PAGE only unless multiple representatives produce the plan) Denise M. Andrews	REGIONAL LICENSING APPROVAL OF PLAN OF CORRECTION Bill Beckard ADMINISTRATOR
SIGNATURE OF LEGAL ENTITY REPRESENTATIVE 	DATE 3/6/12
SIGNATURE OF REGIONAL REPRESENTATIVE 	DATE 5-10-12

REGULATION	VIOLATION	DATE BY WHICH CORRECTION WILL BE COMPLETED	PLAN OF CORRECTION (include a step-by-step plan to correct the specific violation, as well as a plan to assure the violation does not recur)	DATE COMPLIANCE VERIFIED BY
132a An unannounced fire drill shall be held at least once a month.	The home did not conduct a fire drill in January 2012.  Not Division Central Region Field Office	2/14/12  on-going	The violation occurred during a transition of the Administration and Maintenance Director from the Community. In Feb. 2012 an unannounced fire drill did occur under the auspices of the new Environmental Services Director. An interim Administrator was also hired in Feb 2012. Copy forwarded the Environmental Services Director and the Administrator will conduct unannounced fire drills monthly.	Steps have been taken to correct violation; full compliance is not verifiable 5-18-12 Date Initials (DPW)



**pennsylvania**  
DEPARTMENT OF PUBLIC WELFARE

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED  
MAILING DATE:**

Mr. Gregory B. Hook, Chief Compliance Officer  
120 Rider Avenue PCH Operating Company, LP  
145 East 57<sup>th</sup> Street, 11<sup>th</sup> Floor  
New York, New York 10022

RE: Senior Living at Lancaster  
120 Rider Avenue  
Lancaster, Pennsylvania 17603

Dear Mr. Hook:

As a result of the Department of Public Welfare's (Department) licensing inspection on March 28, 2012 of the above personal care home, the violations with 55 Pa.Code Ch. 2600 (relating to Personal Care Homes) specified on the enclosed Violation Report were found.

All violations specified on the enclosed Violation Report must be corrected by the dates specified on the Violation Report and continued compliance with 55 Pa.Code Ch. 2600 must be maintained. As soon as each violation is corrected, notify the Department's Regional Office of Human Services Licensing so that compliance can be verified.

Sincerely,

A handwritten signature in black ink that reads "Neil S. Cody".

Neil S. Cody  
Regional Licensing Director

Enclosure  
Violation Report

NAME AND ADDRESS OF PERSONAL CARE HOME Senior Living at Lancaster, 120 Ridler Avenue Lancaster, PA 17603		CURRENT LICENSE NUMBER 328630
INSPECTION DATES (Include all dates of the inspection) 03/28/2012	REGIONAL REPRESENTATIVE Sarena Chou, Lori Genstil	
PRINTED NAME AND TITLE OF LEGAL ENTITY REPRESENTATIVE SIGNING PLAN OF CORRECTION (Required on FIRST PAGE only unless multiple representatives produce the plan) Denise McAndrews Administrator		
SIGNATURE OF LEGAL ENTITY <i>Denise McAndrews</i>	DATE 7/10/12	REGIONAL LICENSING APPROVAL OF PLAN OF CORRECTION <i>Phil McGee</i>
	DATE 8/13/12	

REGULATION 55 Pa. Code §2600	VIOLATION	DATE COMPLIANCE VERIFIED BY	PLAN OF CORRECTION (include a step-by-step plan to correct the specific violation, as well as a plan to assure the violation does not recur)	DATE COMPLIANCE VERIFIED BY
225a A resident shall have a written initial assessment that is documented on the Department's assessment form within 15 days of admission. The administrator or designee, or a human service agency may complete the initial assessment.	The initial assessment for resident #2, admitted 2/8/2012, was completed on 3/7/2012.		As a result of a change in Administration the new admissions RASP was completed in 1 month instead of 15 days as required by DRW. Our plan of correction is that the Administrator or designee will obtain the DME prior to admission (when possible) and do the RASP upon admission. If the DME is not available prior to admission it will be done within the first week after admission. All RASP's will be completed within the 15 day period.	NSC 8/13/12

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

# CERTIFICATE OF COMPLIANCE

This Certificate is hereby granted to 120 RIDER AVENUE PCH OPERATING COMPANY LP  
To operate SENIOR LIVING AT LANCASTER  
Located at 120 RIDER AVENUE, LANCASTER, PA 17603

LEGAL ENTITY  
NAME OF FACILITY OR AGENCY  
(COMPLETE ADDRESS OF FACILITY OR AGENCY)  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE  
ADDRESS OF SATELLITE SITE

To provide Personal Care Homes  
TYPE OF SERVICE(S) TO BE PROVIDED  
The total number of persons which may be cared for at one time may not exceed 99  
or the maximum capacity permitted by the Certificate of Occupancy, whichever is smaller  
(MAXIMUM CAPACITY)

Restrictions:  
This certificate is granted in accordance with the Public Welfare Code of 1967, P.L. 31, as amended, and Regulations

55 Pa. Code Chapter 2600: Personal Care Homes  
(ANNUAL NUMBER AND TITLE OF REGULATIONS)  
and shall remain in effect from October 16, 2012 until October 16, 2013  
unless sooner revoked for non-compliance with applicable laws and regulations.

No: 328630  
Robert E. Robinson  
ISSUING OFFICER  
[Signature]  
DIRECTOR

NOTE: This certificate is issued for the above site(s) only and is not transferable and should be posted in a conspicuous place in the facility.  
PW 628 - 01/11



DEC 14 2012

Mr. Gregory B. Hook, Chief Compliance Officer  
120 Rider Avenue PCH Operating Company, LP  
641 Lexington Avenue, 31<sup>st</sup> Floor  
New York, New York 10022

RE: Senior Living at Lancaster  
120 Rider Avenue  
Lancaster, Pennsylvania 17063

Dear Mr. Hook:

As a result of the Department of Public Welfare's (Department) licensing inspection on September 14, 2012, September 17, 2012 and September 18, 2012 of the above personal care home, the violations with 55 Pa.Code Ch. 2600 (relating to Personal Care Homes) specified on the enclosed Violation Report were found.

All violations specified on the enclosed Violation Report must be corrected by the dates specified on the Violation Report and continued compliance with 55 Pa.Code Ch. 2600 must be maintained. As soon as each violation is corrected, notify the Department's Regional Office of Human Services Licensing so that compliance can be verified.

A regular license is being issued based on the enclosed Violation Report. Your license is enclosed.

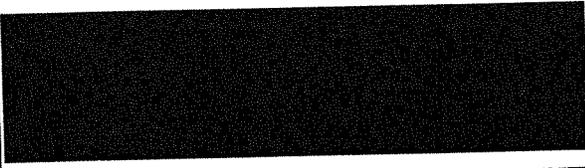
Sincerely,

A handwritten signature in black ink, appearing to read "R. Melusky".

Ronald Melusky  
Director

Enclosures  
License  
Violation Report

**PERSONAL CARE HOMES - 55 Pa.Code Chapter 2600**

PCH Name: SENIOR LIVING AT LANCASTER		License Number: 328630
Address: 120 RIDER AVENUE, LANCASTER, PA 17603		County: Lancaster
Administrator: Denise McAndrews		Region: CENTRAL
Legal Entity Name: 120 RIDER AVENUE PCH OPERATING COMPANY LP		
Legal Entity Address: 145 EAST 57TH ST 11TH FLOOR, NEW YORK, NY 10022		
Certificate(s) of Occupancy C-1 05/21/1981 L&I		
Staffing Hours Resident Support: 0	Total Daily Staff: 52	Waking Staff: 39
Type of Inspection: Full	BHA Docket Number:	Notice: Unannounced
Reason(s) for Inspection(s) Renewal, Complaint		
On-Site Inspections Dates and Department Representatives On-Site 09/14/2012: McCloskey, Jason; Chou, Serena 09/17/2012: McCloskey, Jason; Chou, Serena 09/18/2012: McCloskey, Jason; Chou, Serena		
Off-Site Inspection Dates and Inspectors, if Applicable		
Other Details		
Partial or Full Triggers:	Random Indicators:	
Resident Demographic Data as of Inspection Dates		
Licensed Capacity: 99 Number of Residents Served: 51 Secured Dementia Care Unit In Home: No Area: Secured Dementia Unit Capacity, if Applicable: 	Number of Residents who: 	

OCT 25 2012  
PCH Division  
Central Region Field Office

PCH Division  
Central Region Field Office

OCT 25 2012  
**RECEIVED**

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.3(c) - The personal care home shall post the current license, a copy of the current licensing inspection summary issued by the Department and a copy of this chapter in a conspicuous and public place in the personal care home.

2a. DESCRIPTION OF VIOLATION  
 On 9/14/2012, the home's most current violation report was not posted in a conspicuous and public place in the home.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See page 2A attached. -BE

Repeat Violation: No	Date(s) of Previous Violation(s):	
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
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**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of <u>11-9-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>BE</u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 3 (c):

Effective 9/14/12 the Facility license is displayed in the reception area. ~~The current license, copy of the violation report, and copy of this chapter will be kept in a binder located at the Receptionist desk.~~ <sup>BE</sup> The Maintenance Director on daily rounds will monitor and validate compliance. See checklist.

The administrator will ensure that the current license and a copy of all violation reports where full compliance has not been verified are posted in a conspicuous and public place within the home. Copies of the violation reports and plans of correction will also be available for review upon request of the residents or their designated persons. *BE*

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
PGH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
2600.57(b) - Direct care staff persons shall be available to provide at least 1 hour per day of personal care services to each mobile resident.

2a. DESCRIPTION OF VIOLATION  
On 9/11/12, there were approximately 50 residents in the home. On this date, only 37.5 hours of direct care staffing was provided.  
On 9/15/12, there were approximately 50 residents in the home. On this date, only 37.5 hours of direct care staffing was provided.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 3A attached. - 82

Repeat Violation: No      Date(s) of Previous Violation(s):

Signature of Legal Entity Representative (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) *Denise M Andrews Administrator*      Date *10/23/12*

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of 11-7-12 (Date)

Plan of correction implementation status as of 11-7-12 (Date)

The above plan of correction was approved by EE (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 57(b):

~~The facility was determined to be out of compliance due to the following reason, two abrupt med tech terminations, and a lack of documentation regarding IADL and ADL hours worked by the entire team. Direct care hours were being met by the facility, but lacking supporting documentation. Effective 10/1/12 the facility will meet or exceed the direct care staffing requirement, mobility needs requirement, and the 75% service hours during waking hours. Please see attached schedule and attached staff IADL and ADL log that will be collected and monitor by the administrator daily for compliance.~~

je

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

**1. REGULATION 55 Pa.Code §2600**

2600.65(a) - Prior to or during the first work day, all direct care staff persons including ancillary staff persons, substitute personnel and volunteers shall have an orientation in general fire safety and emergency preparedness that includes the following:

- (1) Evacuation procedures.
- (2) Staff duties and responsibilities during fire drills, as well as during emergency evacuation, transportation and at an emergency location if applicable.
- (3) The designated meeting place outside the building or within the fire-safe area in the event of an actual fire.
- (4) Smoking safety procedures, the home's smoking policy and location of smoking areas, if applicable.
- (5) The location and use of fire extinguishers.
- (6) Smoke detectors and fire alarms.
- (7) Telephone use and notification of emergency services.

**2a. DESCRIPTION OF VIOLATION**

Staff Persons B, C, D, E and F did not receive the training required by this regulation on or before the first day of work.

**3. PLAN OF CORRECTION (POC)** (Attach pages as necessary. Remember that you must sign and date any attached pages.)

*Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.*

See page 4A attached. - 2e

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Administrator*  
*Denise M Andrews*

Date *10/23/12*

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of *11-9-12*  
 (Date)

Plan of correction implementation status as of *11-8-12*  
 (Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

The above plan of correction was approved by *2e*  
 (Initials)

Violation Report

PCH Name: Senior Living at Lancaster

JE

PLAN OF CORRECTION for 2600 65(a):

Effective 10/23/12 employees B, C, D, E, and F will all be oriented in general fire safety and emergency preparedness. Effective immediately no employee will start work without satisfying this criteria in orientation. Please see orientation grid that will be utilized going forward. The administrator will be responsible for monitoring compliance and bringing up any issues in our monthly quality council meeting.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
PCH Name: SENIOR LIVING AT LANCASTER

Page 5 of 38

1. REGULATION 55 Pa.Code §2600  
2600.65(b) - Within 40 scheduled working hours, direct care staff persons, ancillary staff persons, substitute personnel and volunteers shall have an orientation that includes the following:  
(1) Resident rights.  
(2) Emergency medical plan.  
(3) Mandatory reporting of abuse and neglect under the Older Adult Protective Services Act (35 P.S. §§ 10225.101-10225.5102).  
(4) Reporting of reportable incidents and conditions.

2a. DESCRIPTION OF VIOLATION  
Staff Persons B, C, D and E did not receive the training required by this regulation within the first 40 hours of work.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 5A attached. - &E

Repeat Violation: No	Date(s) of Previous Violation(s):	
Signature of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews</i>		
Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>		Date <i>10/23/12</i>

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of 11-7-12  
(Date)

The above plan of correction was approved by &E  
(Initials)

Plan of correction implementation status as of 11-7-12  
(Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 65(b):

Effective 10/23/12 employees B, C, D, and E will be oriented in resident rights, emergency medical plan, mandatory reporting of abuse and neglect, and reporting of reportable incidents and conditions. Effective immediately no employee will start work without satisfying this criteria in orientation. Please see compliance of 4 employees sited. Please see orientation grid being used going forward. The administrator will be responsible for monitoring compliance and bringing up any issues in monthly quality council meeting.

JE

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.65(c) - Ancillary staff persons shall have a general orientation to their specific job functions as it relates to their position prior to working in that capacity.

2a. DESCRIPTION OF VIOLATION  
 Staff Person C, who began work on 1/9/12, did not receive a general orientation to their job functions.  
 Staff Person E, who began work on 2/27/12, did not receive a general orientation to their job functions.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See page 6A attached - SE

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews*  
 Administrator

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page)

Denise M Andrews

Date 10/23/12

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of 11-9-12  
 (Date)

The above plan of correction was approved by SE  
 (Initials)

Plan of correction implementation status as of 11-9-12  
 (Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 65(c):

Effective 10/23/12 employees C and E will all be oriented in their specific job functions as it relates to their position. Effective immediately no employee will start work without satisfying this criteria in orientation. Please see orientation grid that will be utilized going forward. The administrator will be responsible for monitoring compliance and bringing up any issues in our monthly quality council meeting.

22

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
PCH Name: SENIOR LIVING AT LANCASTER

Page 7 of 38

1. REGULATION 55 Pa.Code §2600  
2600.66(a) - A staff training plan shall be developed annually.

a. DESCRIPTION OF VIOLATION  
The home does not have a current staff training plan.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 7A attached. -DE

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
(Required on EVERY Page)

*Denise M. Andrews*

Printed Name and Title of Legal Entity Representative  
(Required on EVERY Page)

Denise M. Andrews  
Administrator

Date 10/23/12

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of 11-9-12  
(Date)

The above plan of correction was approved by DE  
(Initials)

Plan of correction implementation status as of 11-9-12  
(Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 66(a):

ga

Effective immediately an annual staff training plan is in place for all employees. The administrator will monitor the compliance of training monthly in the quality council meeting. The administrator will post the up and coming training schedule every August.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.82(a) - Poisonous materials shall be stored in their original, labeled containers.

2a. DESCRIPTION OF VIOLATION  
 An unlabeled, one-gallon pump sprayer containing carpet cleaner was located in the third floor utility room.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See page 8A attached. - 85

Repeat Violation: No      Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M. Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Denise M. Andrews Administrator*      Date *10/23/12*

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

The above plan of correction was approved by DE  
 (Initials)

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 82(a):

Effective immediately all poisonous materials will be stored in its original container. The unlabeled carpet cleaner has been discarded. The new maintenance manager has been in-serviced regarding proper labeling and identification of containments. The maintenance manager will be responsible for touring the facility daily and validating compliance. See attached checklist.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
PCH Name: SENIOR LIVING AT LANCASTER

Page 9 of 38

1. REGULATION 55 Pa.Code §2600

2600.82(c) - Poisonous materials shall be kept locked and inaccessible to residents unless all of the residents living in the home are able to safely use or avoid poisonous materials.

2a. DESCRIPTION OF VIOLATION

A container of Drano Max Gel bearing the label, "if ingested call poison control center or physician immediately," was found in an unlocked and accessible garage in the parking lot.

On the ground floor in the unlocked linen room, a one-quart bottle of Diversity Virex TB disinfectant was found, with the label reading, "Hazard to humans and domestic animals. In case of emergency, call poison control center or doctor for treatment advice."

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See page 9A attached. - SE

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
(Required on EVERY Page)

*Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
(Required on EVERY Page)

Administrator

Denise M Andrews

Date

10/23/12

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

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(Date)

Plan of correction implementation status as of 11-9-12  
(Date)

The above plan of correction was approved by DE  
(Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

Page 9 A of 38

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 82(c):

Effective immediately all poisonous materials will be kept locked at all times. The new maintenance manager has been in-service regarding proper labeling and identification of contaminants. The maintenance manager will be responsible for touring the facility daily and validating compliance. See attached checklist and photos.

ge

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.85(a) - Sanitary conditions shall be maintained.

2a. DESCRIPTION OF VIOLATION

On 9/14/12 at 1pm, an open 55-pound cardboard box bearing the label, "bio-hazard" and containing filled, red bio-hazard bags, was found in the garage in the parking lot, unlocked and accessible to residents.

On 9/17/12 at 11am, the walk-in refrigerator unit in the kitchen contained multiple areas of white, powdery growth covering the shelving units, three milk crates and walls and ceiling. There is a path of liquid approximately 5" wide surrounding the three inside walls of the refrigerator unit. On Friday, 9/14/2012, a large fuzzy object was observed underneath a shelving unit. Staff Person G removed this object and it was observed to be a wet piece of lettuce covered in a thick white growth.

On 9/17/12, a drain in the floor of the kitchen in front of a deep fryer, approximately 12"x24" is filled with grease, food particles and a crusted black substance approximately 3"x4"x1" in the upper left-hand corner and approximately 12"x5"x2" in the lower right-hand corner.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See page 10A attached. -BE

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative (Required on EVERY Page)	<i>Denise M. Andrews</i>
--	--------------------------

Printed Name and Title of Legal Entity Representative (Required on EVERY Page)	Date
<i>Denise M. Andrews Administrator</i>	<i>10/23/12</i>

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of <u>11-9-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>BE</u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 85(a):

Effective 9/24/12 all garage doors will be locked at all times. The new maintenance manager has been in-serviced regarding importance of keeping garage doors locked. The maintenance manager will be responsible for touring the facility daily and validating compliance. See attached checklist and photos. Effective 9/24/12 the walk in refrigerator was serviced and is now spotless. Please see attached photos. Effective 9/24/12 the drain on the floor was serviced and a new trap was put in. Please see attached Photos. Maintenance manager was in-serviced on the cleaning schedule to maintain cleanliness of the walk in and drain.

gz

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 11 of 38

1. REGULATION 55 Pa.Code §2600  
 2600.85(d) - Trash in kitchens and bathrooms shall be kept in covered trash receptacles that prevent the penetration of insects and rodents.

2a. DESCRIPTION OF VIOLATION

Two trashcans in the kitchen, one next to the walk-in refrigerator unit and one in the dishwashing area, were uncovered and filled with trash on 9/14/12.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Derise M. Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Derise M. Andrews Administrator</i>	Date <i>10/23/12</i>
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**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

The above plan of correction was approved by DE  
 (Initials)

Plan of correction implementation status as of 11-9-12  
 (Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 85(d):

On 9/24/12 two brand new trashcans were purchased with lids that fit appropriately. The maintenance man will ensure lids are consistently covered, and this has been added to his daily checklist.

SE

See attached checklist

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.85(e) - Trash outside the home shall be kept in covered receptacles that prevent the penetration of insects and rodents.

2a. DESCRIPTION OF VIOLATION

There was no lid on the dumpster in the parking lot at approximately 1pm and 5:30 pm on 9/14/12.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

*Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.*

*See Page 12A attached. - GE*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
---	----------------------

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of <u>11-9-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>GE</u> (Initials)	<input checked="" type="checkbox"/> Fully Implemented <input type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 85(e):

gse

Effective immediately the lid on the dumpster in the parking lot will be closed at all times. This will be monitored for compliance by the maintenance manager via his checklist.

See attached checklist

Violation Report: 32883 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 13 of 38

1. REGULATION 55 Pa.Code §2600  
 2600.88(a) - Floors, walls, ceilings, windows, doors and other surfaces must be clean, in good repair and free of hazards.

2a. DESCRIPTION OF VIOLATION

Room #313 has a large bubble in the carpet which poses a tripping hazard to anyone entering the room.

Room #315 has all electric switchplates removed including the light switch at the entrance to the room, five electrical outlets, one combination outlet and switch and an outlet into which the PTEC heating/cooling unit is plugged. Likewise, eight electric faceplates are missing in room #310. The missing faceplates pose a shock hazard to anyone attempting to turn on the lights, plug in an electrical appliance or who otherwise comes into accidental contact with the exposed electrical wires.

Room #317 contains five pieces of baseboard molding laying on the floor with six to nine nails protruding approximately two inches and facing up. The protruding nails pose a hazard to anyone who steps or falls upon them or otherwise scratches or punctures their skin handling the baseboards.

An adhesive tile square on the ground floor, at the intersection of the hallways next to the elevator, is peeling and poses a tripping hazard. The peeling corner of the tile square is approximately 2"x2".

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 13A attached. - SE

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M'Andrews*

Printed Name and Title of Legal Entity Representative *Administrator*  
 (Required on EVERY Page) *Denise M'Andrews* Date *10/23/12*

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of <u>11-9-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>SE</u> (Initials)	<input checked="" type="checkbox"/> Fully Implemented <input type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 88(a):

The bubble in the carpet in Room #313 has been removed effective 10/22/12.

Effective 10/22/12 all the outlets and exposed wires have been covered in room numbers 310 and 315.

Effective 9/14/12 all base board molding in room #317 was removed and is no longer a safety hazard.

Effective 10/1/12 the tile square on the ground floor was replaced and is no longer a tripping hazard.

The new maintenance man has been made aware of the past deficiencies related to the third floor. He

will escalate all safety issues to the administrator, and during monthly safety meetings.

*JE*

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.92 - Windows, including windows in doors, must be in good repair and securely screened when doors or windows are open.

2a. DESCRIPTION OF VIOLATION  
 In the rear of the dining area on the ground floor, a window facing the parking area had a large crack extending the width of the pane.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 14 A attached. - EC

Repeat Violation: No	Date(s) of Previous Violation(s):			
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
---	----------------------

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of <u>11-1-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>EE</u> (Initials)	<input checked="" type="checkbox"/> Fully Implemented <input type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

Page 14A of 38

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 92:

Effective 10/17/12 the window in the rear of the dinning room on the ground floor was replaced.



The maintenance manager will escalate all safety issues to the administrator, and during the monthly safety meeting.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 15 of 38

1. REGULATION 55 Pa.Code §2600  
 2600.100(a) - The exterior of the building and the building grounds or yard must be in good repair and free of hazards.

a. DESCRIPTION OF VIOLATION

A piece of wooden ornamentation surrounding a decorative window above the third floor of the home has come loose and is laying on a ledge directly overhead of the main door. Approximately 4"x7" of the piece extends from the ledge and poses a safety hazard for those entering, leaving or standing near the entrance.

A defect in the surface of the concrete porch outside of the living room, measures approximately 28"x7" and approximately 1.5" deep and poses a tripping hazard.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 15 A attached. --BE

Repeat Violation: Yes	Date(s) of Previous Violation(s):	07/29/2011
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Signature of Legal Entity Representative (Required on EVERY Page)	<i>Denise M. Andrews</i>
--	--------------------------

Printed Name and Title of Legal Entity Representative (Required on EVERY Page)	Date
<i>Denise M. Andrews Administrator</i>	<i>10/23/12</i>

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of <u>11-9-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>BE</u> (Initials)	<input checked="" type="checkbox"/> Fully Implemented <input type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 100(a):

Effective 9/18/12 the wood and ornamentation surrounding window was removed. This is no longer a hazard. On 10/9/12 the concrete porch was resurfaced and grated to eliminate tripping hazard. Please see attached picture. The maintenance manager will escalate all safety issues to the administrator, and during monthly safety meeting.

ke

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.101(j)(3) - Each resident shall have the following in the bedroom: Pillows, bed linens and blankets that are clean and in good repair.

2a. DESCRIPTION OF VIOLATION  
 The bed for Resident 3 has pillow cases speckled with blood stains.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See page 16A attached. -EE

Repeat Violation: No      Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews Administrator*      Date *10/23/12*

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

The above plan of correction was approved by EE  
 (Initials)

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 101(j) (3):

Effective immediately a housekeeping checklist has been introduced to ensure consistency in room cleaning, as part of that plan linen's will be checked daily for cleanliness. This will be monitored daily through housekeeping. The Maintenance manager will monitor for compliance. At the next resident council meeting a topic of discussion will be to encourage resident to contact direct care staff of the need to change the linen.

JE

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 17 of 38

1. REGULATION 55 Pa.Code §2600 - 2600.101(j)(7) - Each resident shall have the following in the bedroom: An operable lamp or other source of lighting that can be turned on at bedside.

2a. DESCRIPTION OF VIOLATION  
 The beds in rooms #14 by the door, #15, by the door and #31 do not have a source of light that can be turned on/off from bedside.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 17A attached. - SE

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page)

Administrator  
 Denise M Andrews

Date

10/23/12

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of

11-9-12  
 (Date)

Plan of correction implementation status as of

11-9-12  
 (Date)

The above plan of correction was approved by

SE  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

ga

PLAN OF CORRECTION for 2600 101(j) (7):

Effective immediately lamps have been placed by all appropriate beds in rooms 14, 15, and 31. The maintenance manager will check monthly for lamps and will ensure they are all working via a checklist.

Please see attached checklist.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.103(c) - Food shall be protected from contamination while being stored, prepared, transported and served.

2a. DESCRIPTION OF VIOLATION  
 The walk-in refrigerator unit in the kitchen had a white fuzzy residue present on walls, ceiling and shelving. Two trays of red jello were uncovered and unsealed on a shelf inside.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 18A attached. -bc

Repeat Violation: No      Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews Administrator*      Date *10/23/12*

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

The above plan of correction was approved by bc  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 103(c):

Effective 9/24/12 the walk in refrigerator was serviced and is now spotless. The shelving in the walk in was replaced. A staff meeting will be held for dietary personal on 10/26/12. The need to cover all food, cleanliness, covered trash cans, and proper disposal of grease will be some of the topics discussed. A checklist will ensure compliance in all areas of the kitchen. *GA*

Please see attached agenda and checklist

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.103(i) - Outdated or spoiled food or dented cans may not be used.

2a. DESCRIPTION OF VIOLATION

On 9/17/12, an open can of Sacramento brand tomato juice, dated 9/5/12, was seen in the Victory refrigerator in the kitchen. The can was dented along the top and bottom rims.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 19A attached. --SE

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative (Required on EVERY Page)	<i>Denise M Andrews</i>
--	-------------------------

Printed Name and Title of Legal Entity Representative (Required on EVERY Page)	Date
<i>Denise M Andrews Administrator</i>	<i>10/23/12</i>

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

The above plan of correction was approved by SE  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 103(i):

ge

Effective 10/26/12 the pantry will be checked daily via a checklist to ensure there are no dented cans. Dented cans will be discarded.

Please see attached checklist

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
PCH Name: SENIOR LIVING AT LANCASTER

1. **REGULATION 55 Pa.Code §2600**  
2600.105(g)(1) - To reduce the risks of fire hazards, lint shall be removed from the lint trap and drum of clothes dryers after each use.

2a. **DESCRIPTION OF VIOLATION**  
On 9/14/12, there was an accumulation of lint in the lint trap of the dryer to the far left in the laundry room, located on the ground floor.

3. **PLAN OF CORRECTION (POC)** (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See Page 20A attached. -EE*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
(Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
---	----------------------

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of <u><i>11-2-12</i></u> (Date)	Plan of correction implementation status as of <u><i>11-2-12</i></u> (Date)
The above plan of correction was approved by <u><i>EE</i></u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 105(g) (1):

Effective immediately all lint in the lint traps on the dryer will be cleaned between loads. The maintenance manager will be checking this daily for compliance.

Please see attached checklist

*JS*

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 21 of 38

**1. REGULATION 55 Pa.Code §2600**

2600.107(b) - The home shall have written emergency procedures that include the following:

- (1) Contact information for each resident's designated person.
- (2) The home's plan to provide the emergency medical information for each resident that ensures confidentiality.
- (3) Contact telephone numbers of local and State emergency management agencies and local resources for housing and emergency care of residents.
- (4) Means of transportation in the event that relocation is required.
- (5) Duties and responsibilities of staff persons during evacuation, transportation and at the emergency location. These duties and responsibilities shall be specific to each resident's emergency needs.
- (6) Alternate means of meeting resident needs in the event of a utility outage.

**2a. DESCRIPTION OF VIOLATION**

The home does not have written emergency procedures that include any of the required elements.

**3. PLAN OF CORRECTION (POC)** (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 21 A attached. -SE

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews Administrator*

Date

*10/23/12*

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 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

The above plan of correction was approved by SE  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 107 (b):

pl

Effective 9/24/12 a "Grab and Go" book was created that addresses all of the written emergency procedures outlined in 2600 107(b) 1-6. All new staff will be trained on the usage of the "Grab and Go" book in orientation. By October 31 all current staff will be in-serviced on the usage of the "Grab and Go" book. The "Grab and Go" book will be secured in the Med room. Please see attached Policy.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.107(d) - The written emergency procedures shall be reviewed, updated and submitted annually to the local emergency management agency.

2a. DESCRIPTION OF VIOLATION  
 The home has not submitted their emergency procedures to the municipal emergency management agency.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See Page 22A attached. -BE*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
---	----------------------

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of <u>11-9-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>BE</u> (Initials)	<input checked="" type="checkbox"/> Fully Implemented <input type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 107 (d):

On 9/20/12 the emergency disaster plan was sent to the municipal emergency management company. This plan will be reviewed and updated every August or as needed. The effectiveness of the emergency management plan will be reviewed in the monthly quality council meeting.

*JS*

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 23 of 38

**1. REGULATION 55 Pa.Code §2600**

2600.121(a) - Stairways, hallways, doorways, passageways and egress routes from rooms and from the building must be unlocked and unobstructed.

**2a. DESCRIPTION OF VIOLATION**

On 9/14/12 at approximately 12:30 pm, a resident attempted to exit the home using the ground floor door, adjacent to rooms 32 and 33. It was necessary for the resident to throw their weight against the door before the door would open.

On 9/14/12 at 2 pm, the ground floor emergency exit route to the loading ramp was blocked by two vending machines and a stack of large cardboard boxes for a bed headboard and footboard. On the wall opposite the door, the exit route was blocked by a twin sized bed, a pile of six boxes and an upturned white porcelain sink.

**3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)**

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 23A attached. - SE

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative (Required on EVERY Page) Denise M Andrews

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) Denise M Andrews Administrator Date 10/23/12

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-2-12  
(Date)

Plan of correction implementation status as of 11-9-12  
(Date)

The above plan of correction was approved by SE  
(Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 121(a):

g22

Effective 9/27/12 the ground floor door was serviced and repaired. Effective 9/27/12 all ground floor exit routes to loading ramp was cleared of all boxes, vending machines, etc. This will be monitored daily via the maintenance checklist.

Please see attached checklist

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.124 - The home shall notify the local fire department in writing of the address of the home, location of the bedrooms and the assistance needed to evacuate in an emergency. Documentation of notification shall be kept.

2a. DESCRIPTION OF VIOLATION  
 The home has one immobile resident. The home did not notify the local fire department of the address of the home, the location of the immobile resident's bedroom or the assistance needed in an evacuation.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See page 24A attached. -Se*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M. Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M. Andrews Administrator</i>	Date <i>10/23/12</i>
--	----------------------

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

The above plan of correction was approved by *DM*  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 124:

JE

Effective 10/19/12 a floor plan will be provided to the local fire department to include the location of the immobile resident's bedroom, and his assistance needed in an evacuation.

Please see faxed attachment

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 25 of 38

1. REGULATION 55 Pa.Code §2600  
 2600.132(f) - Alternate exit routes shall be used during fire drills.

2a. DESCRIPTION OF VIOLATION

The home's fire drill record shows that only the north and south exit routes were used for fire drills conducted on 3/24/12, 4/27/12, 5/2/12, 6/5/12, 7/2/12 and 8/24/12.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 25 A attached. - 2e

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M. Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M. Andrews Administrator*

Date

*10/23/12*

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of

11-9-12  
 (Date)

Plan of correction implementation status as of

11-9-12  
 (Date)

The above plan of correction was approved by

DL  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 132 (f):

DE

A fire drill was held on 10/17/12, and alternate routes were utilized for evacuation. We will continue to monitor alternate exit routes in our monthly quality and safety meetings.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.133(a)(2) - If the home serves nine or more residents, if the exit or way to reach the exit is not immediately visible, access to exits shall be marked with readily visible signs indicating the direction to travel.

2a. DESCRIPTION OF VIOLATION

The elevator doors in the basement level hallway open to lead to the ramp outside the rear of the building. There are no signs marking the line of travel to this exit. On 9/14/12, the home served 51 residents.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See Page 26A attached - ee*

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M. Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page)

*Administrator  
 Denise M. Andrews*

Date

*10/23/12*

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction Implementation status as of 11-9-12  
 (Date)

The above plan of correction was approved by ee  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

BE

PLAN OF CORRECTION for 2600 133(a) (2):

Originally, all exit signs were in place before construction began. Effective immediately all exit signs are back in place, and will be monitor daily by the Maintenance manager via checklist.

Please see attached Photos.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
PCH Name: SENIOR LIVING AT LANCASTER

Page 27 of 38

1. REGULATION 55 Pa.Code §2600  
2600.141(b)(1) - A resident shall have a medical evaluation at least annually.

a. DESCRIPTION OF VIOLATION  
The medical evaluation for Resident 3 was dated 8/21/12. The previous evaluation was dated 8/2/11, more than 12 months prior.  
The medical evaluation for Resident 1 was dated 8/21/12. The previous evaluation was dated 4/12/11, more than 12 months prior.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 27A attached. - SE

Repeat Violation: No	Date(s) of Previous Violation(s):		
Signature of Legal Entity Representative (Required on EVERY Page) <i>Denise M. Andrews</i>			
Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M. Andrews administrator</i>			Date <i>10/23/12</i>

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of <u>11-9-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>SE</u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 141(b) (1):

22

Effective immediately all residents will have a medical evaluation done at least annually. Please see the attached tracking tool to alert administrator of upcoming medical evaluation. The administrator will be responsible for monitoring this report monthly.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

**1. REGULATION 55 Pa.Code §2600**

2600.143(a) - The home shall have a written emergency medical plan that includes the following:

- (1) The hospital or source of health care that will be used in an emergency. This shall be the resident's choice, if possible.
- (2) Emergency transportation to be used.
- (3) An emergency-staffing plan.

**2a. DESCRIPTION OF VIOLATION**

The home does not have an emergency medical plan containing information about the hospital which will be used in an emergency, the emergency transportation to be used or the emergency staffing plan.

**3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)**

*Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.*

*See page 28A attached. - BE*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
---	----------------------

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The above plan of correction was approved by <u>BE</u> (Initials)	<input checked="" type="checkbox"/> Fully Implemented <input type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

JE

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 143(a):

As mentioned in citation 2600 107(b) effective 9/24/12 a "Grab and Go" book has been created to include a written emergency medical plan, emergency hospitalization, emergency transportation, and emergency staffing plan. The "Grab and Go" book will be updated by the admission coordinator as needed. The emergency medical plan will be reviewed monthly in the safety meeting.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
PCH Name: SENIOR LIVING AT LANCASTER

Page 29 of 38

1. REGULATION 55 Pa.Code §2600  
2600.144(d) - Smoking outside of the smoking room is prohibited.

a. DESCRIPTION OF VIOLATION

On 9/14/12, 4 cigarette butts were observed around the north ground floor exit nearest the parking lot. 14 cigarette butts were observed at the exit door of the first floor, adjacent to room 137 and 138. 34 cigarette butts were observed around the wooden bench at the rear of the parking area adjacent to the storage building.

On 9/17/12, 32 cigarette butts were observed at the concrete parking curb outside of the north ground-floor exit ramp. On 9/18/12, a resident was observed sitting on the parking curb lighting a cigarette and smoking.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 29A attached. - 2E

Repeat Violation: No      Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
(Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
(Required on EVERY Page) *Denise M Andrews Administrator*      Date *10/23/12*

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

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(Date)

Plan of correction implementation status as of 11-9-12  
(Date)

The above plan of correction was approved by *De*  
(Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

§2

PLAN OF CORRECTION for 2600 144(d):

Due to the lack of compliance from Residents involving designated smoking areas the facility has chosen to become Smoke free effective 11/1/12. Notices were given out 9/24/12. Please see attachments of notification and new smoking policy. In the interim period a fire proof bench and a receptacle has been set up in a designated area outdoors. This policy will be reviewed for effectiveness and compliance at the safety meeting.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

**1. REGULATION 55 Pa.Code §2600**

2600.161(d) - A resident's special dietary needs as prescribed by a physician, physician's assistant, certified registered nurse practitioner or dietitian shall be met. Documentation of the resident's special dietary needs shall be kept in the resident's record.

**2a. DESCRIPTION OF VIOLATION**

The medical evaluation for Resident 5, dated 7/9/12, indicates a low sodium diet has been prescribed. The RASP, dated 7/9/12, indicates that the resident has no special dietary needs. No indication of special dietary needs were included in the resident's record.

**3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)**

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See Page 30 A. attached. - 28*

Repeat Violation: No	Date(s) of Previous Violation(s):		
----------------------	-----------------------------------	--	--

Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews* Date *10/23/12*

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of <u>11-8-12</u> (Date)	Plan of correction implementation status as of <u>11-9-12</u> (Date)
The above plan of correction was approved by <u>SE</u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 161(d):

22

Effective immediately the Nurse Administrator will sign off on all dietary orders upon admission. The administrator will be responsible for making sure all resident records are accurate. A dietary audit was performed on all residents by the administrator to ensure dietary uniformity and documentation. This area will be monitored monthly with MAR reconciliation. Additionally each morning a stand up meeting is held with representatives from dietary, nursing, and administration. New admissions and resident changes in medication/ dietary orders will be reviewed with the appropriate staff to ensure accuracy, delivery, and documentation.

*Resident #5's RASP has been updated with prescribed dietary needs. -22*

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER Page 31 of 38

1. REGULATION 55 Pa.Code §2600  
 2600.162(c) - Menus, stating the specific food being served at each meal, shall be prepared for 1 week in advance and shall be followed. Weekly menus shall be posted 1 week in advance in a conspicuous and public place in the home.

2a. DESCRIPTION OF VIOLATION  
 No menus were posted in the home on 9/14/12.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 31 A attached. - SE

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews Administrator* Date *10/23/12*

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

The above plan of correction was approved by SE  
 (Initials)

Plan of correction implementation status as of 11-9-12  
 (Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

Page 31A of 38

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 162(c):

92

Effective immediately dietary menus will be posted 1 week in advance in the lobby, by the elevator on the first and third floor, and in the dining room. The dietary manager will ensure all menus are posted and accurate. Please see attached Menu's.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

**1. REGULATION 55 Pa.Code §2600**

2600.182(c) - Medication administration includes the following activities, based on the needs of the resident:

- (1) Identify the correct resident.
- (2) If indicated by the prescriber's orders, measure vital signs and administer medications accordingly.
- (3) Remove the medication from the original container.
- (4) Crush or split the medication as ordered by the prescriber.
- (5) Place the medication in a medication cup or other appropriate container, or in the resident's hand.
- (6) Place the medication in the resident's hand, mouth or other route as ordered by the prescriber, in accordance with the limitations specified in § 2600.182(b)(4).
- (7) Complete documentation in accordance with § 2600.187 (relating to medication records).

**2a. DESCRIPTION OF VIOLATION**

On 9/12/12 at 8 pm, the home did not provide assistance with administering a nebulizer treatment to Resident 3. The resident requires assistance to take Albuterol and Ipratropium.

**3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)**

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See page 32A attached. - BE*

Repeat Violation: No      Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M'Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Denise M'Andrews*      Date *10/23/12*

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-7-12  
 (Date)

The above plan of correction was approved by BE  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 182(c):

Effective 11/7/12 all med techs will be in-serviced and will demonstrate competency in 2600 182(c) 1-7. All med techs will be instructed by the RN administrator on how to administer nebulizer treatments. A demonstration and sign off will be maintained in the employee's training file. On a quarterly basis the RN administrator will randomly in-service staff on how to administer nebulizers.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 33 of 38

1. REGULATION 55 Pa.Code §2600  
 2600.183(d) - Only current prescription, OTC, sample and CAM for individuals living in the home may be kept in the home

a. DESCRIPTION OF VIOLATION

On 9/18/12, Namenda, prescribed for Resident 6, had expired on 8/20/12. The medication was started on 9/7/12.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

See Page 33A attached. -EE

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page)

Denise M Andrews Administrator

Date

10/23/12

DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

The above plan of correction was approved by EE  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

Page 33A of 38

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 183(d):

ge

Effective 11/7/12 all med techs will be in-serviced by the RN Administrator on checking expired medications. A demonstration and sign off will be maintained in the employee's training file. On a quarterly basis the RN administrator will randomly in-service staff. Additionally before end of month, when MARS are reconciled for each resident the med techs will be responsible for auditing, removing, and bringing to the administrator expired medications.

*The identified medication was immediately discarded. -BE*

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.183(e) - Prescription medications, OTC medications and CAM shall be stored in an organized manner under proper conditions of sanitation, temperature, moisture and light and in accordance with the manufacturer's instructions.

2a. DESCRIPTION OF VIOLATION  
 On 9/18/12, one half of an oval tablet remained in the blister pack for Resident 7. The medication was labeled as "Metoprolol - SU 25 mg tab, one tab by mouth everyday."

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See Page 34 A attached. -EE*

Repeat Violation: No

Date(s) of Previous Violation(s):

Signature of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page)

*Denise M Andrews Administrator*

Date

**DEPARTMENT USE ONLY - HOMES MAY NOT WRITE BELOW THIS LINE!**

The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

The above plan of correction was approved by EE  
 (Initials)

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 183(e):

JE

Effective 11/7/12 all med techs will be in-serviced by the RN Administrator on the review of the 5 rights of medication administration. A demonstration and sign off will be maintained in the employee's training file. On a quarterly basis the RN administrator will randomly in-service staff.

*Resident #7's medication administration record, regarding the identified 1/2 dose was reviewed by the administrator. -JE*

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

Page 35 of 38

**1. REGULATION 55 Pa.Code §2600**

2600.187(a) - A medication record shall be kept to include the following for each resident for whom medications are administered:

- (1) Resident's name.
- (2) Drug allergies.
- (3) Name of medication.
- (4) Strength.
- (5) Dosage form.
- (6) Dose.
- (7) Route of administration.
- (8) Frequency of administration.
- (9) Administration times.
- (10) Duration of therapy, if applicable.
- (11) Special precautions, if applicable.
- (12) Diagnosis or purpose for the medication, including pro re nata (PRN).
- (13) Date and time of medication administration.
- (14) Name and initials of the staff person administering the medication.

**2a. DESCRIPTION OF VIOLATION**

The medication administration record for Resident 8 does not include a diagnosis for Hydrocod w/Acetamin 5 mg/500 mg tablet.

The medication administration record for Resident 5 was not initialed for Ipratropium as being given on 8/28/12 at 1:00 pm, or Singulair on 8/27/12 at 8:00 pm.

**3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)**

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*Please see page 35A attached. -BE*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews Administrator* Date *10/23/12*

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The above plan of correction is approved as of 11-9-12  
 (Date)

Plan of correction implementation status as of 11-9-12  
 (Date)

The above plan of correction was approved by BE  
 (Initials)

- Fully Implemented
- Partially Implemented - Adequate Progress
- Partially Implemented - Inadequate Progress
- Not Implemented

Violation Report

Page 35A of 38

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 187(a):

se

Effective 11/7/12 all med techs will be in-serviced by the RN Administrator on proper documentation of medications. This will include education on checking all diagnosis for medications. Returned demonstration will be expected to be shown to the RN administrator. As an added safeguard med techs will cross check each others medication documentation every shift. Additionally a 24 hour medication check will be performed by night shift staff. A demonstration and sign off will be maintained in the employee's training file. On a quarterly basis the RN administrator will randomly in-service staff.

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.187(d) - The home shall follow the directions of the prescriber.

2a. DESCRIPTION OF VIOLATION

Resident 6's Hydrochlorothiazine, 25 mg 1x daily - hold for systolic blood pressure <110 on 9/11/12 and 9/13/12 was given but blood pressure was not measured.

Resident 6's Lisinopril, 20 mg for hypertension 2x daily was not available on 9/10/12 and 9/11/12.

Resident 4's Oxycontin, 40 mg tabl 2x daily was not available on 8/21/12 through 8/31/12.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)

Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See Page 36A attached. - 2g*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
---	----------------------

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The above plan of correction was approved by <u>BE</u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

92

PLAN OF CORRECTION for 2600 187(d):

Effective 11/7/12 all med techs will be in-serviced by the RN Administrator to review BP monitoring before giving or holding a blood pressure medications. A demonstration and sign off will be maintained in the employee's training file. The monitoring will include the RN reviewing the MARS to be sure the BP was taken prior to administration. Also random selection of a resident that is on blood pressure medication will be done to ensure proper procedure is being followed.

The in-service will also cover the 10 day RN notification process for expired medication to be re-ordered. This will ensure a medication is re ordered or DC'd by the RN <sup>as per physician orders</sup>. The med cart will be audited monthly by the RN to check for expiring medications within the 10 day period. Any missing medication must be brought to the RN Administrator's attention immediately. This will be covered in the 11/7 Staff Training Meeting. -2E

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

1. REGULATION 55 Pa.Code §2600  
 2600.226(a) - The resident shall be assessed for mobility needs as part of the resident's assessment.

2a. DESCRIPTION OF VIOLATION  
 The RASP for Resident 4 Indicates a significant change affecting mobility and necessitating increased supervision, but page 5 of 12 on the RASP regarding mobility and supervision is left blank.

3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)  
 Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.

*See page 37A attached. - SE*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews Administrator</i>	Date <i>10/23/12</i>
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The above plan of correction was approved by <u>SE</u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 226(a):

BE

Effective immediately upon admission, readmission, or change of status the Administrator or designee will assure RASP is completed within 15 days, and will assure the mobility needs of all residents is up to date. The administrator will have the final review of the RASP for completeness.

The RASP for Resident #4 was updated to include mobility + supervision needs. - BE

Violation Report: 32863 - 09/14/2012 - McCloskey, Jason  
 PCH Name: SENIOR LIVING AT LANCASTER

**1. REGULATION 55 Pa.Code §2600**

2600.227(c) - The support plan shall be revised within 30 days upon completion of the annual assessment or upon changes in the resident's needs as indicated on the current assessment.

**2a. DESCRIPTION OF VIOLATION**

A support plan for Resident 1 was completed on 8/27/12, more than 12 months after the previous support plan, dated 4/26/11.

**3. PLAN OF CORRECTION (POC) (Attach pages as necessary. Remember that you must sign and date any attached pages.)**

*Include steps to correct the violation described above and steps to prevent a similar violation from occurring again. If steps cannot be completed immediately, include dates by which the steps will be completed.*

*See Page 38A attached. - ~~sc~~*

Repeat Violation: No	Date(s) of Previous Violation(s):		
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Signature of Legal Entity Representative  
 (Required on EVERY Page) *Denise M Andrews*

Printed Name and Title of Legal Entity Representative (Required on EVERY Page) <i>Denise M Andrews</i>	Date <i>10/23/12</i>
---	----------------------

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The above plan of correction was approved by <u><i>sc</i></u> (Initials)	<input type="checkbox"/> Fully Implemented <input checked="" type="checkbox"/> Partially Implemented - Adequate Progress <input type="checkbox"/> Partially Implemented - Inadequate Progress <input type="checkbox"/> Not Implemented

Violation Report

PCH Name: Senior Living at Lancaster

PLAN OF CORRECTION for 2600 227(c):

99

Effective immediately all residents will have a support plan done at least annually. Please see the attached tracking tool to alert administrator of upcoming medical evaluation. The administrator will be responsible for monitoring this report monthly.

24

CHESTNUT TERRACE NURSING AND REHABILITATION CENTER

“THE FACILITY”

PROPOSED QUALITY IMPROVEMENT POLICY

**PURPOSE**

This Quality Improvement Policy will be enacted in order to fulfill the Facility's responsibility and accountability for assessment and improvement in the quality of care and services provided to residents, families, staff, and the community served. There will be a planned, systematic, and ongoing quality improvement process designed to objectively monitor and evaluate the quality of resident care and to pursue opportunities for organizational improvement..

Quality Improvement (QI) is a process designed to systematically assess and improve important function and work processes and their outcomes. Quality must be continuously evaluated and improved in order to meet the needs of our residents and community.

**OBJECTIVES**

1. Establish, maintain, support, and document evidence of an ongoing quality improvement program that includes effective mechanisms for monitoring and evaluating resident care and for appropriate response to findings.
2. Assist individual departments in improving care and identifying problems through the use of ongoing monitors (or indication). This is to be done by focusing on identification analysis and resolution of problems that affect the residents of the facility.
3. Evaluate the results of action taken by individual departments and maximize the efficient use of resources available within the facility.
4. Centralize and expand the scope of present quality improvement activities into a more comprehensive program.
5. Direct improvement efforts at processes, not individuals.

**AUTHORITY AND OVERSIGHT RESPONSIBILITY**

The Administrator shall have the ultimate responsibility for the assurance of a flexible, comprehensive, and integrated quality improvement program. The Administrator will also assure the quality improvement program is in compliance with applicable state, federal, and local regulations and will report QI activities and outcomes to the governing body. The Quality Improvement Coordinator is responsible to oversee all departmental QI processes. All QI activities are coordinated through the QI Committee. The QI Coordinator shall attend, chair, and plan all QI meetings.

The QI Coordinator will assist various committees and departments in development of indicators; including criteria and assessment of important aspects of care and services. The QI Coordinator will also assume responsibility for preparing year-end reports and summarizing facility-wide activities and outcomes.

### **SCOPE**

Quality Improvement activities will be integrated and coordinated among departments within the facility; will be designed to minimum: duplication of effort; and will be cost-effective. All departments will be included in the QI process as it relates to their efforts toward quality care and services. Those contracted services providing services to residents should also be evaluated in the QI process.

Quality indicators and monitors will be chosen based on those elements, which measure facility-wide functions involving high-volume, high risk and/or problem-prone activities. The development of monitors/indicators will also be based upon feedback received from the following data sources. These considerations include but are not limited to:

- Direct observations of the QI Committee
- Input from residents, families, staff, and other customers
- Accident/Incident reports
- Infection Control reports
- Consultant Services/reports
- Monthly Department Head meetings
- QI/QM Report; Facility Indicator Profile Report
- Survey Results

### **ORGANIZATION**

The Quality Improvement Program shall be implemented and monitored by the Quality Improvement Committee. The QI Committee shall consist of: Administrator, Director of Nursing, Medical Director, Social Worker, and all department heads including a representative from dietary services (or their designee). The QI Committee may also include representatives from our contracted services (i.e. lab, pharmacy, etc.).

All members of the QI Committee will utilize a formal and consistent methodology for planning, designing, measuring, assessing, and improving organizational performance and resident outcomes. Our methodology will be the 10-Step Model; FOCUS, PDCA.

## IMPLEMENTATION

Implementation of the QI program will be the responsibility of the QI Committee. The committee will be responsible for assuring that activities are directed toward the maintenance of quality care and the resolution of problems that have the potential for improvement. The QI Committee will meet no less than quarterly and shall maintain records of the meeting activities. The committee will also assure that appropriate actions are implemented to eliminate or reduce identified problems to the greatest degree possible.

1. Individual departments will be responsible for monitoring and evaluating the aspect of resident care they provide as well as participating in interdisciplinary teams for those indicators that will be facility-wide. Each year, the QI calendar shall include, but not limited to monitoring and evaluating the following systems within these departments:

- Nursing
  - Wound Care; Prevention and Treatment
  - Medication Administration
  - Safety; Falls, Accidents, Incidents, Unusual Occurrences (ie. unexpected deaths).
  - Weights; Nutrition, and Dehydration
  - Significant Clinical Changes (i.e. physical, mental, and psychological).
- Activities
- Dietary
- Housekeeping and Laundry
- Medical
- Social Services
- Rehabilitation
- Pharmacy
- Dental

2. Facility-wide indicators may include such areas as:

- Staff turnover, recruitment, and retention efforts.
- Customer Satisfaction.
- Safety issues (related to residents and employees, visitors).
- Other areas as identified based upon outcomes and feedback from those served.

3. The Facility's efforts in 2013 will be focused primarily on evaluating the existing Facility QI Program and process, and developing/implementing changes where necessary. Particular focus will be on the Facility's role in statewide QI initiatives such as the Advancing Excellence campaign and the Person Centered Care Model (aka "Culture Change.")

**GOALS (2013)**

- As indicated above, evaluate existing QI program and identify opportunities for improvement throughout the organization, departmental, and facility-wide.
- Enlist interdisciplinary team members to join QI teams in order to work through the FOCUS, PDCA methodology
- Ongoing education regarding QI and the QI Process.
- Improve optimal compliance and outcomes as evidenced by achieving the thresholds identified for each goal.

The QI Plan and goals will be reviewed and revised no less than annually.

*Effective Date*

*Approved By:* \_\_\_\_\_

*Reviewed/Revised:* \_\_\_\_\_ *Date:* \_\_\_\_\_

28

**SINGLE MEMBER OPERATING AGREEMENT  
OF  
100 WAMPANOAG TRAIL OPERATING COMPANY, LLC**

THIS SINGLE MEMBER OPERATING AGREEMENT (this "Agreement") made and entered into effective as of November 26, 2012 by the undersigned.

**WITNESSETH:**

WHEREAS, the Company is a Delaware limited liability company; and

WHEREAS, the undersigned are the sole Member and initial Manager of the Company and desire for this Agreement to constitute the Limited Liability Company Agreement of the Company, as contemplated by Section 18-101(7) of the Act.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees as follows:

**ARTICLE I  
DEFINITIONS**

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Act" shall mean the Delaware Limited Liability Company Act at 6 Del. C. §18-101, et. seq., as may be amended from time to time (or any corresponding provisions of succeeding law).

"Affiliate" shall have the following meaning:

- (i) in the case of any individual, any relative of such Person;
- (ii) any officer, director, trustee, partner, manager, employee, or holder of ten percent (10%) or more of any class of the voting shares of or equity interest in such Person;
- (iii) any corporation, partnership, limited liability company, trust, estate, or other entity controlling, controlled by, or under common control with such Person; or
- (iv) any officer, director, trustee, partner, manager, employee, executor, or holder of ten percent (10%) or more of the outstanding voting securities of any corporation, partnership, limited liability company, trust, estate, or other entity controlling, controlled by, or under common control with such Person.

"Chestnut Terrace Operating Holdco" shall mean Chestnut Terrace Operating Holdco, LLC, a Delaware limited liability company.

“Company” shall mean 100 Wampanoag Trail Operating Company, LLC, a Delaware limited liability company.

“Default Rule” shall mean a rule or provision in the Act which (i) structures, defines, or regulates the finances, governance, operations or other aspects of a limited liability company organized under the Act; and (ii) applies except to the extent it is negated or modified through the provisions of a limited liability company’s certificate of organization or operating agreement.

“Entity” shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association, or any foreign trust or foreign business organization.

“Manager” shall mean a Person designated as a Manager pursuant to this Agreement. Effective as of the date hereof, the initial Manager is Post Acute Partners.

“Member” shall mean Chestnut Terrace Operating Holdco and each Person who may hereafter become a Member in accordance with this Agreement.

“Party” shall mean a Person who was, is, or is threatened to be made a named defendant or respondent in a Proceeding.

“Person” shall mean an individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such “Person” where the context so permits.

“Post Acute Partners” shall mean Post Acute Partners, LLC, a Delaware limited liability company.

“Proceeding” shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative and whether formal or informal.

## **ARTICLE II**

### **FORMATION OF THE COMPANY**

2.1 Formation. The Company was formed by the execution and delivery of the Certificate of Formation to the Secretary of State of Delaware in accordance with the provisions of the Act.

2.2 Name. The name of the company is “100 Wampanoag Trail Operating Company, LLC”.

2.3 Term. The term of the Company commenced on the date the Certificate of Formation were filed with the Secretary of State of Delaware and the Company shall continue in existence perpetually unless the Company is dissolved and its affairs wound up in accordance with the Act or this Agreement.

**ARTICLE III**  
**BUSINESS OF COMPANY**

3.1 Purpose and Business of the Company. The business and purpose of the Company shall be to:

3.1.1 Exercise all powers that may be exercised legally by limited liability companies under the Act and engage in any lawful business, purpose or activity in which a limited liability company may be engaged under the Act.

3.1.2 Engage in all activities necessary, customary, convenient, or incident to such business and purpose in which a limited liability company may be engaged under the Act.

**ARTICLE IV**  
**MEMBER INFORMATION**

4.1 Name of Member. Chestnut Terrace Operating Holdco is the sole Member of the Company.

**ARTICLE V**  
**MANAGEMENT**

5.1 Management by the Manager.

5.1.1 General. Subject to the other terms of this Agreement, (a) the business and affairs of the Company shall be managed exclusively by the Manager, and (b) the Manager shall have full, absolute and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company, to take all actions, and to consent or withhold consent with respect to any matter he deems necessary or appropriate to accomplish the purposes and direct the affairs of the Company.

5.1.2 Authority to Bind the Company. Subject to the other terms of this Agreement, the Manager shall have the sole power and authority to bind the Company and the Member shall have no authority to bind the Company. In furtherance thereof, all contracts, agreements and other documents or instruments affecting or relating to the business and affairs of the Company may be executed on the Company's behalf only by the Manager, an individual authorized by the Manager or a duly authorized officer appointed by the Manager pursuant to Section 5.2 hereof. If there is more than one (1) Manager then serving, unless otherwise specified by the Member, each Manager acting alone shall have the power and authority granted to a Manager hereunder.

5.2 Officers. The Manager may appoint in writing, from time to time, such officers of the Company as the Manager deems necessary or advisable, each of whom shall have such title, powers, authority and responsibilities (including without limitation, the power and authority to sign documents on behalf of the Company) as are delegated by the Manager from time to time; provided

however, that the Manager may only delegate such power, authority and responsibility as is granted by this Agreement to the Manager. Each such officer shall be subject to removal by the Manager in the Manager's sole and absolute discretion, with or without cause. The officers of the Company may include, but shall not be limited to the following: President, Treasurer, Vice Presidents, and Secretary. As of that date hereof, the officers of the Company are as follows: Jeffrey Rubin, President and Secretary, and Warren Cole, Treasurer.

5.3 Banking. All funds of the Company shall be deposited in its name in an account or accounts as shall be designated from time to time by the Manager. All funds of the Company shall be used solely for the business of the Company. All withdrawals from the Company's bank accounts shall be made only upon check signed by the Manager or by such other Persons as the Manager may designate from time to time.

5.4 Compensation; Reimbursements. The Manager may receive fees or other compensation for his services hereunder, subject however, to the prior written approval of the Member. Further, the Manager and any Affiliates thereof may request reimbursement, and shall be reimbursed by the Company, for all actual out-of-pocket expenses incurred in furtherance of the Company's business (including, without limitation, any salary or other compensation paid to Persons retained or employed by the Company).

5.5 Manager.

5.5.1 Duties of the Manager.

5.5.1.1 Duties. The Manager shall devote whatever time, effort and skill as he reasonably believes is required to fulfill the Manager's obligations under this Agreement and shall act in a manner the Manager determines, in good faith, to be in the best interests of the Company and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

5.5.1.2 Manager's Time and Effort; No Conflicts on Restrictions or Other Activities. The Manager may engage or invest in, and devote his time to, any other business venture or activity of any nature and description (independently or with others). Each Manager acting on his own behalf may engage in whatever activities the Manager chooses without having or incurring any obligation to offer any interest in such activities to the Company or the Member or require the Member to permit the Company or the Member to participate in any such activities, and as a material part of the consideration for the execution of this Agreement by the Member, the Member hereby waives, relinquishes, and renounces any such right or claim of participation.

5.5.2 Number of Managers. The Company shall initially have one (1) Manager. The number of Managers of the Company shall be fixed from time to time by the Member, but in no instance shall there be less than one (1) Manager.

5.5.3 Term. A Manager shall hold office until the first to occur of the following:

5.5.3.1 Removal by the Member, which removal may be for any reason, with or without cause. Any such removal shall be effective upon notice to the removed Manager by the Member (or at such later date as may be specified by the Member).

5.5.3.2 Resignation by the Manager upon no less than ten (10) business days' written notice to the Member.

5.5.3.3 With respect to a Manager who is an individual, the death of the Manager or entry of an order by a court of competent jurisdiction adjudicating the Manager incompetent to manage his or her person or his or her property.

The resignation, removal or other termination of a Person as a Manager who is also a Member shall not affect the Person's rights as a Member and shall not constitute a withdrawal of a Member.

5.5.4 Qualifications. Managers need not be Members of the Company or residents of the State of Delaware.

5.5.5 Manager Action. If there is more than one Manager then serving the Company, in any instance where any approval, election, consent, election, designation, vote, action or determination of all Managers is expressly required or provided for in this Agreement or any agreement entered into by the Company (a "Manager Action"), such Manager Action may be taken either (a) at a meeting of the Managers where a majority of the Managers vote to approve such Manager Action, or (b) may be taken without a meeting if the Manager Action is evidenced by one or more written consents describing the Manager Action taken, signed by a majority of the Managers and included in the Company's records. Such Manager Action without a meeting will be effective when the Managers have signed the consent(s), unless the consent(s) specify(ies) a different effective date. Any Manager may, by a writing signed by such Manager and included in the Company records, delegate to the other Manager the exclusive authority to take any Manager Action, which delegation shall remain in effect until revoked by the other Manager. Any Manager Action taken by a Manager pursuant to such delegation shall be valid and binding upon the Managers and the Company.

5.5.5.1 Meetings of the Managers. Regular meetings of the Managers may be held on an annual basis. Special meetings of the Managers may be called by or at the request of any Manager or the Member and shall be held at the principal office of the Company or at such other place(s) as may be designated by the Managers. The Person(s) authorized to call any special meeting of the Managers may designate any reasonable time for holding of the special meeting. Except as specifically provided in this Section 5.5.5.1, no meetings of the Managers shall be required.

5.5.5.2 Telephonic Participation. Any Manager may participate in any meeting of the Managers telephonically or through other similar communications equipment, as long as the Managers participating in the meeting can hear one another. Participation in a meeting pursuant to the preceding sentence shall constitute presence in person at such meeting for all purposes of this Agreement.

**ARTICLE VI**  
**CAPITAL CONTRIBUTIONS**

Capital contributions shall be made in such amounts and in such form as the Member shall determine, in its sole and absolute discretion.

**ARTICLE VII**  
**TRANSFERS; ADDITIONAL MEMBERS**

The Member may transfer its interest in the Company to any Person at any time for any reason. The Manager, at the sole direction of the Member, may admit additional Members to the Company at any time for any reason with a percentage interest as determined by the Member.

**ARTICLE VIII**  
**DISTRIBUTIONS**

Subject to the requirements of applicable law, distributions shall be made to the Member at such time and in such amount as the Member may determine in its sole and absolute discretion.

**ARTICLE IX**  
**LIMITED LIABILITY OF MEMBER**

The Member in its capacity as a Member shall not be liable for any debts, obligations or liabilities of the Company.

**ARTICLE X**  
**AMENDMENTS**

Subject to Section 12.3 hereof, the Manager, at the direction of the Member, may cause this Agreement to be amended at any time by written instrument signed by the Member and filed with the books and records of the Company.

**ARTICLE XI**  
**TAXATION**

The Member intends that solely for federal and state income tax purposes it will not be treated as a separate entity but, instead, all income tax matters will be reported directly by the Member.

**ARTICLE XII**  
**INDEMNIFICATION AND EXCULPATION**

12.1 Indemnification.

12.1.1 General. The Company, to the fullest extent permitted by the Act and any other applicable law, (a) shall indemnify and hold harmless any Manager or the Member, and (b) may, in the Manager's discretion, indemnify and hold harmless any employee or agent of the Company or any other Person (each Person to be indemnified pursuant to (a) or (b), an "Indemnified Person") from and against any losses, claims, damages, liabilities or expenses (including, without limitation, attorney's fees) to which such Indemnified Person may become subject in connection with any matter arising out of or in connection with the Company.

12.1.2 Advance for Expenses. The Company shall, before final disposition of a Proceeding, advance funds to pay for or reimburse the reasonable expenses (including attorneys' fees) incurred by an Indemnified Person who is a Party to a Proceeding if such Person delivers to the Company a written affirmation of his, her or its good faith belief that his, her or its conduct does not constitute behavior that would prohibit the Company from indemnifying the Indemnified Person pursuant to the Act, and such Member or Manager furnishes the Company a written undertaking, executed personally or on his, her or its behalf, to repay any advances if it is ultimately determined that he, she or it is not entitled to indemnification under this Article XII or the Act.

12.1.3 No Capital Contributions Required for Indemnification. Indemnification pursuant to this Section 12.1 shall be limited to the Company's assets and shall in no event require the Member to make any additional Capital Contributions.

12.1.4 Limits on Indemnification. Notwithstanding anything in this Article XII to the contrary, the Member intends that the Company shall indemnify the Member and the Manager pursuant to this Section 12.1 to the fullest extent permitted under Section 18-108 of the Act, except that indemnification shall not be provided to any Person in respect of any loss, damage or claim resulting from the (i) intentional misconduct or knowing violation of law by such Person; or (ii) for any transaction for which such Person received a personal benefit in violation or breach of any provision of this Agreement.

12.2 Exculpation. No Member or Manager shall be liable to the Company or to the Member for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it in connection with this Agreement except for any losses, claims, damages or liabilities for which indemnification of the Member or Manager is not permitted pursuant to Section 12.1.4 hereof.

12.3 Survival and Limits on Amendment. The rights of the Member and the Manager to indemnification and exculpation pursuant to this Article XII shall survive (a) with respect to any Manager, the withdrawal, resignation or removal of the Manager, and (b) with respect to the Member, the transfer of the Member's interest in the Company. No amendment, modification or rescission of this Article XII, or any provision hereof, the effect of which would diminish the rights to

indemnification, advancement of expenses or exculpation as set forth herein shall be effective as to the Member or the Manager with respect to any action taken or omitted by such Person prior to such amendment, modification or rescission.

### **ARTICLE XIII** **DISSOLUTION AND TERMINATION**

#### 13.1 Dissolution.

13.1.1 The Company shall be dissolved upon the occurrence of any of the following events:

13.1.1.1 by the written consent of the Member; or

13.1.1.2 the entry of a decree of judicial dissolution under Section 18-802 of the Act.

13.1.2 Except as expressly permitted in this Agreement, the Member shall not have the power or authority to dissociate or take any other voluntary action which directly causes a Person to cease to be a Member; provided however, that a Member who transfers its entire Membership Interest in accordance with this Agreement shall cease to be a Member.

13.2 Effect of Dissolution. Upon dissolution, the Company shall cease to carry on its business, except as permitted by Section 18-803 of the Act.

#### 13.3 Winding Up, Liquidation and Distribution of Assets.

13.3.1 Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Manager shall immediately proceed to wind up the affairs of the Company.

13.3.2 If the Company is dissolved and its affairs are to be wound up, the Manager shall do or cause the following to be done:

13.3.2.1 Convert the Company's assets into cash as promptly as practicable (except to the extent the Manager may determine to distribute any assets to the Member in kind);

13.3.2.2 Discharge all liabilities of the Company, including liabilities to a Member who is a creditor, to the extent otherwise permitted by law, other than liabilities to a Member for distributions, and establish such Reserves as may be reasonably necessary to provide for contingent or other liabilities of the Company; and

13.3.2.3 Distribute the remaining assets to the Member.

13.3.3 Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

13.3.4 The Manager shall comply with any requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

13.4 Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Member, a Certificate of Cancellation may be executed and filed with the Secretary of State of Delaware in accordance with Section 18-203 of the Act.

13.5 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Agreement, upon dissolution, the Member shall look solely to the assets of the Company for the return of its Capital Contribution.

#### **ARTICLE XIV MISCELLANEOUS**

14.1 Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

14.2 Captions. All captions used in this Agreement are for convenience only and shall not affect the meaning or construction of any provision hereof.

14.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

14.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Member and its successors and assigns.

14.5 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

14.6 No Third Party Beneficiary. This Agreement is made solely and specifically between and for the benefit of the parties hereto, and their respective successors and assigns (subject to the express provisions hereof relating to successors and assigns) and no other Person or party whatsoever shall have any rights, interest or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary.

14.7 Entire Agreement. This instrument contains all of the understandings and agreements of whatever kind and nature existing by the Member with respect to the Company and the rights,

interests, understandings, agreements and obligations of the respective parties pertaining to the continuing operations of the Company.

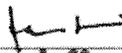
14.8 Relationship of this Agreement to the Default Rules. Regardless of whether this Agreement specifically refers to a particular Default Rule, in no event shall any Default Rule apply to the Company, it being the intent of the Member that, by virtue of this Section 14.8 all of the Default Rules shall be negated and, to the fullest extent possible, all of the rights and obligations of the Member with respect to the Company shall be as set forth in this Agreement and shall not arise from any provisions of the Act that constitute a Default Rule that is permitted to be made inapplicable, or modified with respect to, a limited liability company pursuant to the articles of organization or operating agreement of a limited liability company.

*[SIGNATURES ON FOLLOWING PAGE]*

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

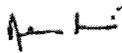
**MEMBER:**

**CHESTNUT TERRACE OPERATING HOLDCO, LLC,**  
a Delaware limited liability company

By:   
Name: Jeffrey Rubin  
Title: President

**MANAGER:**

**POST ACUTE PARTNERS, LLC,**  
a Delaware limited liability company

By:   
Name: Jeffrey Rubin  
Title: President

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "100 WAMPANOAG TRAIL OPERATING COMPANY, LLC", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF NOVEMBER, A.D. 2012, AT 1:56 O'CLOCK P.M.



5246800 8100

121258655

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 0012366

DATE: 11-27-12

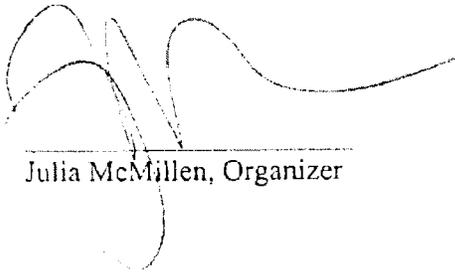
CERTIFICATE OF FORMATION  
OF  
100 WAMPANOAG TRAIL OPERATING COMPANY, LLC

This Certificate of Formation of 100 Wampanoag Trail Operating Company, LLC is being executed and filed by the undersigned for the purpose of forming a limited liability company pursuant to the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.).

(1) The name of the limited liability company formed hereby is 100 Wampanoag Trail Operating Company, LLC.

(2) The address of the registered office of the Company in the State of Delaware is c/o Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. The name of the registered agent of the Corporation at such address is ~~The~~ Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned, an authorized person of the Company, has executed this Certificate of Formation as of the <sup>22<sup>nd</sup></sup>~~22~~ day of November, 2012.

  
\_\_\_\_\_  
Julia McMillen, Organizer

30

Controlling Area : 1000  
 Profile Center Group : MDD02F1224  
 Account Group : BALSHEBT

Analysis Report  
 Period 10/2012

ZFLX Page : 1  
 Run Date: 11/13/2012  
 Run Time: 09:30:18

Account group/Account	Ending Balance
10601 Sovereign - 10021220370	65-
11700 Imprest Petty Cash Fund	450
11710 Imprest Patient Fund	500
CASH	885
CASH AND CASH EQUIVALENT	885
11690 Bank - Patient Fund Account	30,415
RESTRICTED CASH	30,415
RESTRICTED CASH	30,415
12010 Medicare A Accounts Receivable	47,548
12020 Medicare B Accounts Receivable	1,349
12030 Accounts Receivable Medicaid	236,880
12031 Managed Medicaid Accounts Receivable	17,028
12033 Medicaid Coinsurance Accounts Receivable	2,315-
12041 Private Coinsurance Accounts Receivable	32,142
12042 Private Patient Liability Accounts	37,002
12060 Commercial Insurance Accounts Receivable	7,584
12061 Medicare Advantage Accounts Receivable	53,128
12071 Other - 1 / Hospice Accounts Receivable	11,378
12072 Other - 2 Accounts Receivable	3,504
12090 Patient Liability Prohibit	36,599-
12190 A/R Refunds Paid Clearing	189
ACCOUNTS RECEIVABLE TRADE	408,821
12910 Bad Debt Allowance Accrual	70,012-
12931 Private Write-Offs- Post Emergence	32,085
12932 Medicaid Write-Offs- Post Emergence	48,344
12933 Medicare Write-Offs Not C & D-Post	2,998
12935 Other-1 / Hospice Write-Offs-Post E	183
12936 Other-2 Write-Offs-Post Emergence	2,289
12937 Insurance Write-Offs-Post Emergence	1,302
12941 Recoveries - Private-Post Emergence	10,613-
12942 Recoveries - Medicaid-Post Emergence	7,453-
12943 Recoveries - Medicare Not C & D-Post	3,515-
12946 Recoveries - Other 2-Post Emergence	2,264-
12947 Recoveries - Insurance-Post Emergence	221-
ALLOWANCE	6,878-
12610 Medicaid Settlement - Current Year	14,640
12710 Medicaid Settlement - Prior Year	432-
CONT ADJUSTMENTS	14,208
14501 Account Receivable Employee Arrear	128
ACCOUNTS RECEIVABLE OTHER	128
ACCOUNTS AND NOTES RECEIVABLE	416,279
15580 Inventory	8,613
INVENTORY	8,613
INVENTORY	8,613
16402 Prepaid Other - Miscellaneous Dues	900
PREPAID EXPENSE	900
PREPAID EXPENSE	900
OTHER CURRENT ASSETS	900
CURRENT ASSETS	457,093
18060 Leasehold Improvements	17,031
LEASEHOLD IMPROVEMENTS	17,031
18090 Major Moveable	397,908
18120 Computer Hardware	68,987
18130 Computer Software	4,054
EQUIPMENT	470,949
PROPERTY AND EQUIPMENT	487,980
18887 Accumulated Depreciation - Leasehold	12,092-
18891 Accumulated Depreciation - Major Mo	292,494-

Account Group/Account	Ending Balance
18894 Accumulated Depreciation - Computer	63,542-
18895 Accumulated Depreciation - Computer	4,054-
** ACCUMULATED DEPRECIATION	372,182-
** ACCUMULATED DEPRECIATION	372,182-
**** LONG TERM ASSETS	115,798
**** ASSETS	572,891
21200 Accounts Payable - Trade - Systems	53,289-
21210 Accounts Payable - Manual Accrual	42,413-
21214 Accounts Payable - Automatic Accrual	42,288-
** ACCOUNTS PAYABLE	95,989-
** ACCOUNTS PAYABLE	95,989-
22100 Accrued Salaries payable	8,789-
22105 Accrued Salaries monthend	4,794-
22107 Accrued Salaries Direct Deposit	15,995-
22112 Accrued Bonuses Payable - Business	325-
22114 Accrued Bonuses Payable - Sales & M	250-
22210 Accrued PTO pay	1,683-
22215 Accrued PTO pay-2003 Plan	59,915-
24140 Accrued PTO pay-2003 Plan	75-
24253 Accrued PTO pay-2003 Plan	12-
24253 Employee Fund WH	402-
24280 Accrued P/R Tax Accrual	256-
24600 RSP#3 Employee Deferral	17-
24630 RSP#3 Employer Match	17-
** ACCRUED PAYROLL	92,514-
** ACCRUED PAYROLL	92,514-
24304 Patient Fund Acct Liability	30,415-
24306 R.E. Taxes Payable, Current	6,518
24306 Personal Property Taxes Payable	1,476
24361 Use Tax Payable Balance Sheet Adjust	27-
** OTHER CURRENT LIABILITIES	22,449-
** OTHER CURRENT LIABILITIES	22,449-
**** CURRENT LIABILITIES	210,953-
**** CURRENT LIABILITIES	210,953-
28500 Inter-facility Due To/Due From	8,454,018-
29000 Intercompany Cash Transfers	468,408
29005 Intercompany Fixed Asset Clearing	53,567-
29010 Interzone Transfers	25-
29020 Intercompany Management Fees	170,947-
** INTERCOMPANY	8,210,148-
** INTERCOMPANY	8,210,148-
**** LONG TERM DEBT	3,070-
**** LONG TERM DEBT	3,070-
26704 Deferred Lease Payments - Ventas	650-
26703 Deferred Gain-Ventas Rent Reset	106-
26704 Deferred Gain-Ventas Rent Reset	3,826-
** OTHER LONG TERM LIABILITY	3,826-
** OTHER LONG TERM LIABILITY	3,826-
**** LONG TERM LIABILITIES	8,213,974-
**** LONG TERM LIABILITIES	8,213,974-
32300 Additional Paid in Capital	3,149,993-
32314 Paid in Capital - REIT	2,743,767
35005 Addl Paid in Capital Fresh Start	3,436,581
** PAID IN CAPITAL	3,030,355
** PAID IN CAPITAL	3,030,355
**** RETAINED EARNINGS CURRENT YEAR	343,322
**** RETAINED EARNINGS CURRENT YEAR	343,322
**** RETAINED EARNINGS PRIOR YEAR	4,478,359
**** RETAINED EARNINGS PRIOR YEAR	4,478,359
**** STOCKHOLDER'S EQUITY	4,821,681
**** STOCKHOLDER'S EQUITY	4,821,681
**** LIABILITIES AND STOCKHOLDER'S EQUITY	7,852,036
**** LIABILITIES AND STOCKHOLDER'S EQUITY	7,852,036
**** BALANCE SHEET	572,891-
**** BALANCE SHEET	572,891-

Report Name: ZG14000 Kindred Healthcare, Inc.  
 Controlling Area: 1000  
 User ID: TINSLEYC  
 Nursing Center Group: NAD02F1224 1224 CHESTNUT TERRACE NSG & REHAB CENTER  
 Report Group: VRRPT

Operational Analysis  
 As Of October 2012  
 Budget Version 0  
 Page: 1  
 Date: 11/13/2012  
 Time: 09:30:20

	per Patient Day												Actual Dollars							
	August		September		Actual		Budget		YTD Actual		YTD Budget		YTD Actual		YTD Budget		YTD Variance			
	Curr Mo	Budget	Curr Mo	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	
***** SUMMARY *****																				
CENSUS	1.0	0.4	0.2	0.0	0.2	0.0	0.0	6	0	6	70	0	70	0	70	0	432	610	178	
PRIVATE	1.0	0.0	0.0	2.0	0.6	2.0	2.0	0	62	62	178	0	178	0	178	0	610	610	0	
COMMERCIAL INS	1.4	2.3	2.4	3.0	1.8	3.0	3.0	74	93	19-	559	915	356-	915	356-	915	356-	915	356-	
MEDICARE ADVANTAGE	3.1	5.1	4.2	4.0	3.2	3.9	3.9	131	124	7	960	1,190	230-	1,190	230-	960	1,190	230-	960	
MEDICARE	6.5	7.8	6.8	9.0	5.8	8.9	8.9	211	279	68-	1,767	2,715	948-	1,767	2,715	948-	1,767	2,715	948-	
TOTAL P/T/M	45.0	44.4	44.9	41.0	45.0	40.0	40.0	1,392	1,271	121	13,720	12,201	1,519	13,720	12,201	1,519	13,720	12,201	1,519	
MEDICAID	2.0	2.0	2.3	3.0	2.3	3.0	3.0	72	93	21-	695	915	220-	695	915	220-	695	915	220-	
HOSPICE	1.1	0.0	0.2	0.0	0.8	0.0	0.0	7	0	7	230	0	230	0	230	0	230	0	230	
OTHER	54.5	54.2	54.3	53.0	53.8	51.9	51.9	1,682	1,643	39	16,412	15,831	581	16,412	15,831	581	16,412	15,831	581	
TOTAL PAID CENSUS																				
PATIENT REVENUE																				
*****																				
ROUTINE REVENUE	316.13	282.00	328.00	0.00	316.11	0.00	0.00	1,968	0	1,968	19,915	0	19,915	0	19,915	0	155,881-	155,881-	0	
PRIVATE	355.90	0.00	0.00	382.00	433.37	382.00	382.00	14,303	23,684	9,381-	77,139	233,020	155,881-	77,139	233,020	155,881-	77,139	233,020	155,881-	
COMMERCIAL INS	286.60	368.63	368.59	351.75	324.01	351.75	351.75	27,276	32,713	5,437-	181,120	321,849	140,729-	181,120	321,849	140,729-	181,120	321,849	140,729-	
MEDICARE ADVANTAGE	484.55	441.49	459.47	428.24	428.63	421.63	421.63	60,191	53,102	7,089	411,483	501,742	90,258-	411,483	501,742	90,258-	411,483	501,742	90,258-	
MEDICARE PART A	395.94	411.83	491.65	392.47	391.85	389.18	389.18	103,738	109,499	5,761-	689,657	1,056,610	366,953-	689,657	1,056,610	366,953-	689,657	1,056,610	366,953-	
TOTAL P/T/M ROUTINE	186.22	186.08	195.26	181.62	187.28	181.62	181.62	271,797	230,839	40,958	2,569,471	2,215,946	353,525	2,569,471	2,215,946	353,525	2,569,471	2,215,946	353,525	
MEDICAID	186.08	186.08	186.21	197.06	189.90	197.06	197.06	13,407	18,327	4,919-	131,983	180,309	48,327-	131,983	180,309	48,327-	131,983	180,309	48,327-	
HOSPICE	288.64	0.00	275.00	0.00	251.11	0.00	0.00	1,925	0	1,925	57,756	0	57,756	0	57,756	0	57,756	0	57,756	
OTHER	213.04	218.91	232.38	218.30	210.23	218.11	218.11	390,867	358,664	32,203	3,448,866	3,452,865	3,999-	3,448,866	3,452,865	3,999-	3,448,866	3,452,865	3,999-	
TOTAL ROUTINE REVENUE																				
ANCILLARY REVENUE	0.00	0.00	0.00	0.00	27.30	0.00	0.00	0	0	0	1,720	0	1,720	0	1,720	0	1,720	0	1,720	
PRIVATE	206.45	0.00	0.00	56.29	143.90	56.29	56.29	178	3,490	3,312-	25,614	34,338	8,724-	178	34,338	8,724-	178	34,338	8,724-	
COMMERCIAL INS	3.58	2.62	1.83	3.58	2.73	3.40	3.40	2,832	5,438	2,606-	42,212	49,796	7,584-	2,832	49,796	7,584-	2,832	49,796	7,584-	
MEDICARE PART B	7.17	4.33	1.79	5.43	4.24	5.31	5.31	3,010	8,928	5,918-	69,546	84,134	14,588-	3,010	84,134	14,588-	3,010	84,134	14,588-	
TOTAL ANCILLARY REVENUE	0.00	0.00	0.00	0.00	187.10	0.00	0.00	0	0	0	1,310	0	1,310	0	1,310	0	1,310	0	1,310	
HOLDING REVENUE	220.20	223.23	234.17	223.73	214.55	223.42	223.42	393,878	367,592	26,285	3,519,722	3,536,999	17,277-	3,519,722	3,536,999	17,277-	3,519,722	3,536,999	17,277-	
TOTAL PATIENT REVENUE	0.03	0.03	0.03	0.04	0.04	0.04	0.04	47	59	12-	585	0	583	47	583	0	583	0	583	
NON PATIENT REVENUE	220.23	223.26	234.20	223.77	214.59	223.46	223.46	393,925	367,652	26,274	3,520,308	3,537,582	17,274-	3,520,308	3,537,582	17,274-	3,520,308	3,537,582	17,274-	
TOTAL NET REVENUE																				
OPERATING EXPENSES																				
*****																				
NURSING	68.76	68.38	66.82	76.33	69.98	76.52	76.52	112,390	125,407	13,017	1,148,099	1,211,370	63,271	112,390	1,211,370	63,271	112,390	1,211,370	63,271	
SPECIAL SERV LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	71	0	71	0	71	0	71	0	71	
ANCILLARY EXP	20.81	19.96	18.21	43.96	19.85	44.28	44.28	30,628	72,222	41,594	325,704	701,061	375,357	30,628	701,061	375,357	30,628	701,061	375,357	
FOOD RELATED	6.59	5.28	6.91	5.86	6.03	5.86	5.86	11,626	9,628	1,998-	98,889	92,770	6,119-	11,626	98,889	6,119-	11,626	98,889	6,119-	
OTHER DIETARY	8.44	8.58	9.39	10.18	9.27	10.25	10.25	15,801	16,725	924	152,008	162,234	10,227	15,801	162,234	10,227	15,801	162,234	10,227	
LAUNDRY	4.40	4.42	4.63	4.39	4.43	4.55	4.55	7,780	7,212	568-	72,727	72,077	650-	7,780	72,727	650-	7,780	72,727	650-	
HOUSEKEEPING	5.73	5.96	5.76	5.97	5.93	6.22	6.22	9,682	9,813	131	97,245	98,482	1,238	9,682	98,482	1,238	9,682	98,482	1,238	

Report Name: ZG14000  
 Controlling Area: 1000  
 User ID: TINSLEYC  
 Nursing Center Group: NAD02F1224  
 Report Group: VRRPT

Kindred Healthcare, Inc.  
 1224 CHESTNUT TERRACE NSG & REHAB CENTER  
 Operational Analysis  
 As Of October 2012  
 Budget Version 0

Page: 2  
 Date: 11/13/2012  
 Time: 09:30:20

	August		September		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD		
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	
MAINTENANCE	4.41	4.23	4.54	4.51	4.34	4.35	7,636	7,407	229-	71,263	72,308	1,045	72,308	1,045	71,263	1,045	
UTILITIES	4.30	3.60	3.38	4.17	4.04	4.35	5,691	6,848	1,157	66,200	68,940	2,740	68,940	2,740	66,200	2,740	
ACTIVITIES	2.18	2.49	2.49	2.49	2.27	2.54	4,187	4,099	88-	37,304	40,144	2,840	37,304	2,840	40,144	2,840	
PROF/CONSULTANTS	3.76	3.65	3.63	4.20	3.82	4.31	6,100	6,901	801	62,660	68,214	5,554	62,660	5,554	68,214	5,554	
EMPLOYEE BENEFITS	33.09	39.38	25.65	33.91	34.66	37.91	43,151	55,709	12,558	568,581	600,103	31,522	568,581	31,522	600,103	31,522	
TRAINING	2.71	5.08	2.12	2.76	2.81	2.81	3,570	4,537	967	53,915	44,420	9,495-	53,915	9,495-	44,420	9,495-	
GEN-ADMIN	50.28	48.87	41.28	52.78	52.03	53.89	69,427	86,719	17,292	853,504	853,105	400-	853,504	400-	853,105	400-	
OPERATING EXPENSES	215.45	219.88	194.81	251.51	219.94	258.05	327,668	413,225	85,557	3,608,169	4,085,227	477,058	3,608,169	477,058	4,085,227	477,058	
OPER INC B/E PROP	4.79	3.38	39.39	27.74-	5.36-	34.59-	66,257	45,574-	111,831	87,862-	547,646-	459,784	87,862-	459,784	547,646-	459,784	
PROPERTY TAX	2.39	2.57	2.40	2.62	2.50	2.72	4,032	4,300	268	41,023	43,000	1,977	41,023	1,977	43,000	1,977	
INSURANCE PROPERTY	0.29	0.30	0.29	0.30	0.30	0.31	486	487	1	4,860	4,866	6	4,860	6	4,866	6	
LOCAL TAXES	0.01	0.01	0.01	0.01	0.01	0.00	20	0	20-	196	0	196-	196	0	1,050	436	
LICENSE AND TAXES	0.00	0.00	0.00	0.06	0.04	0.07	0	105	105	105	0	0	105	0	1,050	436	
OTHER PROPERTY	2.69	2.88	2.70	2.98	2.85	3.09	4,538	4,892	354	46,694	48,916	2,222	46,694	2,222	48,916	2,222	
GAIN/LOSS ON SALE	0.00	0.00	0.00	0.00	0.03-	0.00	0	0	0	497-	0	497-	0	497-	0	497-	0
OPER INC (EBITDAR)	2.10	0.50	36.69	30.72-	8.23-	37.68-	61,719	50,465-	112,184	135,052-	596,562-	461,509	50,465-	461,509	596,562-	461,509	
DEPRECIATION/AMORT	2.44	2.54	2.45	3.96	2.53	5.06	4,113	6,508	2,395	41,472	80,026	38,555	41,472	38,555	80,026	38,555	
RENT - BLDG	5.42	5.64	5.44	18.78	10.00	18.59	9,157	30,854	21,697	164,074	294,255	130,181	9,157	130,181	294,255	130,181	
RENT - EQUIP	0.12	0.23	0.15	0.17	0.17	0.17	250	273	24	2,733	2,735	2	2,733	2	2,735	2	
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0	6	6	6	0	6	0	6	59	59	
INTEREST INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0	0-	0-	0-	1-	8	0	1-	8	8	
OTHER FIXED	7.98	8.40	8.04	22.91	12.70	23.82	13,520	37,641	24,121	208,269	377,073	168,804	13,520	168,804	208,269	168,804	
*EBT *	5.88-	7.90-	28.66	53.63-	20.93-	61.50-	48,199	88,107-	136,305	343,322-	973,634-	630,313	88,107-	630,313	973,634-	630,313	
*NET FIN INC(L) *	5.88-	7.90-	28.66	53.63-	20.93-	61.50-	48,199	88,107-	136,305	343,322-	973,634-	630,313	88,107-	630,313	973,634-	630,313	
EBITDAR	13.46	12.20	48.32	18.81-	3.23	25.81-	81,272	30,912-	112,184	52,945	408,564-	461,509	30,912-	461,509	408,564-	461,509	
NSG REGULAR LABOR	62.85	62.79	61.86	74.52	64.17	74.71	104,049	122,432	18,384	1,052,753	1,182,709	129,956	104,049	129,956	1,182,709	129,956	
NSG PREMIUM LABOR	3.81	3.98	3.47	0.00	3.94	0.00	5,837	0	5,837-	64,585	0	64,585-	0	64,585	0	64,585-	0
OTHER ROUTINE LABOR	26.51	29.37	28.06	29.60	28.90	30.08	47,197	48,628	1,431	474,152	476,124	1,972	47,197	1,972	474,152	1,972	
OTHER PREMIUM LABOR	0.07	0.07	0.04	0.00	0.08	0.00	70	0	70-	1,321	0	1,321-	0	1,321	0	1,321-	0
ANCILLARY LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	71	0	71-	0	71-	0	71-	0
*TOTAL LABOR *	93.24	96.21	93.43	104.11	97.10	104.78	157,153	171,060	13,908	1,592,881	1,658,833	65,952	157,153	65,952	1,658,833	65,952	
LABOR & BENEFITS % OF NET REVENUE	57.0-	61.0-	51.0-	67.0-	61.0-	64.0-	51-	62-	11-	61-	64-	3-	51-	61-	64-	3-	
REGULAR NSG HOURS	3.20	3.15	3.01	3.41	3.11	3.41	5,066	5,602	536	51,076	54,056	2,980	5,066	2,980	54,056	2,980	
OVERTIME NSG HOURS	0.11	0.17	0.24	0.00	0.22	0.00	399	0	399-	3,620	0	3,620-	0	3,620-	0	3,620-	0
OTHER ROUTINE HOURS	1.46	1.54	1.50	1.56	1.53	1.58	2,525	2,563	38	25,026	25,012	14-	2,525	14-	25,026	14-	
ANCILLARY HOURS	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	2	0	2-	0	2-	0	2-	0
*TOTAL HOURS *	4.77	4.95	4.75	4.97	4.86	4.99	7,990	8,165	176	79,723	79,068	656-	7,990	656-	79,068	656-	

	August		September		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance
WAGE RATES																
NURSING																
OTHER																
ANCILIARY																
* TOTAL WAGE RATES *																
EBITDAM MARGIN	6.0	5.0	21.0	8.0-	2.0	12.0-	21	8-	29-	2	12-	14-				

	August		September		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance
OPERATING REPORT SUMMARYS																
G & A	29.26	25.40	23.62	26.87	25.99	27.62	39,730	44,147	4,417	470	30,761	28,660	2,101-	426,370	437,260	10,890
MANAGEMENT FEE	11.36	11.69	11.62	11.90	11.46	11.88	239	290	50	50	2,535	2,790	254	187,997	187,997	0
OTHER OPERATING	15.98	16.18	15.23	17.02	16.24	17.68	19,553	27,957	2,338	0	266,386	279,868	13,482	279,868	279,868	0
CONTROLABLES																
NURSING SUPP/INCONT	2.10	1.61	1.49	1.81	1.88	1.81	2,504	2,974	470	30,761	28,660	2,101-	30,761	28,660	2,101-	
ACTIVITY SUPPLIES	0.14	0.14	0.14	0.18	0.15	0.18	239	290	50	50	2,535	2,790	254	239	239	0
RAW FOOD EXPENSE	6.39	5.10	6.77	5.76	5.84	5.76	11,394	9,464	1,930-	1,930-	95,786	91,187	4,599-	95,786	91,187	4,599-
DIETARY SUPPLIES	0.69	0.73	0.67	0.90	0.75	0.90	1,126	1,479	353	353	12,377	14,248	1,871	12,377	14,248	1,871
FOOD SUPPLEMENTS	0.20	0.18	0.14	0.10	0.19	0.10	232	164	68-	68-	3,103	1,583	1,520-	3,103	1,583	1,520-
LINEV REPLACEMENT	0.00	0.02	0.18	0.07	0.02	0.07	303	115	188-	188-	328	1,108	780	328	328	0
MAINTENANCE & REPAIR	1.51	1.12	1.51	1.16	1.37	1.17	2,546	1,912	633-	633-	22,446	18,542	3,904-	22,446	18,542	3,904-
MINOR EQUIP EXPENSE	0.39	0.52	0.30	0.28	0.21	0.28	503	454	49-	49-	3,440	4,372	931	3,440	4,372	931
OFFICE SUPPLIES	0.18	0.65	0.40	0.45	0.36	0.45	674	742	68	68	5,934	7,150	1,215	674	7,150	1,215
POSTAGE/OVERNIGHT COU	0.20	0.15	0.24	0.20	0.19	0.20	410	335	75-	75-	3,230	3,230	0	410	3,230	0
MARKETING	0.48	0.47	0.32	0.37	0.37	0.53	534	605	71	71	6,038	6,329	290	534	6,329	290
BAD DEBT	0.58-	0.36	5.13-	2.46	3.31	2.46	8,629-	4,044	12,672	12,672	54,337	36,907	15,430-	8,629-	36,907	15,430-
TOTAL CONTROLABLES	11.71	11.06	7.04	13.74	14.64	13.90	11,836	22,577	10,742	10,742	240,250	220,105	20,145-	11,836	220,105	20,145-
TOT CONTROL-BAD DEBT	12.29	10.70	12.17	11.28	11.33	11.45	20,465	18,534	1,931-	1,931-	185,912	181,198	4,715-	20,465	185,912	4,715-

\*\*\*\*\* Unassigned SKF/Department Combinations Were Found \*\*\*\*\*

	Per Patient Day										Actual Dollars			
	August	September	Actual	Budget	YTD Actual	YTD Budget	Actual	Budget	Variance	YTD Actual	YTD Budget	YTD Variance		
CENSUS														
PRIVATE - C	1.0	0.4	0.2	0.0	0.2	0.0	6	0	6	63	0	63		
TOTAL PRIVATE	1.0	0.4	0.2	0.0	0.2	0.0	6	0	6	63	0	63		
ADJ MEMO	0.0	0.0	0.2	0.0	0.4-	0.0	6	0	6	135-	0	135-		
COMMERCIAL INS - C	1.0	0.0	0.0	2.0	0.6	2.0	0	62	62-	178	610	432-		
TOTAL COMMERCIAL INS	1.0	0.0	0.0	2.0	0.6	2.0	0	62	62-	178	610	432-		
M-CARE ADVANTAGE - C	1.4	2.3	2.4	3.0	1.8	3.0	74	93	19-	559	915	356-		
TOTAL M-CARE ADVANTAGE	1.4	2.3	2.4	3.0	1.8	3.0	74	93	19-	559	915	356-		
ADJ MEMO	0.0	0.0	0.2-	0.0	0.0-	0.0	6-	0	6-	6-	0	6-		
MEDICARE - C	3.1	5.1	4.2	4.0	3.2	3.9	131	124	7	960	1,190	230-		
TOTAL MEDICARE	3.1	5.1	4.2	4.0	3.2	3.9	131	124	7	960	1,190	230-		
ADJ MEMO	0.0	0.0	0.0	0.0	0.2-	0.0	0	0	0	59-	0	59-		
TOTAL E/I/M	6.5	7.8	6.8	9.0	5.8	8.9	211	279	68-	1,760	2,715	955-		
MEDICAID - C	45.0	44.4	44.9	41.0	45.0	40.0	1,392	1,271	121	13,720	12,201	1,519		
TOTAL MEDICAID	45.0	44.4	44.9	41.0	45.0	40.0	1,392	1,271	121	13,720	12,201	1,519		
ADJ MEMO	0.0	0.0	0.0	0.0	0.7	0.0	0	0	0	201	0	201		
TOTAL VA	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0		
HOSPICE - C	2.0	2.0	2.3	3.0	2.3	3.0	72	93	21-	695	915	220-		
TOTAL HOSPICE	2.0	2.0	2.3	3.0	2.3	3.0	72	93	21-	695	915	220-		
ADJ MEMO	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	1	0	1		
MANAGED MEDICAID - C	1.1	0.0	0.2	0.0	0.8	0.0	7	0	7	230	0	230		
TOTAL MANAGED MEDICAL	1.1	0.0	0.2	0.0	0.8	0.0	7	0	7	230	0	230		
TOTAL MEDICAID 0-0-5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0		
TOTAL OTHER	1.1	0.0	0.2	0.0	0.8	0.0	7	0	7	230	0	230		
TOTAL OPERATING CENSUS	54.5	54.2	54.3	53.0	53.8	51.9	1,682	1,643	39	16,405	15,831	574		
HOLD CENSUS														
PRIVATE	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	7	0	7		
TOTAL HOLD	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	7	0	7		
TOTAL PAID CENSUS	54.5	54.2	54.3	53.0	53.8	51.9	1,682	1,643	39	16,412	15,831	581		

Report Name: ZGI4000  
 Controlling Area: 1000  
 User ID: TINSLEYC  
 Nursing Center Group: N4D02F1224  
 Report Group: VFRPT

Kindred Healthcare, Inc.

1224 CHESTNUT TERRACE NSG & REHAB CENTER

Operational Analysis  
 As Of October 2012  
 Budget Version 0

Page: 11/13/2012  
 Date: 09:30:28  
 Time: 09:30:28

	Per Patient Day				Actual Dollars							
	August	September	Curr Mo Actual	Curr Mo Budget	YTD Actual	YTD Budget	Curr Mo Actual	Curr Mo Budget	Variance	YTD Actual	YTD Budget	YTD Variance
PATIENT REVENUE												
P/P ROUTINE -C	316.13	282.00	328.00	0.00	316.11	0.00	1,968	0	1,968	19,915	0	19,915
TOTAL PRI ROUTINE	316.13	282.00	328.00	0.00	316.11	0.00	1,968	0	1,968	19,915	0	19,915
P/P ANCILLARY	0.00	0.00	0.00	0.00	27.30	0.00	0	0	0	1,720	0	1,720
TOTAL PRI REVENUE	316.13	282.00	328.00	0.00	343.41	0.00	1,968	0	1,968	21,635	0	21,635
CONTRACTUAL												
CONTRACTUAL	282.55	0.00	0.00	382.00	283.34	382.00	0	23,684	23,684	50,434	233,020	182,586
TOTAL CONTRACTUAL	73.35	0.00	0.00	0.00	150.03	0.00	14,303	0	14,303	26,705	0	26,705
TOTAL CONTRACTUAL	355.90	0.00	0.00	382.00	433.37	382.00	14,303	23,684	9,381	77,139	233,020	155,881
CONTRACTUAL												
CONTRACTUAL	206.45	0.00	0.00	56.29	143.90	56.29	178	3,490	3,312	25,614	34,338	8,724
TOTAL CONTRACTUAL	562.35	0.00	0.00	438.29	577.27	438.29	14,481	27,174	12,693	102,753	267,358	164,604
M/CARE ADV ROUTINE-C	295.05	292.35	281.49	351.75	291.73	351.75	20,830	32,713	11,883	163,075	321,849	158,774
M/CARE ADV CONTRACTUAL	8.45	76.29	87.10	0.00	32.28	0.00	6,446	0	6,446	18,045	0	18,045
TOTAL M/CARE ADV ROUTINE	286.60	368.63	368.59	351.75	324.01	351.75	27,276	32,713	5,437	181,120	321,849	140,729
TOTAL M/CARE ADV REVENUE	286.60	368.63	368.59	351.75	324.01	351.75	27,276	32,713	5,437	181,120	321,849	140,729
M/P PART A ROUTINE-C	290.59	290.78	286.15	422.42	288.96	415.90	37,486	52,380	14,894	277,403	494,917	217,514
M/P PART A CONTRACTUAL	193.96	150.72	173.32	5.83	139.67	5.74	22,705	722	21,983	134,080	6,825	127,255
TOTAL M/P PART A ROUTINE	484.55	441.49	459.47	428.24	428.63	421.63	60,191	53,102	7,089	411,483	501,742	90,258
TOTAL M/P PART A REVENUE	484.55	441.49	459.47	428.24	428.63	421.63	60,191	53,102	7,089	411,483	501,742	90,258
M/P PART B ANCILLARY	3.58	2.62	1.83	3.58	2.73	3.40	2,832	5,438	2,606	42,212	49,796	7,584
TOTAL M/P PART B REVENUE	3.58	2.62	1.83	3.58	2.73	3.40	2,832	5,438	2,606	42,212	49,796	7,584
TOTAL P/I/M REVENUE	456.52	441.88	505.91	424.47	431.37	420.16	106,748	118,427	11,679	759,204	1,140,744	381,541
M/CAID ROUTINE-C	287.70	288.29	288.95	181.62	288.24	181.62	402,215	230,839	171,376	3,954,657	2,215,946	1,738,711
M/CAID CONTRACTUAL	101.28	102.21	102.87	0.00	101.08	0.00	143,192	0	143,192	1,386,793	0	1,386,793
M/CAID ADJ-INTER	0.19	0.00	9.18	0.00	0.12	0.00	12,774	0	12,774	1,607	0	1,607
TOTAL M/CAID ROUTINE	186.22	186.08	195.26	181.62	187.28	181.62	271,797	230,839	40,958	2,569,471	2,215,946	353,525
TOTAL M/CAID REVENUE	186.22	186.08	195.26	181.62	187.28	181.62	271,797	230,839	40,958	2,569,471	2,215,946	353,525
TOTAL VA ROUTINE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
TOTAL VA REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
HOSPICE ROUTINE-C	282.00	282.00	282.00	197.06	285.35	197.06	20,304	18,327	1,977	198,320	180,309	18,011
HOSPICE CONTRACTUAL	95.92	95.92	95.79	0.00	95.45	0.00	6,897	0	6,897	66,337	0	66,337
TOTAL HOSPICE ROUTINE	186.08	186.08	186.21	197.06	189.90	197.06	13,407	18,327	4,919	131,983	180,309	48,327
TOTAL HOSPICE REVENUE	186.08	186.08	186.21	197.06	189.90	197.06	13,407	18,327	4,919	131,983	180,309	48,327

	Per Patient Day				Actual Dollars				
	August	September	Current Mo Actual	Current Mo Budget	YTD Actual	YTD Budget	YTD Actual	YTD Budget	
MED M/CAID ROUTINE-C	292.30	0.00	299.00	0.00	288.13	0.00	2,093	0	
MED M/CAID CONTRACTUA	3.67-	0.00	24.00-	0.00	37.02-	0.00	168-	0	
TOTAL MED M/CAID ROUT	288.64	0.00	275.00	0.00	251.11	0.00	1,925	0	
TOTAL MED M/CAID REVE	288.64	0.00	275.00	0.00	251.11	0.00	1,925	0	
TOTAL M/CAID O-O-S RO	0.00	0.00	0.00	0.00	0.00	0.00	0	0	
TOTAL M/CAID O-O-S RE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	
TOTAL OTHER	288.64	0.00	275.00	0.00	251.11	0.00	1,925	0	
TOTAL CONT SERV REVEN	0.00	0.00	0.00	0.00	0.00	0.00	0	0	
TOTAL ROOT/ANC REVENO	220.20	223.23	234.17	223.73	214.47	223.42	393,878	367,592	
P/P HOLD REVENUE	0.00	0.00	0.00	0.00	187.10	0.00	0	0	
TOTAL HOLD REVENUE	0.00	0.00	0.00	0.00	187.10	0.00	0	0	
TOTAL PATIENT REVENUE	220.20	223.23	234.17	223.73	214.55	223.42	393,878	367,592	
RENTAL INCOME	0.00	0.01	0.00	0.00	0.00	0.00	0	0	
VENDING MACHINE INC	0.01	0.00	0.01	0.01	0.02	0.01	21	17	
CASH DISC EARNED	0.02	0.01	0.02	0.03	0.02	0.03	26	42	
MISC INC	0.00	0.00	0.00	0.00	0.00	0.00	0	0	
TOT NON PATIENT REVEN	0.03	0.03	0.03	0.04	0.04	0.04	47	59	
OPERATING EXPENSES									
*****									
NURSING ADMIN	8.42	8.27	7.88	9.05	8.49	9.24	13,259	14,869	1,609
REGISTERED NURSES	23.35	25.36	23.83	19.15	25.01	19.15	40,087	31,470	8,617-
LVN/LPN	7.10	5.58	5.82	16.16	5.50	16.16	9,789	26,554	16,765
AIDES/ORDERLIES	27.79	27.56	27.79	30.15	29.11	30.15	46,750	49,539	2,789
TOTAL STRAT NURSING	66.66	66.77	65.33	74.52	68.11	74.71	109,886	122,432	12,547
TOTAL CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
NURSING SUPPLIES	1.01	0.66	0.63	1.06	0.95	1.06	1,067	1,742	675
INCONT & FEED REV	0.00	0.00	0.00	0.02-	0.00	0.02-	0	31-	31-
INCONT & FEED EXP	1.09	0.95	0.85	0.77	0.93	0.77	1,437	1,263	174-
TOTAL OTHER NURSING	2.10	1.61	1.49	1.81	1.88	1.81	2,504	2,974	470
TOTAL NURSING	68.76	68.38	66.82	76.33	69.98	76.52	112,390	125,407	13,017
RESPIRATORY THERAPIST	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
TOTAL SPECIAL STCS LB	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
TOTAL MISC LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0

	Per Patient Day				Actual Dollars							
	August	September	Actual	Budget	Actual	Budget	Actual	Budget	YTD			
	Actual	Budget	Actual	Budget	Variance	Actual	Budget	YTD	Variance			
REHAB	14.46	12.51	11.12	29.83	11.14	30.02	18,708	49,007	30,299	182,757	475,111	292,414
CENTRAL SUPPLIES	0.82	1.03	0.79	1.04	0.93	1.05	1,326	1,702	376	15,186	16,559	1,373
EQUIPMENT RENT	0.02	0.03	0.03	0.10	0.10	0.10	46	165	119	871	1,607	736
COMPLEX MEDICAL	0.89	0.91	1.18	1.31	1.22	1.32	1,989	2,153	163	19,981	20,949	968
PHARMACY	3.00	3.70	3.30	7.03	4.27	7.10	5,555	11,555	6,000	70,016	112,448	42,432
MED SUPPLIES/OXYGEN	0.57	0.42	0.43	0.92	0.63	0.93	727	1,514	787	10,333	14,733	4,399
LAB-XRAY	0.59	0.75	0.54	1.54	0.86	1.55	907	2,523	1,615	14,116	24,549	10,433
PHYSICAL THERAPY	0.02	0.00	0.09	0.03	0.03	0.03	145	50	95-	427	489	62
OCCUPATIONAL THERAPY	0.00	0.00	0.00	0.03	0.02	0.03	54	82	4-	247	489	242
RESPIRATORY THERAPY	0.00	0.06	0.00	0.05	0.01	0.05	4	82	78	184	802	618
IV THERAPY	0.01	0.20	0.00	0.34	0.05	0.35	0	566	566	748	5,510	4,762
NUTRITIONAL THERAPY	0.00	0.00	0.00	0.09	0.05	0.09	0	141	141	68	1,368	1,300
MEDICAL SERVICES	0.21	0.18	0.57	1.46	0.50	1.48	950	2,401	1,450	8,251	23,367	15,116
MISC PERSONAL	0.21	0.18	0.13	0.19	0.15	0.19	215	314	98	2,518	3,022	503
<b>TOTAL ANCILLARY EXP</b>	<b>20.81</b>	<b>19.96</b>	<b>18.21</b>	<b>43.96</b>	<b>19.85</b>	<b>44.28</b>	<b>30,628</b>	<b>72,222</b>	<b>41,594</b>	<b>325,704</b>	<b>701,061</b>	<b>375,357</b>
FOOD SALES	0.17-	0.19-	0.23-	0.18-	0.19-	0.18-	395-	296-	99	3,096-	2,850-	246
FOOD EXPENSES	6.43	5.21	6.89	5.69	5.89	5.69	11,583	9,349	2,234-	96,704	90,078	6,626-
FOOD SUPPLEMENTS	0.20	0.18	0.14	0.10	0.19	0.10	232	164	68-	3,103	1,583	1,520-
FOOD THICKEND BEVERA	0.13	0.08	0.12	0.25	0.13	0.25	206	411	205	2,178	3,958	1,780
<b>TOTAL FOOD RELATED</b>	<b>6.59</b>	<b>5.28</b>	<b>6.91</b>	<b>5.86</b>	<b>6.03</b>	<b>5.86</b>	<b>11,626</b>	<b>9,628</b>	<b>1,998-</b>	<b>98,889</b>	<b>92,770</b>	<b>6,119-</b>
SUPERVISORS	2.25	1.94	2.52	2.50	2.41	2.55	4,247	4,101	145-	39,548	40,352	805
COOK/KITCHEN HELPERS	5.41	5.73	5.80	6.05	5.71	6.05	9,763	9,940	177	93,624	95,776	2,152
DIETARY WAGE TRNSFR	0.08	0.14	0.38	0.00	0.38	0.00	638	0	638-	6,166	0	6,166-
KITCHEN SUPPLIES	0.65	0.76	0.67	0.76	0.76	0.76	1,126	1,249	123	11,424	12,032	608
KITCHEN REPLACE	0.04	0.02	0.00	0.14	0.06	0.14	0	230	230	953	2,216	1,264
REGISTERED DIETITIAN	0.00	0.00	0.00	0.72	0.00	0.73	0	1,177	1,177	0	11,579	11,579
DIETARY-CONTRACT SRV	0.02	0.03	0.02	0.02	0.02	0.02	28	28	0	294	280	14-
<b>TOTAL OTHER DIETARY</b>	<b>8.44</b>	<b>8.58</b>	<b>9.39</b>	<b>10.18</b>	<b>9.27</b>	<b>10.25</b>	<b>15,801</b>	<b>16,725</b>	<b>924</b>	<b>152,008</b>	<b>162,234</b>	<b>10,227</b>
LAUNDRY SUPPLIES	0.00	0.00	0.05	0.00	0.00	0.00	76	0	76-	76	0	76-
LINEN REPLACEMENT	0.00	0.02	0.18	0.07	0.02	0.07	303	115	188-	328	1,108	780
LAUNDRY-CONTRACT SRV	4.40	4.40	4.40	4.32	4.41	4.48	7,401	7,097	304-	72,323	70,969	1,354-
<b>TOTAL LAUNDRY EXP</b>	<b>4.40</b>	<b>4.42</b>	<b>4.63</b>	<b>4.39</b>	<b>4.43</b>	<b>4.55</b>	<b>7,780</b>	<b>7,212</b>	<b>568-</b>	<b>72,727</b>	<b>72,077</b>	<b>650-</b>
HOUSEKEEPING SUPPLIES	0.03	0.03	0.03	0.02	0.03	0.02	51	32	19-	568	306	262-
HSKP-CONTR SUPPL/SRV	5.70	5.93	5.73	5.95	5.89	6.20	9,631	9,781	150	96,677	98,176	1,499
<b>TOTAL HOUSEKEEPING</b>	<b>5.73</b>	<b>5.96</b>	<b>5.76</b>	<b>5.97</b>	<b>5.93</b>	<b>6.22</b>	<b>9,682</b>	<b>9,813</b>	<b>131</b>	<b>97,245</b>	<b>98,482</b>	<b>1,238</b>
MAINTENANCE PERSONAL	1.99	1.94	2.16	2.02	2.07	2.07	3,631	3,327	304-	33,992	32,732	1,260-
MAINT WAGE TRANS	0.00	0.00	0.00	0.00	0.01-	0.00	0	0	0	168-	0	168
MAINTENANCE SUPPLIES	0.13	0.10	0.12	0.09	0.09	0.10	196	165	31-	1,451	1,587	136
CONTRACTS-BLDG ETC	0.16	0.28	0.21	0.38	0.33	0.39	357	621	264	5,458	6,208	750
GROUND MAINT SUPPL	0.36	0.37	0.36	0.67	0.37	0.66	600	1,093	493	6,095	10,454	4,359
EQUIPMENT REP/MAINT	0.87	0.27	0.75	0.65	0.63	0.66	1,254	1,064	190-	10,261	10,371	110
BUILDING REP/MAINT	0.52	0.75	0.65	0.42	0.65	0.42	1,095	683	412-	10,734	6,584	4,150-
MINOR EQUIP EXPENSE	0.39	0.52	0.30	0.28	0.21	0.28	503	454	49-	3,440	4,372	931
<b>TOTAL MAINTENANCE</b>	<b>4.41</b>	<b>4.23</b>	<b>4.54</b>	<b>4.51</b>	<b>4.34</b>	<b>4.57</b>	<b>7,636</b>	<b>7,407</b>	<b>229-</b>	<b>71,263</b>	<b>72,308</b>	<b>1,045</b>

Report Name: ZGL4000  
 Controlling Area: 1000  
 User ID: TINSLEYC  
 Nursing Center Group: N4002E1224  
 Report Group: VFRPT

Kindred Healthcare, Inc.  
 1224 CHESTNUT TERRACE NSG & REHAB CENTER  
 Operational Analysis  
 As Of October 2012  
 Budget Version 0

Page: 5  
 Date: 11/13/2012  
 Time: 09:30:28

	Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	August	September	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget
	0.14	0.14	2.49	2.49	2.12	2.12	0.00	34,769	37,355	2,586	2,790	2,840
ACTIVITY WAGES	2.04	2.35	2.35	2.32	2.12	2.36	138-	34,769	37,355	2,586	2,790	2,840
RECREATIONAL SUPPLY	0.14	0.14	0.14	0.18	0.15	0.18	50	2,535	2,790	254	2,790	2,840
TOTAL ACTIVITIES	2.18	2.49	2.49	2.49	2.27	2.54	88-	37,304	40,144	2,840	2,840	2,840
PHARMACY CONSULTANT	0.22	0.43	0.32	0.34	0.32	0.36	22	5,212	5,628	416	5,628	416
SOCIAL WORKER WAGES	2.87	2.50	2.69	2.86	2.80	2.92	165	45,933	46,158	224	46,158	224
SOCIAL WORKER CONSULT	0.05	0.08	0.00	0.06	0.07	0.06	100	1,215	1,000	215-	1,000	215-
MEDICAL DIRECTOR	0.59	0.62	0.59	0.91	0.61	0.95	500	10,000	15,000	5,000	15,000	5,000
OTHER PROF CONSULT	0.02	0.02	0.02	0.03	0.02	0.03	14	300	428	128	428	128
TOTAL PROF/CONSULT	3.76	3.65	3.63	4.20	3.82	4.31	801	62,660	68,214	5,554	68,214	5,554
VACATION PAY	0.06	0.04	0.01	0.00	0.04	0.00	22-	578	0	578-	0	578-
VACATION ACCRUAL	0.03-	0.03-	0.01-	0.00	0.02-	0.01	11	332-	225	557	225	557
HOLIDAY PAY	0.00	3.72	0.01	0.00	1.45	1.25	17-	23,792	19,737	4,056-	19,737	4,056-
SICK PAY	0.00	0.01	0.00	0.00	0.00	0.00	0	18	0	18-	0	18-
PAID TIME OFF	6.18	6.75	7.37	5.86	5.38	4.32	2,776-	98,267	68,389	19,878-	68,389	19,878-
PTO ACCRUAL	1.93-	2.31-	1.86-	1.81-	0.50-	0.42	162	8,187-	6,656	14,843	6,656	14,843
PAY BENEF TRANSFER	0.35	0.14	0.33	0.76	0.50	0.77	695	12,116	12,116	0	12,116	0
PAYROLL TAXES	8.34	12.59	8.07	8.08	9.58	9.26	307-	157,116	146,674	10,443-	146,674	10,443-
WORKERS COMP INS	11.39	11.85	11.44	11.73	11.73	12.16	1-	192,483	192,486	3	192,486	3
M/C-OCCUPATIONAL INCE	0.00	0.00	0.00	0.00	0.00	0.00	0	30,340-	0	30,340-	0	30,340-
M/C MOD DUTY WAGES	0.00	0.00	0.00	0.03	0.24	0.44	712	3,971	6,902	2,930	6,902	2,930
GROUP MEDICAL INS	5.06	4.06	5.92	5.93	5.09	6.15	214-	83,429	97,426	13,997	97,426	13,997
SHORT/LONG TERM DISAB	0.02	0.02	0.04	0.15	0.05	0.16	172	795	2,458	1,663	2,458	1,663
EMPLOYEE PHYSICALS	0.00	0.00	0.00	0.02	0.00	0.02	26	0	256	256	0	256
RETIRE SAVINGS MATCH	0.00	0.00	0.00	0.00	0.07	0.09	0	1,137	1,421	284	1,421	284
OTHER BENEFITS	3.65	2.55	2.56	2.77	2.90	2.87	255	4,558	4,558	0	4,558	0
TOTAL EMP BENEFITS	33.09	39.38	25.65	33.91	34.66	37.91	12,558	568,581	600,103	31,522	600,103	31,522
STP DEVELOPMENT COORD	1.91	2.30	0.05-	1.85	1.97	1.88	85-	3,032	3,117	32,341	29,831	2,510-
ORIENTATION WAGES	0.66	2.39	2.05	0.77	1.20	0.77	2,188-	19,605	12,111	7,494-	12,111	7,494-
EDUCATION/TRAINING	0.13	0.40	0.12	0.15	0.12	0.16	38	1,969	2,479	510	2,479	510
TOTAL TRAINING	2.71	5.08	2.12	2.76	3.29	2.81	957	53,915	44,420	9,495-	44,420	9,495-
PROGRAM COORD WAGES	0.00	0.00	0.00	0.00	0.07	0.00	0	1,138	0	1,138-	0	1,138-
ADMISSIONS COORD WAGE	0.27	0.49	0.34	0.12	0.62	0.13	372-	10,151	2,002	8,150-	2,002	8,150-
ADM/BUS WAGES	7.14	7.48	7.67	8.73	7.48	8.91	1,431	122,759	141,093	18,335	141,093	18,335
ADM/BUS WAGE TRANSFR	0.64	0.50	0.48	0.00	0.61	0.00	799-	10,010	0	10,010-	0	10,010-
CENTRAL SUPPLY WAGES	0.76	0.97	0.88	0.63	0.79	0.65	442-	12,947	10,241	2,707-	10,241	2,707-
RECORDS CLERK WAGES	0.57	0.70	0.83	1.05	0.77	1.07	320	12,658	16,897	4,239	16,897	4,239
PROFESSIONAL FEES	0.15	0.15	0.15	0.38	0.16	0.39	379	2,545	6,240	3,696	6,240	3,696
MANAGEMENT FEES	11.36	11.65	11.62	11.90	11.46	11.88	0	187,997	187,997	0	187,997	0
OFF SUPPLY/STATIONERY	0.18	0.65	0.40	0.45	0.36	0.45	68	5,934	7,150	1,215	7,150	1,215

	Per Patient Day				Actual Dollars				
	August	September	Actual	Budget	YTD Actual	YTD Budget	Actual	YTD Budget	YTD Variance
OVERNITE/COURIER SRV	0.11	0.11	0.20	0.14	0.13	0.14	336	228	108-
US MAIL-POSTAGE	0.09	0.05	0.04	0.07	0.06	0.07	74	107	33
COMPUTER RELATED EXP	0.20	0.06	0.31	0.14	0.21	0.15	514	238	276-
TELEPHONE	1.74	2.10	0.53	1.41	1.73	1.49	891	2,314	1,423
RECRUITMENT/HELP WPTD	0.26	0.18	0.30	0.22	0.23	0.23	513	365	148-
ADVERTISING	0.04	0.04	0.04	0.07	0.06	0.07	66	120	54
MARKETING/REFERRAL DE	0.44	0.43	0.28	0.30	0.31	0.45	468	485	17
INSURANCE OTHER	0.03	0.31	0.03	0.07	0.06	0.07	56	117	61
MALPRACTICE INSURANCE	10.19	10.59	10.24	10.48	10.49	10.88	17,216	17,216	0
TRAVEL	0.16	0.08	0.21	0.20	0.11	0.40	347	331	16-
BAD DEBT EXPENSE	0.58-	0.36	5.13-	2.46	3.31	2.46	8,629-	4,044	12,672
DUES & SUBSCRIPTIONS	0.54	0.54	0.65	0.65	0.56	0.68	902	1,073	171
PROVIDER TAXES	11.62	10.74	11.28	12.31	11.74	12.29	18,979	20,221	1,242
MISC GEN & ADMIN	4.38	0.64	0.04	1.00	0.71	1.04	67	1,648	1,581
<b>TOTAL GEN &amp; ADMIN</b>	<b>50.28</b>	<b>48.87</b>	<b>41.28</b>	<b>52.78</b>	<b>52.03</b>	<b>53.89</b>	<b>69,427</b>	<b>86,719</b>	<b>17,292</b>
<b>TOTAL OPERATING EXPEN</b>	<b>215.45</b>	<b>219.88</b>	<b>194.81</b>	<b>251.51</b>	<b>219.94</b>	<b>258.05</b>	<b>327,668</b>	<b>413,225</b>	<b>85,557</b>
RENT - BUILDINGS	5.42	5.64	5.44	18.78	10.00	18.59	9,157	30,854	21,697
RENT - EQUIPMENT	0.12	0.23	0.15	0.17	0.17	0.17	250	273	24
PROPERTY TAXES	2.39	2.57	2.40	2.62	2.50	2.72	4,032	4,300	268
DEPRECIATION	2.44	2.54	2.45	3.96	2.53	5.06	4,113	6,508	2,395
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0	6	6
INTEREST INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0	0-	0-
INSURANCE - PROPERTY	0.29	0.30	0.29	0.30	0.30	0.31	486	487	1
LOCAL TAXES	0.01	0.01	0.01	0.00	0.01	0.00	20	0	20-
LICENSES & TAXES	0.00	0.00	0.00	0.06	0.04	0.07	0	105	105
<b>TOTAL PROP &amp; RELATED</b>	<b>10.67</b>	<b>11.28</b>	<b>10.74</b>	<b>25.89</b>	<b>15.54</b>	<b>26.91</b>	<b>18,058</b>	<b>42,533</b>	<b>24,475</b>

\*\*\*\*\* Unassigned SKF/Department Combinations Were Found \*\*\*\*\*

Report Name: ZGI1000  
 Controlling Area: 1000  
 User ID: BRECKB00  
 Nursing Center Group: N410251224  
 Report Group: VRFPI

Kindred Healthcare, Inc.  
 1224 CHESTNUT TERRACE NSG & REHAB CENTER

Operational Analysis  
 Per 14 December 2009 (Year End Final Close)  
 Budget Version: 0

Page: 1  
 Date: 06/28/2012  
 Time: 12:31:03

	Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	October	November	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance
***** SUMMARY *****												
CENSUS												
PRIVATE	6.5	0.1	0.3	3.0	1.6	3.0	3	93	65-	564	1,095	531-
COMMERCIAL INS	0.6	0.0	0.3	2.0	0.6	2.0	10	62	53-	223	730	507-
MEDICARE ADVANTAGE	4.8	4.1	5.1	2.0	5.4	2.0	157	62	95	1,970	730	1,240
MEDICARE	5.6	3.7	7.8	4.0	4.2	4.0	243	124	119	1,522	1,460	62
TOTAL P/I/M	16.8	7.9	13.5	11.0	11.7	11.0	418	341	77	4,279	4,015	264
MEDICAID	33.4	36.4	34.2	35.0	34.2	35.0	1,059	1,085	26-	12,498	12,775	277-
HOSPICE	0.5	2.2	3.3	4.0	3.5	4.0	101	124	23-	1,255	1,460	201-
OTHER	0.0	0.0	0.9	1.0	0.4	1.0	28	31	3-	132	365	233-
TOTAL PAID CENSUS	49.7	46.5	51.8	51.0	49.8	51.0	1,606	1,581	25	18,168	18,615	447-
***** PATIENT REVENUE *****												
ROUTINE REVENUE												
PRIVATE	256.66	256.00	296.00	267.24	257.25	267.24	2,366	24,854	22,486-	139,708	292,631	152,923-
COMMERCIAL INS	0.00	0.00	265.10	277.90	322.26	277.90	2,651	17,230	14,579-	71,863	202,870	131,008-
MEDICARE ADVANTAGE	267.92	321.92	325.73	390.53	301.10	390.53	51,140	24,213	26,927	593,172	285,090	308,082
MEDICARE PART A	358.19	433.82	443.41	434.62	415.49	425.46	107,749	53,835	53,835	632,382	621,171	11,211
TOTAL P/I/M ROUTINE	293.98	374.02	392.12	352.46	337.51	349.13	163,908	120,190	43,718	1,437,126	1,401,761	35,364
MEDICAID	178.27	178.25	178.16	174.62	172.60	173.39	188,674	189,463	789-	2,157,195	2,215,107	57,912-
HOSPICE	105.09	179.27	205.98	179.57	183.55	179.57	29,604	22,267	1,462-	231,087	262,172	31,085-
OTHER	0.00	0.00	308.11	174.62	281.66	173.39	6,627	5,413	3,214	37,179	63,289	26,110-
TOTAL ROUTINE REVENUE	218.05	211.68	237.87	213.37	212.85	211.78	382,013	337,333	44,680	3,862,587	3,942,329	79,742-
***** ANCILLARY REVENUE *****												
PRIVATE	1.93	145.46	47.65	5.61	8.97	5.61	341	522	341-	4,869	6,148	1,279-
COMMERCIAL INS	0.00	0.00	276.06	55.40	148.88	55.40	2,761	3,435	674-	33,200	40,444	7,244-
MEDICARE ADVANTAGE	0.00	0.00	0.00	0.00	0.01	0.00	0	0	0	17	0	17
MEDICARE PART B	4.48	2.19	0.60	5.05	2.26	5.05	824	7,301	6,527-	37,848	86,551	48,703-
TOTAL ANCILLARY REVENUE	6.19	4.50	2.47	7.15	4.18	7.15	3,966	11,308	7,342-	75,933	133,142	57,209-
***** HOLDING REVENUE *****												
TOTAL PATIENT REVENUE	224.24	216.17	240.34	220.52	217.28	218.93	385,979	348,641	37,338	3,942,965	4,075,471	132,506-
NON PATIENT REVENUE	0.02	0.03	0.02	0.02	0.02	0.02	0	0	0	4,445	0	4,445
TOTAL NET REVENUE	224.26	216.20	240.35	220.53	217.30	218.95	386,008	348,665	37,344	3,943,324	4,075,753	132,428-
***** OPERATING EXPENSES *****												
NURSING	71.29	73.53	72.16	76.38	71.29	74.21	115,889	120,755	4,866	1,293,673	1,381,382	87,709
SPECIAL SERV LABOR	0.09	0.05	0.00	0.00	0.07	0.00	0	0	0	1,329	0	1,329-
ANCILLARY EXP	25.65	27.29	45.56	24.27	31.63	24.25	73,170	38,375	34,795-	573,972	451,342	122,630-
FOOD RELATED	5.15	5.74	5.98	5.70	5.53	5.70	9,611	9,097	604-	100,389	106,046	5,657
OTHER DIETARY	10.04	10.20	9.95	10.32	10.21	10.21	15,974	16,323	349	174,874	189,967	15,113
LAUNDRY	4.14	4.15	4.15	4.37	4.15	4.45	6,665	6,918	249	75,352	82,937	7,586

	Per Patient Day												Actual Dollars			
	October	November	Actual	Budget	YTD	YTD	Actual	Budget	Actual	Budget	Variance	YTD	YTD	Variance		
PROPERTY TAX	2.26	2.40	2.08	2.21	2.30	2.26	3,246	3,500	154	41,704	42,000	296	41,704	296		
INSURANCE PROPERTY	0.23	0.25	0.44	0.22	0.25	0.23	713	350	363-	4,563	4,202	361-	4,563	361-		
LOCAL TAXES	0.02	0.01	0.01	0.02	0.02	0.02	17	29	13	291	346	55	291	55		
LICENSE AND TAXES	0.00	0.05	0.00	0.08	0.02	0.08	0	125	125	397	1,502	1,502	397	1,105		
OTHER PROPERTY	2.51	2.71	2.54	2.53	2.59	2.58	4,076	4,005	71-	46,955	48,049	1,094	46,955	1,094		
PRIOR YR-CONTRACTUAL	0.00	0.00	0.07	0.00	0.01	0.00	114	0	114	114	0	114	0	114		
OPER INC (EBITDA)	3.45	23.30-	15.09	9.23-	12.73-	6.57-	24,227	14,587-	38,813	231,013-	122,330-	108,683-	231,013-	108,683-		
DEPRECIATION/AMORT	4.31	4.77	4.23	2.41	3.66	2.66	6,797	3,810	2,987-	66,380	49,524	16,856-	66,380	16,856-		
RENT - BLDG	17.70	19.34	16.99	17.92	18.13	17.86	27,282	27,700	418	328,961	332,399	3,438	328,961	3,438		
RENT - EOODIF	0.13	0.14	0.56	0.20	0.17	0.20	903	311	592-	3,104	3,732	628	3,104	628		
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	42-	0	0	42-	0		
INTEREST INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	5-	0	0	5-	0		
OTHER FIXED	22.15	24.44	21.78	20.13	21.95	20.72	34,983	31,821	3,162-	398,398	385,654	12,744-	398,398	12,744-		
*EBT *	18.70-	47.74-	6.70-	29.35-	34.68-	27.29-	10,756-	46,407-	35,651	629,411-	507,984-	121,427-	629,411-	121,427-		
*NET FIN INC(L) *	18.70-	47.74-	6.70-	29.35-	34.68-	27.29-	10,756-	46,407-	35,651	629,411-	507,984-	121,427-	629,411-	121,427-		
EBITDAW	16.37	9.50-	27.53	3.83	0.32	6.19	44,210	6,961	37,249	5,863	115,210	109,347-	44,210	109,347-		
NSG REGULAR LABOR	64.39	66.78	63.98	74.66	64.25	72.49	102,745	116,036	13,291	1,165,944	1,349,309	183,415	1,165,944	183,415		
NSG PREMIUM LABOR	4.57	4.90	6.03	0.00	5.01	0.00	9,686	0	9,686-	90,832	0	90,832-	9,686	90,832-		
OTHER ROUTINE LABOR	32.31	28.85	28.11	31.66	30.44	31.43	45,147	50,055	4,908	551,586	585,133	33,546	551,586	33,546		
OTHER PREMIUM LABOR	0.08	0.10	0.36	0.00	0.14	0.03	574	0	574-	2,453	0	2,453-	574	2,453-		
AUXILIARY LABOR	0.09	0.05	0.00	0.00	0.07	0.00	0	0	0	1,329	0	1,329-	0	1,329-		
*TOTAL LABOR *	101.43	100.68	98.48	108.32	99.86	103.92	158,192	168,091	9,899	1,812,145	1,934,492	122,347	1,812,145	122,347		
LABOR & BENEFITS %	58.0-	63.0-	51.0-	64.0-	62.0-	63.0-	51-	64-	13-	62-	63-	1-	58.0-	1-		
OF NET REVENUE																
REGULAR NSG HOURS	3.03	3.36	3.13	3.46	3.15	3.43	5,024	5,469	444	57,130	63,761	6,631	57,130	6,631		
OVERTIME NSG HOURS	0.34	0.25	0.31	0.00	0.29	0.00	491	0	491-	5,266	0	5,266-	491	5,266-		
OTHER ROUTINE HOURS	1.81	1.65	1.56	1.65	1.71	1.65	2,504	2,606	102	30,956	30,772	184-	30,956	184-		
AUXILIARY HOURS	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	40	0	40-	0	40-		

	Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	October	November	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>*TOTAL ROOMS *</b>	<b>5.18</b>	<b>5.26</b>	<b>4.99</b>	<b>5.11</b>	<b>5.15</b>	<b>5.08</b>	<b>8.019</b>	<b>8.075</b>	<b>55</b>	<b>93,391</b>	<b>94,533</b>	<b>1,141</b>
WAGE RATES												
NURSING							20.39	21.58	1.19	20.14	21.16	1.02
OTHER							18.26	19.20	0.94	17.90	19.02	1.12
ANCILLARY							0.00	0.00	0.00	33.65	0.00	33.65-
* TOTAL WAGE RATES *							19.72	20.82	1.10	19.40	20.46	1.06
BUILDING MARGIN	7.0	4.0-	11.0	2.0	0.0	3.0	11	2	9-	0	3	3

	OPERATING REPORT SUMMARY		G & A		MANAGEMENT FEE		OTHER OPERATING		CONTROLABLES		
	20.65	16.90	10.50	16.40	16.55	16.42	16,856	25,925	9,070	300,251	
ACTIVITY SUPPLIES	0.12	0.15	0.16	0.17	0.16	0.17	256	265	8	2,829	
RAW FOOD EXPENSE	5.02	5.64	5.89	5.61	5.35	5.61	9,453	8,871	582-	97,027	
DIETARY SUPPLIES	0.69	0.91	0.79	0.78	0.80	0.78	1,271	1,231	40-	14,438	
FOOD SUPPLEMENTS	0.13	0.10	0.10	0.09	0.19	0.09	158	136	22-	3,352	
LINEN REPLACEMENT	0.00	0.00	0.00	0.07	0.00	0.07	0	164	104	0	1,229
MAINTENANCE & REPAIR	0.78	2.25	0.39	0.96	0.98	0.97	632	1,520	888	17,716	
MINOR EQUIP EXPENSE	1.02	0.07	0.47	0.20	0.24	0.20	757	321	436-	4,347	
OFFICE SUPPLIES	0.21	0.32	0.35	0.45	0.31	0.45	603	710	107	5,582	
POSTAGE/OVERNIGHT COU	0.18	0.13	0.18	0.16	0.16	0.16	288	248	40-	2,955	
MARKETING	0.02	0.08	0.03	0.49	0.15	0.44	53	777	724	3,374	
BAD DEBT	0.49	11.29	1.85	2.65	2.92	2.63	2,970	4,184	1,214	52,950	
<b>TOTAL CONTROLABLES</b>	<b>10.98</b>	<b>22.78</b>	<b>12.39</b>	<b>13.34</b>	<b>13.31</b>	<b>13.28</b>	<b>19,900</b>	<b>21,088</b>	<b>1,188</b>	<b>241,478</b>	
TOT CONTROL-BAD DEBT	10.49	11.49	10.54	10.69	10.39	10.65	16,931	16,904	26-	188,528	

\*\*\*\*\* Unassigned SKF/Department Combinations Were Found \*\*\*\*\*  
 \*\*\*\*\* Inactive GL Account/Department Combinations Were Found \*\*\*\*\*

	CENSUS		Per Patient Day				Actual Dollars					
	October	November	Cur Mo Actual	Cur Mo Budget	YTD Actual	YTD Budget	Cur Mo Actual	Cur Mo Budget	YTD Actual	YTD Budget	YTD Variance	
***** DETAIL *****												
PRIVATE - C	6.5	0.1	0.3	3.0	1.5	3.0	8	93	85-	543	1,095	552-
TOTAL PRIVATE	6.5	0.1	0.3	3.0	1.5	3.0	8	93	85-	543	1,095	552-
ADJ MEMO	4.9	0.0	0.0	0.0	0.7	0.0	0	0	0	269	0	269
COMMERCIAL INS - C	0.0	0.0	0.3	2.0	0.6	2.0	10	62	52-	223	730	507-
TOTAL COMMERCIAL INS	0.0	0.0	0.3	2.0	0.6	2.0	10	62	52-	223	730	507-
ADJ MEMO	0.0	0.0	0.0	0.0	0.3-	0.0	0	0	0	108-	0	108-
M-CARE ADVANTAGE - C	4.8	4.1	5.1	2.0	5.4	2.0	157	62	95	1,970	730	1,240
TOTAL M-CARE ADVANTAGE	4.8	4.1	5.1	2.0	5.4	2.0	157	62	95	1,970	730	1,240
MEDICARE - C	5.6	3.7	7.8	4.0	4.2	4.0	243	124	119	1,522	1,460	62
TOTAL MEDICARE	5.6	3.7	7.8	4.0	4.2	4.0	243	124	119	1,522	1,460	62
ADJ MEMO	0.0	0.0	0.0	0.0	0.0-	0.0	0	0	0	15-	0	15-
TOTAL P/I/M	16.8	7.9	13.5	11.0	11.7	11.0	418	341	77	4,258	4,015	243
MEDICAID - C	33.4	36.4	34.2	35.0	34.2	35.0	1,059	1,085	26-	12,498	12,775	277-
TOTAL MEDICAID	33.4	36.4	34.2	35.0	34.2	35.0	1,059	1,085	26-	12,498	12,775	277-
ADJ MEMO	1.0-	0.0	0.3-	0.0	0.0	0.0	8-	0	8-	16	0	16
TOTAL VA	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0
HOSPICE - C	0.5-	2.2	3.3	4.0	3.5	4.0	101	124	23-	1,259	1,460	201-
TOTAL HOSPICE	0.5-	2.2	3.3	4.0	3.5	4.0	101	124	23-	1,259	1,460	201-
ADJ MEMO	3.9-	0.0	0.3	0.0	0.4-	0.0	8	0	8	152-	0	152-
MANAGED MEDICAID - C	0.0	0.0	0.9	1.0	0.4	1.0	28	31	3-	132	365	233-
TOTAL MANAGED MEDICAL	0.0	0.0	0.9	1.0	0.4	1.0	28	31	3-	132	365	233-
TOTAL MEDICAID O-O-S	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0
TOTAL OTHER	0.0	0.0	0.9	1.0	0.4	1.0	28	31	3-	132	365	233-
TOTAL OPERATING CENSU	49.7	46.5	51.8	51.0	49.7	51.0	1,606	1,581	25	18,147	18,615	468-
HOLD CENSUS												
PRIVATE	0.0	0.0	0.0	0.0	0.1	0.0	0	0	0	21	0	21
TOTAL HOLD	0.0	0.0	0.0	0.0	0.1	0.0	0	0	0	21	0	21
ADJ MEMO	0.0	0.0	0.0	0.0	0.1	0.0	0	0	0	19	0	19



	Per Patient Day				Actual Dollars							
	October	November	Actual	Budget	YTD Actual	YTD Budget	Actual	Budget	YTD Actual	YTD Budget	YTD Variance	
HOSPICE ROUTINE-C	293.14	287.94	261.79	179.57	262.66	179.57	26,441	22,267	4,174	330,719	262,172	68,547
HOSPICE CONTRACTUAL	98.06-	78.07-	55.81-	0.00	79.14-	0.00	5,637-	0	5,637-	99,632-	0	99,632-
TOTAL HSCP ROUTINE	105.09	179.27	205.98	179.57	183.55	179.57	20,804	22,267	1,462-	231,087	262,172	31,085-
TOTAL HSCP REVENUE	105.09	179.27	205.98	179.57	183.55	179.57	20,804	22,267	1,462-	231,087	262,172	31,085-
MED M'CAID ROUTINE-C	0.00	0.00	263.50	174.62	266.89	173.39	7,378	5,413	1,965	39,230	63,289	28,059-
MED M'CAID CONTRACTUA	0.00	0.00	44.61	0.00	14.77	0.00	1,249	0	1,249	1,949	0	1,949
TOTAL MED M'CAID ROUTE	0.00	0.00	308.11	174.62	281.66	173.39	8,627	5,413	3,214	37,179	63,289	26,110-
TOTAL MED M'CAID REVE	0.00	0.00	308.11	174.62	281.66	173.39	8,627	5,413	3,214	37,179	63,289	26,110-
TOTAL M'CAID O-O-S RO	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
TOTAL M'CAID O-O-S RE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
TOTAL OTHER	0.00	0.00	308.11	174.62	281.66	173.39	8,627	5,413	3,214	37,179	63,289	26,110-
TOTAL CONT SERV REVEN	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
TOTAL ROOF/ANC REVENU	224.24	216.17	240.34	220.52	217.03	218.93	385,979	348,641	37,338	3,938,520	4,075,471	136,951-
P/P HOLD REVENUE	0.00	0.00	0.00	0.00	211.66	0.00	0	0	0	4,445	0	4,445
TOTAL HOLD REVENUE	0.00	0.00	0.00	0.00	211.66	0.00	0	0	0	4,445	0	4,445
TOTAL PATIENT REVENUE	224.24	216.17	240.34	220.52	217.28	218.93	385,979	348,641	37,338	3,942,965	4,075,471	132,506-
VENDING MACHINE INC	0.01	0.02	0.31	0.02	0.01	0.02	18	24	6-	181	201	100-
CASH DISC EARNED	0.01	0.01	0.01	0.00	0.01	0.00	12	0	12	100	0	100
MISC INC	0.00	0.00	0.30	0.00	0.00	0.00	0	0	0	77	0	77
TOT NON PATIENT REVEN	0.02	0.03	0.02	0.02	0.02	0.02	30	24	6	359	281	78
OPERATING EXPENSES												
*****												
NURSING ADMIN	7.03	8.01	6.76	8.66	7.59	8.56	10,864	13,686	2,822	137,739	159,774	22,034
REGISTERED NURSES	14.29	15.81	19.05	19.15	15.45	17.72	30,591	30,275	316-	280,495	329,829	49,374
LVN/LPN	16.23	14.75	11.73	14.66	14.08	14.43	14,832	23,183	4,351	255,440	268,660	13,220
AIDES/ORDERLIES	31.40	33.10	32.47	32.19	32.13	31.75	52,145	50,892	1,253-	583,182	591,097	7,915
TOTAL STAFF NURSING	68.95	71.68	70.01	74.66	69.26	72.49	112,431	118,036	5,605	1,256,776	1,349,359	92,583
TOTAL CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
NURSING SUPPLIES	1.43	0.99	1.17	0.93	1.13	0.93	1,878	1,466	412-	20,487	17,261	3,236-
INCONT & FEED REV	0.01-	0.00	0.00	0.23-	0.03-	0.23-	0	356-	356-	512-	4,190-	3,678-
INCONT & FEED EXP	0.91	0.83	0.98	1.02	0.93	1.02	1,581	1,610	29	16,912	18,952	2,040
TOTAL OTHER NURSING	2.34	1.82	2.15	1.72	2.03	1.72	3,459	2,720	739-	36,897	32,023	4,874-
TOTAL NURSING	71.29	73.50	72.16	76.38	71.29	74.21	115,889	120,755	4,866	1,293,673	1,381,382	87,709

	October		November		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD		
	RESPIRATORY THERAPIST	TOTAL SPECIAL SVCS 1B	RESPIRATORY THERAPIST	TOTAL SPECIAL SVCS 1B	Cur Mo	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	
	0.09	0.09	0.05	0.05	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0	1,329	0	0	1,329	
<b>TOTAL MISC LABOR</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
REHAB	12.32	13.20	17.17	14.89	13.83	14.87	27,576	23,548	4,029-	250,502	276,841	26,339	3,561-	3,561-	0	26,339	
CENTRAL SUPPLIES	0.81	0.78	0.94	0.59	0.88	0.59	1,516	930	586-	14,513	10,952	3,561-	3,561-	0	3,561-	0	
EQUIPMENT RENT	1.06	0.13	0.12	0.00	0.18	0.00	191	5-	196-	3,273	56-	3,217	3,217	0	3,217	0	
COMPLEX MEDICAL	1.98	1.72	1.55	0.59	2.44	0.59	2,488	935	1,553-	44,312	11,011	33,301-	33,301-	0	33,301-	0	
PHARMACY	4.31	5.28	21.23	4.10	8.51	4.11	34,103	6,480	27,623-	154,354	76,481	77,873-	77,873-	0	77,873-	0	
MED SUPPLIES/OXYGEN	1.34	1.02	0.77	0.68	1.05	0.68	1,242	1,069	173-	19,068	12,590	6,479-	6,479-	0	6,479-	0	
LAB-XRAY	1.85	1.65	1.85	1.50	1.61	1.50	2,976	2,373	603-	29,246	27,939	1,307-	1,307-	0	1,307-	0	
PHYSICAL THERAPY	0.00	0.00	0.00	0.02	0.03	0.02	0	32	32	530	379	151-	151-	0	151-	0	
OCCUPATIONAL THERAPY	0.00	0.02	0.00	0.02	0.02	0.02	0	33	33	384	384	0	384	0	384	0	
RESPIRATORY THERAPY	0.00	0.04	0.06	0.00	0.04	0.00	98	0	98-	655	0	655-	655-	0	655-	0	
IV THERAPY	1.33	0.73	1.11	0.74	1.95	0.73	1,777	1,173	604-	35,327	13,561	21,766-	21,766-	0	21,766-	0	
NUTRITIONAL THERAPY	0.14	0.00	0.44	0.17	0.19	0.17	709	277	433-	3,517	3,198	319-	319-	0	319-	0	
MEDICAL SERVICES	0.55	2.31	0.09	0.41	0.63	0.41	148	641	492	11,364	7,542	3,822-	3,822-	0	3,822-	0	
MISC PERSONAL	0.26	0.80	0.22	0.57	0.38	0.57	346	894	548	6,951	10,521	3,570	3,570	0	3,570	0	
<b>TOTAL ANCILLARY EXP</b>	<b>25.65</b>	<b>27.29</b>	<b>45.56</b>	<b>24.27</b>	<b>31.63</b>	<b>24.25</b>	<b>73,170</b>	<b>38,379</b>	<b>34,792-</b>	<b>573,972</b>	<b>451,342</b>	<b>122,630-</b>	<b>122,630-</b>	<b>0</b>	<b>122,630-</b>	<b>0</b>	
FOOD SALES	0.18-	0.18-	0.21-	0.21-	0.21-	0.21-	342-	325-	17	3,771-	3,824-	53-	53-	0	53-	0	
FOOD EXPENSES	5.01	5.59	5.86	5.43	5.31	5.43	9,410	8,583	826-	96,304	101,062	4,758	4,758	0	4,758	0	
FOOD SUPPLEMENTS	0.13	0.10	0.10	0.09	0.19	0.09	158	136	22-	1,600	1,762-	1,600	1,762-	0	1,762-	0	
FOOD THICKENED BEVRA	0.20	0.24	0.24	0.39	0.29	0.39	385	612	227	4,495	7,206	2,714	2,714	0	2,714	0	
<b>TOTAL FOOD RELATED</b>	<b>5.15</b>	<b>5.74</b>	<b>5.98</b>	<b>5.70</b>	<b>5.53</b>	<b>5.70</b>	<b>9,611</b>	<b>9,007</b>	<b>604-</b>	<b>100,389</b>	<b>106,046</b>	<b>5,657</b>	<b>5,657</b>	<b>0</b>	<b>5,657</b>	<b>0</b>	
SUPERVISORS	2.21	2.70	1.92	2.54	2.41	2.51	3,077	4,015	938	43,673	46,685	3,012	3,012	0	3,012	0	
COOK/KITCHEN HELPERS	6.18	6.26	6.35	6.26	5.93	6.18	10,195	9,894	302-	107,561	115,036	7,475	7,475	0	7,475	0	
DIETARY WAGE TRNSFR	0.93	0.30	0.87	0.00	0.46	0.00	1,402	0	1,402-	8,846	0	8,846-	8,846-	0	8,846-	0	
KITCHEN SUPPLIES	0.69	0.85	0.72	0.72	0.74	0.72	1,149	1,146	4-	13,446	13,488	43	43	0	43	0	
KITCHEN REPLACE	0.00	0.06	0.08	0.05	0.05	0.05	122	86	36-	993	1,008	15	15	0	15	0	
REGISTERED DIETICIAN	0.00	0.00	0.00	0.73	0.00	0.72	0	1,156	1,156	0	13,437	13,437	0	13,437	0	13,437	0
DIETARY-CONTRACT SRV	0.03	0.02	0.02	0.02	0.02	0.02	28	28	0-	356	333	23-	23-	0	23-	0	
<b>TOTAL OTHER DIETARY</b>	<b>10.04</b>	<b>10.20</b>	<b>9.95</b>	<b>10.32</b>	<b>9.64</b>	<b>10.21</b>	<b>15,974</b>	<b>16,323</b>	<b>349</b>	<b>174,874</b>	<b>189,987</b>	<b>15,113</b>	<b>15,113</b>	<b>0</b>	<b>15,113</b>	<b>0</b>	
LAUNDRY SUPPLIES	0.00	0.00	0.00	0.01	0.00	0.01	0	15	15	0	181	181	0	181	0	181	0
LINEN REPLACEMENT	0.00	0.00	0.00	0.07	0.08	0.07	0	104	104	0	1,229	1,229	0	1,229	0	1,229	0
LAUNDRY-CONTRACT SRV	4.14	4.15	4.15	4.30	4.15	4.38	6,665	6,794	129	75,352	81,528	6,176	6,176	0	6,176	0	
<b>TOTAL LAUNDRY EXP</b>	<b>4.14</b>	<b>4.15</b>	<b>4.15</b>	<b>4.37</b>	<b>4.15</b>	<b>4.46</b>	<b>6,665</b>	<b>6,914</b>	<b>249</b>	<b>75,352</b>	<b>82,937</b>	<b>7,586</b>	<b>7,586</b>	<b>0</b>	<b>7,586</b>	<b>0</b>	
HOUSEKEEPING WAGES	0.00	0.00	0.00	0.06	0.00	0.00	0	0	0	2	0	2-	2-	0	2-	0	
HOUSEKEEPING SUPPLIES	0.01	0.06	0.21	0.07	0.09	0.07	331	117	214-	1,711	1,377	334-	334-	0	334-	0	
HSKP-CONTR SUPPL/SRV	7.18	7.92	6.89	7.10	7.32	7.24	11,061	11,224	163	132,822	134,688	1,866	1,866	0	1,866	0	
<b>TOTAL HOUSEKEEPING</b>	<b>7.19</b>	<b>7.98</b>	<b>7.09</b>	<b>7.17</b>	<b>7.41</b>	<b>7.31</b>	<b>11,392</b>	<b>11,341</b>	<b>51-</b>	<b>134,535</b>	<b>136,065</b>	<b>1,529</b>	<b>1,529</b>	<b>0</b>	<b>1,529</b>	<b>0</b>	
MAINTENANCE PERSONAL	1.88	1.45	2.21	2.17	2.66	2.14	3,549	3,430	119-	37,355	39,886	2,531	2,531	0	2,531	0	
MAINT WAGE TRNS	0.00	0.00	0.00	0.00	0.04-	0.00	0	0	0	781	0	781	781	0	781	0	
MAINTENANCE SUPPLIES	0.08	0.07	0.12	0.04	0.07	0.04	194	65	130-	1,197	760	437-	437-	0	437-	0	

	October		November		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget
UTILITIES-WATER/SEW	0.34	1.10	0.57	0.45	0.62	0.46	917	715	202-	11,329	8,580	2,749-	40,861	42,079	1,218	1,218
UTILITIES-ELECTRIC	1.96	2.20	2.00	2.16	2.25	2.26	3,217	3,415	199	40,861	42,079	1,218	26,423	30,396	3,973	3,973
UTILITIES-GAS & OIL	1.12	1.59	1.76	2.76	1.46	1.63	2,826	4,261	1,435	9,411	7,652	1,759-	9,411	7,652	1,759-	1,759-
UTILITIES-GARAGE	0.22	0.56	0.59	0.40	0.52	0.41	1,584	638	947-	88,024	88,707	683	88,024	88,707	683	683
<b>TOTAL UTILITIES</b>	<b>3.64</b>	<b>5.45</b>	<b>5.32</b>	<b>5.77</b>	<b>4.85</b>	<b>4.77</b>	<b>8,544</b>	<b>9,129</b>	<b>585</b>	<b>88,024</b>	<b>88,707</b>	<b>683</b>	<b>88,024</b>	<b>88,707</b>	<b>683</b>	<b>683</b>
ACTIVITY WAGES	2.15	2.36	1.90	2.51	2.14	2.48	3,091	3,576	924	38,910	46,225	7,315	2,829	3,115	286	286
RECREATIONAL SUPPLY	0.12	0.16	0.16	0.17	0.16	0.17	296	265	8	41,740	49,340	7,601	41,740	49,340	7,601	7,601
<b>TOTAL ACTIVITIES</b>	<b>2.27</b>	<b>2.52</b>	<b>2.06</b>	<b>2.68</b>	<b>2.30</b>	<b>2.65</b>	<b>3,308</b>	<b>4,240</b>	<b>932</b>	<b>41,740</b>	<b>49,340</b>	<b>7,601</b>	<b>41,740</b>	<b>49,340</b>	<b>7,601</b>	<b>7,601</b>
PHARMACY CONSULTANT	0.87	0.38	0.44	0.33	0.36	0.34	708	528	180-	6,474	6,331	143-	49,093	46,833	2,261-	2,261-
SOCIAL WORKER WAGES	3.15	2.85	2.54	2.55	2.70	2.52	4,078	4,028	50-	12,034	12,000	34-	12,034	12,000	34-	34-
MEDICAL DIRECTOR	0.65	0.72	0.62	0.63	0.66	0.64	1,000	1,000	0	633-	633-	0	633-	633-	0	633
PROF WAGE TRANSFER	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	66,958	65,164	1,795-	66,958	65,164	1,795-	1,795-
<b>TOTAL PROF/CONSULT</b>	<b>4.67</b>	<b>3.94</b>	<b>3.60</b>	<b>3.51</b>	<b>3.69</b>	<b>3.50</b>	<b>5,786</b>	<b>5,555</b>	<b>230-</b>	<b>66,958</b>	<b>65,164</b>	<b>1,795-</b>	<b>66,958</b>	<b>65,164</b>	<b>1,795-</b>	<b>1,795-</b>
VACATION ACCRUAL	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	27,163	29,009	1,846	87,701	94,400	6,700	6,700
HOLIDAY PAY	0.60	3.24	2.73	3.11	1.50	1.56	4,386	4,913	527	3,405-	3,405-	0	87,701	94,400	6,700	6,700
PAID TIME OFF	3.31	4.84	5.99	3.93	4.83	5.07	6,221	6,216	5	1,401	1,447	46	21,536	15,315	5,992-	5,992-
PRO ACCRUAL	0.80	0.51-	1.02-	0.15-	0.04	0.11	1,632-	231-	1,401	2,884-	2,884-	0	155,057	166,286	11,229	11,229
PAY BENEF TRANSFER	2.38	1.17	2.61	0.84	1.18	0.82	4,197	1,733	491	87,497	109,723	22,226	87,497	109,723	22,226	22,226
PAYROLL TAXES	7.39	7.78	8.47	8.92	8.54	8.93	14,100	14,100	0	18,538	18,538	0	1,024	5,492	4,468	4,468
WORKERS COMP INS	5.72	6.31	5.85-	5.78	4.82	5.89	9,384-	9,144	240-	11,360	11,360	0	182,326	161,550	20,775-	20,775-
W/C-OCCUPATIONAL INCE	3.42-	0.00	3.47-	0.00	0.63	0.00	0	0	477	477	0	5,492	5,492	0	175	175
W/C MOD DUTY WAGES	0.08	0.00	0.00	0.00	0.06	0.00	0	0	0	14	14	0	7,048	8,623	1,574	1,574
GROUP MEDICAL INS	9.34	10.64	11.27	8.52	10.05	8.68	18,103	13,483	4,620	45,381	41,514	3,866-	45,381	41,514	3,866-	3,866-
SHORT/LONG TERM DISAB	0.03	0.03	0.03	0.04	0.03	0.04	45	60	15	539	714	175	7,048	8,623	1,574	1,574
RETIRE SAVINGS MATCH	0.41	0.17	0.41	0.45	0.39	0.46	654	715	61	45,381	41,514	3,866-	45,381	41,514	3,866-	3,866-
OTHER BENEFITS	3.36	2.27	2.72	3.13	2.50	2.23	4,362	4,946	584	627,118	634,854	7,736	627,118	634,854	7,736	7,736
<b>TOTAL EMP BENEFITS</b>	<b>29.33</b>	<b>35.94</b>	<b>23.90</b>	<b>34.88</b>	<b>34.56</b>	<b>34.10</b>	<b>38,386</b>	<b>55,138</b>	<b>16,752</b>	<b>627,118</b>	<b>634,854</b>	<b>7,736</b>	<b>627,118</b>	<b>634,854</b>	<b>7,736</b>	<b>7,736</b>
STP DEVELOPMENT COORD	0.00	0.00	0.47	2.24	1.95	2.22	761	3,547	2,785	35,321	41,237	5,916	29,169	7,440	21,729-	21,729-
ORIENTATION WAGES	2.07	1.99	1.06	0.30	1.61	0.40	1,702	469	1,233-	2,012	2,544	532	2,012	2,544	532	532
EDUCATION/TRAINING	0.31	0.09	0.13	0.12	0.11	0.14	205	192	13-	66,503	51,221	15,282-	66,503	51,221	15,282-	15,282-
<b>TOTAL TRAINING</b>	<b>2.38</b>	<b>2.08</b>	<b>1.66</b>	<b>2.66</b>	<b>3.66</b>	<b>2.75</b>	<b>2,668</b>	<b>4,207</b>	<b>1,539</b>	<b>66,503</b>	<b>51,221</b>	<b>15,282-</b>	<b>66,503</b>	<b>51,221</b>	<b>15,282-</b>	<b>15,282-</b>
ADMISSIONS COORD WAGE	3.84	0.99	3.39	2.18	2.01	2.16	5,440	3,441	1,999-	36,539	40,196	3,656	152,528	158,968	6,440	6,440
ADM/BUS WAGES	9.33	9.18	7.02	8.60	8.41	8.54	11,278	13,591	2,313	1,726	12,111	1,726-	14,683	17,076	2,395	2,395
CENTRAL SUPPLY WAGES	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	36	36	0	3,793	4,411	618	618
RECORDS CLERK WAGES	0.66	0.87	0.74	0.93	0.81	0.92	1,168	1,469	281	3,793	4,411	618	3,793	4,411	618	618
PROFESSIONAL FEES	0.17	0.19	0.21	0.23	0.21	0.24	338	386	48	3,793	4,411	618	3,793	4,411	618	618

	Per Patient Day				Actual Dollars				
	October	November	Actual	Budget	YTD Actual	YTD Budget	Actual	YTD Budget	YTD Variance
MANAGEMENT FEES	12.92	13.80	12.44	13.06	13.01	12.76	19,984	20,648	664
OFF SUPPLY/STATIONERY	0.21	0.32	0.36	0.45	0.35	0.45	603	710	107
OVERNIGHT/COURIER SRV	0.12	0.07	0.07	0.09	0.09	0.09	108	141	33
US MAIL-POSTAGE	0.06	0.06	0.11	0.07	0.07	0.07	180	107	73
COMPUTER RELATED EXP	0.54	0.18	0.16	0.05	0.21	0.05	259	82	177
TELEPHONE	1.54	1.69	1.53	1.41	1.57	1.45	2,449	2,227	223
RECRUITMENT/HELP WNTD	0.25	0.28	0.28	0.30	0.31	0.31	458	474	16
ADVERTISING	0.00	0.08	0.03	0.05	0.04	0.05	53	86	33
MARKETING/REFERRAL DE	0.02	0.00	0.00	0.44	0.15	0.39	0	692	692
INSURANCE	1.44	1.59	3.89-	1.44	1.02	1.46	6,244-	2,272	6,516
TRAVEL	1.69	0.45	0.03	0.11	0.38	0.12	46	180	134
BAD DEBT EXPENSE	0.49	11.29	1.85	2.65	2.92	2.63	2,970	4,184	1,214
COLLECTION EXPENSE	0.00	0.00	0.00	0.14	0.00	0.14	0	217	217
DUES & SUBSCRIPTIONS	0.33	0.76	0.32	0.37	0.51	0.37	512	361	151
CIVIL MONETARY/STATE	0.00	0.00	0.00	0.09	0.43	0.00	0	0	43
PROVIDER TAXES	14.58	11.67	11.81	12.13	11.81	12.04	18,973	19,175	202
MISC GEN & ADMIN	0.12	0.14	0.04	0.22	0.09	0.23	65	350	285
<b>TOTAL GEN &amp; ADMIN</b>	<b>48.29</b>	<b>53.57</b>	<b>36.52</b>	<b>45.56</b>	<b>44.50</b>	<b>45.12</b>	<b>58,658</b>	<b>72,035</b>	<b>13,377</b>
<b>TOTAL OPERATING EXPN</b>	<b>218.31</b>	<b>236.79</b>	<b>222.80</b>	<b>227.23</b>	<b>227.45</b>	<b>222.94</b>	<b>357,820</b>	<b>359,247</b>	<b>1,427</b>
RENT - BUILDING	17.70	19.54	16.99	17.52	16.13	17.66	27,282	27,700	418
RENT - EQUIPMENT	0.13	0.14	0.56	0.20	0.17	0.20	903	311	592
PROPERTY TAXES	2.26	2.40	2.06	2.21	2.30	2.26	3,346	3,500	154
DEPRECIATION	4.31	4.77	4.23	2.41	3.66	2.66	6,797	3,810	2,987
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
INTEREST INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
INSURANCE - PROPERTY	0.23	0.25	0.44	0.22	0.25	0.23	713	350	363
LOCAL TAXES	0.02	0.01	0.01	0.02	0.02	0.02	17	29	13
LICENSES & TAXES	0.00	0.05	0.00	0.08	0.02	0.06	0	125	125
<b>TOTAL PROP &amp; RELATED</b>	<b>24.65</b>	<b>27.16</b>	<b>24.32</b>	<b>22.66</b>	<b>24.54</b>	<b>23.30</b>	<b>39,058</b>	<b>35,825</b>	<b>3,233</b>

\*\*\*\*\* Inactive GL Account/Department Combinations Were Found \*\*\*\*\*  
 \*\*\*\*\* Unassigned SKF/Department Combinations Were Found \*\*\*\*\*

	YTD Actual	YTD Budget	YTD Variance
<b>TOTAL</b>	<b>4,127,496</b>	<b>4,150,033</b>	<b>22,537</b>
RENT - BUILDING	328,561	332,399	3,838
RENT - EQUIPMENT	3,104	3,732	628
PROPERTY TAXES	41,704	42,000	296
DEPRECIATION	66,380	49,524	16,856
INTEREST EXPENSE	42-	0	42
INTEREST INCOME	5-	0	5
INSURANCE - PROPERTY	4,563	4,202	361
LOCAL TAXES	291	346	55
LICENSES & TAXES	397	1,502	1,105
<b>TOTAL PROP &amp; RELATED</b>	<b>445,353</b>	<b>433,703</b>	<b>11,650</b>

CENSUS	Per Patient Day		YTD		Actual Dollars		YTD		YTD	
	October	November	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance
PRIVATE	0.6	0.9	0.9	1.0	1.3	1.0	4-	480	365	115
COMMERCIAL INS	1.2	1.3	1.0	0.0	0.6	0.0	31	211	0	211
MEDICARE ADVANTAGE	3.0	3.3	3.3	5.0	2.8	5.0	53-	1,010	1,825	815-
MEDICARE	3.4	3.2	3.4	4.0	4.3	4.0	42	1,566	1,460	108
<b>TOTAL P/I/M</b>	<b>8.2</b>	<b>8.7</b>	<b>10.5</b>	<b>10.0</b>	<b>9.0</b>	<b>10.0</b>	<b>16</b>	<b>3,269</b>	<b>3,650</b>	<b>381-</b>
MEDICAID	33.3	30.9	33.4	37.0	34.5	37.0	113-	12,575	13,505	930-
HOSPICE	5.0	5.6	4.5	4.0	4.8	4.0	14	1,732	1,450	272
OTHER	0.3	0.9	0.7	0.0	0.6	0.0	23	209	0	209
<b>TOTAL PAID CENSUS</b>	<b>46.8</b>	<b>46.1</b>	<b>49.1</b>	<b>51.0</b>	<b>48.7</b>	<b>51.0</b>	<b>60-</b>	<b>17,785</b>	<b>18,615</b>	<b>830-</b>

**PATIENT REVENUE**  
 \*\*\*\*\*  
**ROUTINE REVENUE**

PRIVATE	269.00	269.00	269.59	271.00	275.33	271.00	7,279	8,401	1,122-	129,129	98,915	30,214
COMMERCIAL INS	308.47	305.68	328.00	0.00	284.84	0.00	10,168	0	16,168	60,102	0	60,102
MEDICARE ADVANTAGE	364.31	368.80	321.98	324.72	312.53	324.72	32,842	50,330	17,488-	315,658	592,596	276,938-
MEDICARE PART A	492.28	508.92	492.84	437.75	457.56	427.77	81,812	54,281	27,530	690,491	624,541	65,950
<b>TOTAL P/I/M ROUTINE</b>	<b>404.27</b>	<b>400.32</b>	<b>405.22</b>	<b>364.56</b>	<b>366.91</b>	<b>360.56</b>	<b>132,101</b>	<b>113,013</b>	<b>19,088</b>	<b>1,195,380</b>	<b>1,316,051</b>	<b>120,672-</b>
MEDICAID	177.16	186.59	181.52	181.60	177.31	179.03	187,690	208,295	20,605-	2,229,614	2,417,761	188,147-
HOSPICE	179.89	197.21	189.41	184.56	188.65	184.56	26,139	22,885	3,253	326,745	269,458	57,288
OTHER	275.00	255.74	440.30	0.00	281.01	0.00	10,127	0	10,127	58,732	0	58,732
<b>TOTAL ROUTINE REVENUE</b>	<b>217.36</b>	<b>229.74</b>	<b>234.09</b>	<b>217.71</b>	<b>214.38</b>	<b>215.06</b>	<b>356,056</b>	<b>344,193</b>	<b>11,863</b>	<b>3,810,471</b>	<b>4,003,269</b>	<b>192,799-</b>

**ANCILLARY REVENUE**  
 PRIVATE  
 COMMERCIAL INS  
 MEDICARE ADVANTAGE  
 MEDICARE PART B  
 MEDICAID  
**TOTAL ANCILLARY REVENUE**

PRIVATE	7.43	4.01	4.03	9.43	2.37	5.43	109	292	184-	1,111	3,443	2,333-
COMMERCIAL INS	54.01	5.08	75.52	0.00	146.87	0.00	2,341	0	2,341	30,989	0	30,989
MEDICARE ADVANTAGE	0.00	0.00	0.00	0.00	3.74	0.00	0	0	0	3,775	0	3,775
MEDICARE PART B	3.26	0.61	2.20	2.53	2.43	2.53	2,983	3,660	697-	39,444	43,335	3,891-
MEDICAID	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
<b>TOTAL ANCILLARY REVENUE</b>	<b>4.52</b>	<b>0.79</b>	<b>3.57</b>	<b>2.51</b>	<b>4.24</b>	<b>2.51</b>	<b>5,433</b>	<b>3,973</b>	<b>1,460</b>	<b>75,319</b>	<b>46,778</b>	<b>28,541</b>
<b>HOLDING REVENUE</b>	<b>178.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>174.72</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,922</b>	<b>0</b>	<b>1,922</b>
<b>TOTAL PATIENT REVENUE</b>	<b>222.26</b>	<b>230.53</b>	<b>237.67</b>	<b>220.22</b>	<b>218.73</b>	<b>217.57</b>	<b>361,490</b>	<b>348,166</b>	<b>13,324</b>	<b>3,887,711</b>	<b>4,050,048</b>	<b>162,336-</b>

**NON PATIENT REVENUE**  
**TOTAL NET REVENUE**

NON PATIENT REVENUE	0.01	0.02	0.00	0.01	0.01	0.01	4	18	14-	264	216	48
<b>TOTAL NET REVENUE</b>	<b>222.27</b>	<b>230.55</b>	<b>237.67</b>	<b>220.23</b>	<b>218.75</b>	<b>217.58</b>	<b>361,494</b>	<b>348,185</b>	<b>13,310</b>	<b>3,887,975</b>	<b>4,050,264</b>	<b>162,289-</b>

**OPERATING EXPENSES**  
 \*\*\*\*\*  
**NURSING**  
 SPECIAL SERV LABOR  
 ANCILLARY EXP  
 FOOD RELATED  
 OTHER DIETARY

NURSING	74.22	80.21	75.76	74.73	74.93	74.23	115,231	118,145	2,914	1,331,882	1,381,809	49,927
SPECIAL SERV LABOR	6.00	0.00	0.00	0.00	0.02	0.00	0	0	0	361	0	361-
ANCILLARY EXP	36.41	30.29	30.51	33.24	28.53	32.85	46,410	52,551	6,141	507,121	611,499	104,378
FOOD RELATED	5.27	5.77	6.23	5.66	5.77	5.66	9,474	8,952	522-	102,514	105,405	2,894
OTHER DIETARY	10.23	11.29	10.47	10.03	10.11	9.99	15,927	15,863	64-	179,702	186,002	6,299

	Per Patient Day		Actual Dollars		YTD		YTD		YTD		YTD	
	Cur Mo	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
LAUNDRY	October	4.15	3.93	4.15	4.39	829	73,741	81,645	7,905			
HOUSEKEEPING	4.15	4.15	4.30	4.15	4.39	5,977	6,806	1,449	122,935	138,541	15,606	
MAINTENANCE	6.96	7.23	6.64	6.92	7.44	10,095	11,548	1,449	79,546	79,257	288	
UTILITIES	4.28	4.16	10.51	4.48	4.26	15,986	6,715	9,271	81,806	86,462	4,657	
ACTIVITIES	4.58	3.70	5.01	4.60	4.64	7,621	9,392	1,771	43,008	49,431	6,423	
PROF/CONSULTANTS	2.64	2.42	2.49	2.42	2.66	3,795	4,216	422	71,769	75,835	4,066	
EMPLOYEE BENEFITS	3.77	4.03	4.61	4.04	4.07	7,010	6,436	574	622,348	652,268	29,919	
TRAINING	44.25	36.22	29.36	35.04	35.04	44,657	58,400	13,743	101,230	57,812	43,418	
GEN-ADMIN	4.49	4.46	4.86	3.06	3.11	7,399	4,845	2,554	799,655	823,341	23,686	
OPERATING EXPENSES	44.47	50.91	34.18	44.29	44.23	51,989	70,030	18,041	4,117,617	4,329,310	211,693	
OPER INC B/Y PROP	245.72	244.74	224.57	231.67	232.57	341,575	373,900	32,325	229,641	279,046	49,404	
PROPERTY TAX	23.45	14.19	13.10	16.27	12.92	14.99	19,919	25,716	45,635	42,000	6,055	
INSURANCE PROPERTY	2.86	2.99	2.72	2.21	2.70	4,133	3,590	633	4,896	4,274	622	
LOCAL TAXES	0.25	0.26	0.59	0.23	0.28	903	356	547	197	323	127	
LICENSE AND TAXES	0.01	0.01	0.01	0.02	0.02	21	27	6	916	557	361	
OTHER PROPERTY	0.14	0.00	0.03	0.05	0.03	72	46	26	54,065	47,154	6,911	
PRIOR YR-CONTRACTUAL	3.26	3.26	3.37	2.49	3.04	5,129	3,930	1,199	928	326,200	41,566	
OPER INC (REITDAR)	0.00	0.00	0.61	0.00	0.05	928	0	928	284,634	0	284,634	
DEPRECIATION/AMORT	26.71	17.46	9.11	18.75	16.01	13,862	29,646	43,508	67,275	65,734	21,541	
RENT - BLDG	5.15	5.36	4.85	3.08	4.91	7,375	4,870	2,505	327,387	330,565	3,178	
RENT - EQUIP	18.99	19.69	17.94	17.53	18.42	27,112	204	429	2,225	2,448	223	
INTEREST EXPENSE	0.16	0.22	0.18	0.13	0.13	280	6	76	0	72	72	
OTHER FIXED	0.00	0.00	0.00	0.00	0.00	0	6	6	416,887	398,675	18,212	
*BBT *	24.30	25.27	22.97	20.73	23.45	34,937	32,779	2,158	701,521	724,875	23,354	
*NET FIN INC(L) *	51.00	42.73	13.86	39.48	39.47	21,075	62,425	41,350	1,903,563	1,932,873	29,310	
EBITDAR	13.40	3.56	20.15	6.40	3.15	30,641	10,124	40,765	56,057	95,186	39,130	
NSG REGULAR LABOR	67.35	72.47	68.50	72.65	67.59	104,193	114,862	10,669	1,201,417	1,343,151	141,734	
NSG PREMIUM LABOR	5.20	5.67	5.71	5.55	5.55	8,686	0	8,686	98,716	0	98,716	
OTHER ROUTINE LABOR	34.43	34.99	33.26	31.81	33.81	50,584	50,293	290	600,875	589,721	11,154	
OTHER PREMIUM LABOR	0.07	0.15	0.16	0.00	0.12	250	0	250	2,193	0	2,193	
ANCILLARY LABOR *	0.00	0.00	0.00	0.00	0.00	0	0	0	361	0	361	
*TOTAL LABOR *	107.05	113.47	107.63	104.46	107.10	163,712	165,155	1,443	1,903,563	1,932,873	29,310	
LABOR & BENEFITS %	68.0	65.0	58.0	64.0	65.0	58	64	6	65	64	1	
OF NET REVENUE												
REGULAR NSG HOURS	3.16	3.47	3.08	3.43	3.15	4,691	5,418	725	56,043	63,773	7,730	
OVERTIME NSG HOURS	0.40	0.27	0.32	0.00	0.37	492	0	492	6,562	0	6,562	
OTHER ROUTINE HOURS	1.81	1.78	1.65	1.68	1.79	2,517	2,655	138	31,900	31,265	636	
ANCILLARY HOURS	0.00	0.00	0.00	0.00	0.00	0	0	0	11	0	11	

	Per Patient Day				Actual Dollars							
	October	November	Qurr Mo Actual	Qurr Mo Budget	YTD Actual	YTD Budget	Qurr Mo Actual	Qurr Mo Budget	Variance	YTD Actual	YTD Budget	YTD Variance
<b>*TOTAL HOURS *</b>	<b>5.37</b>	<b>5.51</b>	<b>5.06</b>	<b>5.11</b>	<b>5.32</b>	<b>5.11</b>	<b>7.700</b>	<b>8.072</b>	<b>372</b>	<b>94,516</b>	<b>95,037</b>	<b>521</b>
WAGE RATES												
NURSING							21.73	21.21	0.57-	20.77	21.06	0.29
OTHER							20.20	18.94	1.26-	18.90	18.86	0.04-
ANCILLARY							0.00	0.00	0.00	32.07	0.00	32.07-
* TOTAL WAGE RATES *							21.26	20.46	0.80-	20.14	20.34	0.20
EBITDA MARGIN	6.0-	2.0-	8.0	3.0-	1.0-	2.0-	8	3-	11-	1-	2-	1-

OPERATING REPORT SUMMARYS

	14.75	19.16	12.80	16.72	16.64	16.66	19,473	26,429	6,956	299,344	310,108	10,764
G & A	14.75	19.16	12.80	16.72	16.64	16.66	19,473	26,429	6,956	299,344	310,108	10,764
MANAGEMENT FEE	13.30	13.90	11.03	12.35	12.86	12.41	16,779	19,522	2,743	228,577	231,014	2,436
OTHER OPERATING	17.41	16.83	17.72	19.36	17.60	18.37	26,946	30,607	3,662	312,826	342,003	29,177
CONTROLLABLES												
NURSING SUPP/INCONT	1.67	1.87	1.55	2.08	1.79	2.08	2,352	3,283	931	31,749	38,658	6,909
ACTIVITY SUPPLIES	0.18	0.17	0.18	0.17	0.18	0.17	276	274	3-	3,242	3,223	18-
RAW FOOD EXPENSE	5.23	5.67	6.17	5.48	5.69	5.48	9,385	8,668	717-	101,047	102,057	1,010
DIETARY SUPPLIES	0.62	0.96	1.06	0.60	0.86	0.80	1,612	1,265	348-	15,205	14,892	313-
FOOD SUPPLEMENTS	0.04	0.10	0.06	0.18	0.08	0.18	89	285	196	1,467	3,351	1,884
LINEN REPLACEMENT	0.00	0.00	0.06	0.07	0.02	0.07	88	111	23	394	1,303	905
MAINTENANCE & REPAIR	1.55	1.24	6.67	0.97	1.46	0.97	10,143	1,527	8,616-	25,975	18,047	7,928-
MINOR EQUIP EXPENSE	0.05	0.10	0.50	0.20	0.15	0.20	768	521	447-	2,592	3,777	1,185
OFFICE SUPPLIES	0.24	0.31	0.19	0.45	0.31	0.45	296	710	414	5,567	8,360	2,794
POSTAGE/OVERNIGHT COI	0.12	0.17	0.20	0.16	0.18	0.16	307	249	58-	3,137	2,929	208-
MARKETING	0.16	0.13	0.36	0.42	0.15	0.42	544	664	120	2,613	7,818	5,205
BAD DEBT	2.68	4.16	1.49-	2.45	2.86	2.42	2,263-	3,880	6,142	50,851	45,130	5,721-
<b>TOTAL CONTROLLABLES</b>	<b>12.55</b>	<b>14.88</b>	<b>15.51</b>	<b>13.43</b>	<b>13.72</b>	<b>13.41</b>	<b>23,598</b>	<b>21,236</b>	<b>2,362-</b>	<b>243,837</b>	<b>249,545</b>	<b>5,708</b>
TOT CONTROL-BAD DEBT	9.87	10.72	17.00	10.98	10.56	10.98	25,861	17,356	8,505-	192,986	204,415	11,429

\*\*\*\*\* Unassigned SRF/Department Combinations Were Found \*\*\*\*\*

	Per Patient Day				Actual Dollars					
	October	November	Actual	Budget	YTD Actual	YTD Budget	Variance	YTD Actual	YTD Budget	YTD Variance
CENSUS										
*****										
PRIVATE - C	0.5	0.9	0.9	1.0	1.3	1.0	27	31	4-	469
TOTAL PRIVATE	0.5	0.9	0.9	1.0	1.3	1.0	27	31	4-	469
ADJ MEMO	0.0	0.0	0.0	0.0	0.4-	0.0	0	0	0	159-
COMMERCIAL INS - C	1.2	1.3	1.0	0.0	0.6	0.0	31	0	31	211
TOTAL COMMERCIAL INS	1.2	1.3	1.0	0.0	0.6	0.0	31	0	31	211
M/CARE ADVANTAGE- C	3.0	3.3	3.3	5.0	2.8	5.0	102	155	53-	1,010
TOTAL M/CARE ADVANTAG	3.0	3.3	3.3	5.0	2.8	5.0	102	155	53-	1,010
ADJ MEMO	0.0	0.0	0.0	0.0	0.0-	0.0	0	0	0	8-
MEDICARE - C	3.4	3.2	5.4	4.0	4.3	4.0	166	124	42	1,568
TOTAL MEDICARE	3.4	3.2	5.4	4.0	4.3	4.0	166	124	42	1,568
ADJ MEMO	0.0	0.0	0.0	0.0	0.1-	0.0	0	0	0	39-
TOTAL P/I/M	8.1	8.7	10.5	10.0	8.9	10.0	326	310	16	3,258
MEDICAID - C	33.3	30.9	33.4	37.0	34.5	37.0	1,034	1,147	113-	12,575
TOTAL MEDICAID	33.3	30.9	33.4	37.0	34.5	37.0	1,034	1,147	113-	12,575
ADJ MEMO	0.0	0.0	0.0	0.0	0.3	0.0	0	0	0	123
TOTAL VA	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0
HOSPICE - C	5.0	5.6	4.5	4.0	4.8	4.0	138	124	14	1,732
TOTAL HOSPICE	5.0	5.6	4.5	4.0	4.8	4.0	138	124	14	1,732
ADJ MEMO	0.0	0.0	0.0	0.0	0.3	0.0	0	0	0	94
MANAGED MEDICAID - C	0.3	0.9	0.7	0.0	0.6	0.0	23	0	23	209
TOTAL MANAGED MEDICAL	0.3	0.9	0.7	0.0	0.6	0.0	23	0	23	209
ADJ MEMO	0.0	0.0	0.0	0.0	0.0-	0.0	0	0	0	16-
TOTAL MEDICAID O-O-S	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0
TOTAL OTHER	0.3	0.9	0.7	0.0	0.6	0.0	23	0	23	209
TOTAL OPERATING CENSU	46.7	46.1	49.1	51.0	48.7	51.0	1,521	1,581	60-	17,774
HOLD CENSUS										
PRIVATE	0.1	0.0	0.0	0.0	0.0	0.0	0	0	0	11
TOTAL HOLD	0.1	0.0	0.0	0.0	0.0	0.0	0	0	0	11

	October		November		December		YTD		YTD		YTD		YTD		YTD		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
<b>TOTAL PAID CENSUS</b>	<b>46.8</b>	<b>46.1</b>	<b>46.1</b>	<b>49.1</b>	<b>48.7</b>	<b>51.0</b>	<b>51.0</b>	<b>1,521</b>	<b>1,581</b>	<b>60-</b>	<b>17,785</b>	<b>18,615</b>	<b>830-</b>					
<b>PATIENT REVENUE</b>																		
*****																		
F/P ROUTINE -C	269.00	269.00	269.59	271.09	277.41	271.00	7,279	8,401	1,122-	130,105	98,915	31,190						
F/P CONTRACTUAL	0.00	0.00	0.00	0.00	2,08-	0.00	0	0	0	976-	0	976-						
<b>TOTAL F/P ROUTINE</b>	<b>269.00</b>	<b>269.00</b>	<b>269.59</b>	<b>271.09</b>	<b>275.33</b>	<b>271.00</b>	<b>7,279</b>	<b>8,401</b>	<b>1,122-</b>	<b>129,129</b>	<b>98,915</b>	<b>30,214</b>						
F/P ANCIILLARY	7.43	4.01	4.03	9.43	2.37	9.43	109	292	184-	1,111	3,443	2,333-						
<b>TOTAL F/P REVENUE</b>	<b>276.43</b>	<b>273.01</b>	<b>273.62</b>	<b>280.43</b>	<b>277.70</b>	<b>280.43</b>	<b>7,388</b>	<b>8,693</b>	<b>1,306-</b>	<b>130,240</b>	<b>102,358</b>	<b>27,882</b>						
COMM INS ROUTINE-C	276.92	278.05	269.00	0.00	279.72	0.00	8,339	0	8,339	59,020	0	59,020						
COMM INS CONTRACTUAL	31.55	27.63	59.00	0.00	5.13	0.00	1,829	0	1,829	1,082	0	1,082						
<b>TOTAL COMM INS ROUTINE</b>	<b>308.47</b>	<b>305.68</b>	<b>328.00</b>	<b>0.00</b>	<b>284.84</b>	<b>0.00</b>	<b>10,168</b>	<b>0</b>	<b>10,168</b>	<b>60,102</b>	<b>0</b>	<b>60,102</b>						
COMM INS ANCIILLARY	54.01	5.08	75.52	0.00	146.87	0.00	2,341	0	2,341	30,989	0	30,989						
<b>TOTAL COMM INS REVENUE</b>	<b>362.49</b>	<b>310.77</b>	<b>403.52</b>	<b>0.00</b>	<b>431.71</b>	<b>0.00</b>	<b>12,509</b>	<b>0</b>	<b>12,509</b>	<b>91,091</b>	<b>0</b>	<b>91,091</b>						
M/CARE ADV ROUTINE-C	280.48	276.52	277.63	324.71	281.84	324.71	29,318	50,330	22,012-	284,656	592,596	307,940-						
M/CARE ADV CONTRACTUAL	83.83	92.28	44.35	0.00	30.70	0.00	4,524	0	4,524	31,002	0	31,002						
<b>TOTAL M/C ADV ROUTINE</b>	<b>364.31</b>	<b>368.80</b>	<b>321.98</b>	<b>324.71</b>	<b>312.53</b>	<b>324.71</b>	<b>32,842</b>	<b>50,330</b>	<b>17,488-</b>	<b>315,658</b>	<b>592,596</b>	<b>276,938-</b>						
M/CARE ADV ANCIILLARY	0.00	0.00	0.00	0.00	3.74	0.00	0	0	0	3,775	0	3,775						
<b>TOTAL M/C ADV REVENUE</b>	<b>364.31</b>	<b>368.80</b>	<b>321.98</b>	<b>324.71</b>	<b>316.27</b>	<b>324.71</b>	<b>32,842</b>	<b>50,330</b>	<b>17,488-</b>	<b>319,433</b>	<b>592,596</b>	<b>273,163-</b>						
M/P PART A ROUTINE-C	281.95	285.00	281.06	437.75	280.90	427.77	46,656	54,281	7,625-	440,457	624,543	184,084-						
M/P PART A CONTRACTUAL	211.33	223.92	211.78	0.00	159.46	0.00	35,156	0	35,156	250,034	0	250,034						
<b>TOTAL PART A ROUTINE</b>	<b>493.28</b>	<b>508.92</b>	<b>492.84</b>	<b>437.75</b>	<b>440.36</b>	<b>427.77</b>	<b>81,812</b>	<b>54,281</b>	<b>27,530</b>	<b>690,491</b>	<b>624,543</b>	<b>65,950</b>						
TOTAL M/P PART A REVE	493.28	508.92	492.84	437.75	440.36	427.77	81,812	54,281	27,530	690,491	624,543	65,950						
M/P PART B ANCIILLARY	3.26	0.61	2.20	2.53	2.43	2.53	2,983	3,680	697-	39,444	43,335	3,891-						
<b>TOTAL M/P PART B REVE</b>	<b>3.26</b>	<b>0.61</b>	<b>2.20</b>	<b>2.53</b>	<b>2.43</b>	<b>2.53</b>	<b>2,983</b>	<b>3,680</b>	<b>697-</b>	<b>39,444</b>	<b>43,335</b>	<b>3,891-</b>						
<b>TOTAL F/I/M REVENUE</b>	<b>430.45</b>	<b>404.47</b>	<b>421.88</b>	<b>377.37</b>	<b>390.02</b>	<b>373.38</b>	<b>137,534</b>	<b>116,985</b>	<b>20,549</b>	<b>1,270,699</b>	<b>1,362,829</b>	<b>92,131-</b>						
M/CAID ROUTINE-C	273.70	273.96	274.44	181.60	273.29	179.03	283,770	208,295	75,475	3,436,670	2,417,761	1,018,909						
M/CAID CONTRACTUAL	94.76-	88.05-	92.92-	0.00	94.35-	0.00	96,080-	0	96,080-	1,186,423-	0	1,186,423-						
M/CAID ADV-INTFR	1.79-	0.69	0.00	0.00	1.64-	0.00	0	0	0	20,633-	0	20,633-						
<b>TOTAL M/CAID ROUTINE</b>	<b>177.16</b>	<b>186.59</b>	<b>181.52</b>	<b>181.60</b>	<b>177.31</b>	<b>179.03</b>	<b>187,650</b>	<b>208,295</b>	<b>20,605-</b>	<b>2,229,614</b>	<b>2,417,761</b>	<b>188,147-</b>						
M/CAID ANCIILLARY	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0						
<b>TOTAL M/CAID REVENUE</b>	<b>177.16</b>	<b>186.59</b>	<b>181.52</b>	<b>181.60</b>	<b>177.31</b>	<b>179.03</b>	<b>187,650</b>	<b>208,295</b>	<b>20,605-</b>	<b>2,229,614</b>	<b>2,417,761</b>	<b>188,147-</b>						
<b>TOTAL VA ROUTINE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						
<b>TOTAL VA REVENUE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						
HOSPICE ROUTINE-C	272.20	269.00	270.16	184.56	271.80	184.56	37,282	22,885	14,397	470,752	269,458	201,294						

	October		November		Actual		YTD		YTD		Actual Dollars		YTD		YTD		
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	
HOSPICE CONTRACTUAL	92.31-	71.79-	80.75-	0.00	83.14-	0.00	11,143-	0	11,143-	0	144,007-	0	144,007-	0	269,458	269,458	57,288
TOTAL HSCP ROUTINE	179.89	197.21	189.41	184.56	188.65	184.56	26,139	22,885	3,253	3,253	326,745	269,458	57,288	58,361	58,361	351	
TOTAL HSCP REVENUE	179.89	197.21	189.41	184.56	188.65	184.56	26,139	22,885	3,253	3,253	326,745	269,458	57,288	58,361	58,361	351	
MGD M'CALD ROUTINE-C	260.20	269.00	269.00	0.00	279.33	0.00	6,187	0	6,187	0	58,381	0	58,381	0	58,381	0	0
MGD M'CALD CONTRACTUA	5.20-	13.26-	171.30	0.00	1.68	0.00	3,940	0	3,940	0	351	0	351	0	351	0	0
TOTAL MGD M'CALD ROUTE	275.00	255.74	440.30	0.00	281.01	0.00	10,127	0	10,127	0	58,732	0	58,732	0	58,732	0	0
TOTAL MGD M'CALD REVE	275.00	255.74	440.30	0.00	281.01	0.00	10,127	0	10,127	0	58,732	0	58,732	0	58,732	0	0
TOTAL M'CALD O-O-S RO	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0
TOTAL M'CALD O-O-S RE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER	275.00	255.74	440.30	0.00	281.01	0.00	10,127	0	10,127	0	58,732	0	58,732	0	58,732	0	0
TOTAL CONT SERV REVEN	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0
TOTAL ROOT/ANC REVENU	221.89	230.53	237.67	220.22	218.62	217.57	361,490	348,166	13,324	13,324	3,885,790	4,050,048	164,258-	1,922	1,922	0	1,922
F/P HOED REVENUE	178.92	0.00	0.00	0.00	174.72	0.00	0	0	0	0	1,922	0	1,922	0	1,922	0	1,922
TOTAL HOED REVENUE	178.92	0.00	0.00	0.00	174.72	0.00	0	0	0	0	1,922	0	1,922	0	1,922	0	1,922
TOTAL PATIENT REVENUE	222.26	230.53	237.67	220.22	218.73	217.57	361,490	348,166	13,324	13,324	3,887,711	4,050,048	162,336-	173	173	216	44-
VENDING MACHINE INC	0.01	0.01	0.00	0.01	0.01	0.01	0	18	18-	18-	91	0	91	0	91	0	91
CASH DISC EARNED	0.00	0.01	0.00	0.00	0.01	0.00	4	0	4	4	264	0	264	0	264	0	216
TOT NON PATIENT REVEN	0.01	0.02	0.00	0.01	0.01	0.01	4	18	14-	14-	264	0	264	0	264	0	48
OPERATING EXPENSES	*****																
NURSING ADMIN	7.14	9.39	7.16	8.61	7.60	8.59	13,889	13,520	2,731	2,731	138,552	159,977	21,425,	173	173	216	44-
REGISTERED NURSES	22.93	27.63	28.83	17.95	20.68	17.79	43,845	28,380	15,465-	15,465-	367,516	331,128	36,388-	91	91	0	91
LVN/LPN	8.50	8.98	7.08	15.10	11.66	15.00	10,764	23,881	13,117	13,117	207,206	279,261	72,055	4	4	0	4
AIDES/ORDBLIES	33.58	32.33	31.15	30.98	33.02	30.77	47,581	48,961	1,600	1,600	566,859	572,786	14,074-	216	216	0	216
TOTAL STAFF NURSING	72.55	78.33	74.21	72.65	73.15	72.15	112,879	114,862	1,983	1,983	1,300,133	1,343,151	43,018	173	173	216	44-
TOTAL CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0
NURSING SUPPLIES	0.89	1.24	0.90	1.17	1.00	1.17	1,378	1,848	478	478	17,713	21,763	4,050	216	216	0	216
INCONT & FEED KEY	0.01-	0.00	0.00	0.05-	0.02-	0.05-	0	71-	71-	71-	277-	840-	563-	91	91	0	91
INCONT & FEED EXP	0.79	0.63	0.65	0.95	0.79	0.95	982	1,566	524	524	14,313	17,735	3,422	216	216	0	216
TOTAL OTHER NURSING	1.67	1.87	1.55	2.08	1.79	2.08	2,352	3,283	931	931	31,749	38,658	6,909	216	216	0	216
TOTAL NURSING	74.22	80.21	75.76	74.73	74.93	74.23	115,231	118,145	2,914	2,914	1,331,882	1,381,809	49,927	216	216	0	216
RESPIRATORY THERAPIST	0.00	0.00	0.00	0.00	0.02	0.00	0	0	0	0	361	0	361	0	361	0	361
TOTAL SPECIAL SVCS TB	0.00	0.00	0.00	0.00	0.02	0.00	0	0	0	0	361	0	361	0	361	0	361

	October		November		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	Actual	Budget	Actual	Budget	Curr Mo	Budget	Actual	Budget	Curr Mo	Budget	Variance	Actual	Budget	Variance	Actual	Variance
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0
REHAB	13.50	10.81	15.09	17.36	13.55	17.15	22,954	27,444	4,488	237,365	319,194	81,819	1,918-	1,688-	14,706	1,438
CENTRAL SUPPLIES	0.57	0.68	0.83	0.69	0.83	0.69	1,266	1,065	181-	3,128	1,438	1,688-	1,688-	3,128	1,438	1,688-
EQUIPMENT RENT	0.11	0.15	0.08	0.08	0.18	0.08	116	122	6	3,886	45,772	12,207	12,207	12,207	12,207	12,207
COMPLEX MEDICAL	3.26	0.85	2.46	2.46	1.89	2.46	936	3,886	2,951	10,332	5,817-	144,062	118,197	25,865-	4,812-	25,865-
PHARMACY	9.39	8.71	10.62	6.53	8.11	6.35	16,149	6,35	5,817-	22,336	17,523	4,812-	4,812-	25,604	17,523	4,812-
MED SUPPLIES/OXYGEN	1.05	1.30	0.84	0.94	1.26	0.94	1,280	1,487	207	38,564	25,604	12,979-	12,979-	38,564	25,604	12,979-
LAB-XRAY	6.59	5.91	1.41	1.36	2.17	1.56	2,139	2,174	35	417	752	334	334	417	752	334
PHYSICAL THERAPY	0.00	0.00	0.03	0.02	0.02	0.04	22	64	42	1	462	185	185	185	462	185
OCCUPATIONAL THERAPY	0.00	0.00	0.03	0.02	0.08	0.03	38	39	1	277	462	761-	761-	277	462	761-
RESPIRATORY THERAPY	0.03	0.07	0.00	0.03	0.08	0.03	0	54	54	1,395	634	761-	761-	1,395	634	761-
IV THERAPY	0.58	0.00	0.00	2.19	0.44-	2.19	0	3,455	3,455	7,858-	40,685	48,543	48,543	4,636	48,543	4,636
NUTRITIONAL THERAPY	0.12	0.40	0.03-	0.25	0.14	0.25	22-	0	416	2,418	2,212	2,212	2,212	2,212	2,212	2,212
MEDICAL SERVICES	1.05	1.04	0.87	0.67	0.85	0.67	1,318	1,062	256-	11,487	12,560	1,073	1,073	11,487	12,560	1,073
MISC PERSONAL	0.15	0.15	0.14	0.60	0.29	0.61	211	952	741	5,239	11,266	6,029	6,029	5,239	11,266	6,029
TOTAL ANCILLARY EXP	36.41	30.29	30.51	33.24	28.53	32.85	46,410	52,551	6,141	507,121	611,499	104,378	104,378	507,121	611,499	104,378
FOOD SALES	0.15-	0.23-	0.21-	0.21-	0.17-	0.21-	315-	328-	14-	3,041-	3,863-	822-	822-	3,041-	3,863-	822-
FOOD EXPENSES	5.02	5.63	6.08	5.41	5.52	5.41	9,246	8,553	693-	98,135	100,707	2,572	2,572	98,135	100,707	2,572
FOOD SUPPLEMENTS	0.04	0.10	0.06	0.18	0.08	0.18	89	285	196	1,467	3,351	1,884	1,884	1,467	3,351	1,884
FOOD THICKENED BEVRA	0.35	0.28	0.38	0.28	0.33	0.28	453	443	10-	5,952	5,212	740-	740-	5,952	5,212	740-
TOTAL FOOD RELATED	5.27	5.77	6.23	5.66	5.77	5.66	9,474	8,952	522-	102,514	105,408	2,894	2,894	102,514	105,408	2,894
SUPERVISORS	2.63	2.53	2.52	2.51	2.55	2.50	3,631	3,974	142	46,108	46,574	466	466	46,108	46,574	466
COOK/KITCHEN HELPERS	6.39	6.74	6.44	5.97	6.13	5.94	9,796	9,437	359-	108,944	110,612	1,669	1,669	108,944	110,612	1,669
DIETARY WASH TRNSFR	0.55	1.05	0.43	0.00	0.51	0.00	659	0	659-	9,082	0	9,082-	9,082-	9,082	0	9,082-
KITCHEN SUPPLIES	0.57	0.92	0.64	0.76	0.76	0.76	1,275	1,202	73-	13,564	14,147	583	583	13,564	14,147	583
KITCHEN REPLACE	0.05	0.04	0.22	0.04	0.09	0.04	338	63	274-	745	745	896-	896-	745	745	896-
REGISTERED DIETICIAN	0.00	0.00	0.00	0.73	0.00	0.73	0	1,158	1,158	0	13,577	13,577	13,577	13,577	13,577	13,577
DIETARY-CONTRACT SRV	0.04	0.02	0.02	0.02	0.02	0.02	29	29	1	364	346	18-	18-	364	346	18-
TOTAL OTHER DIETARY	10.23	11.29	10.47	10.03	10.11	9.99	15,927	15,863	64-	179,702	186,002	6,299	6,299	179,702	186,002	6,299
LINEN REPLACEMENT	0.00	0.00	0.06	0.07	0.02	0.07	88	111	23	394	1,503	909	909	394	1,503	909
LAUNDRY-CONTRACT SRV	4.15	4.15	3.87	4.23	4.13	4.32	5,889	6,695	806	73,347	80,342	6,995	6,995	73,347	80,342	6,995
TOTAL LAUNDRY EXP	4.15	4.15	3.93	4.30	4.15	4.39	5,977	6,806	829	73,741	81,645	7,905	7,905	73,741	81,645	7,905
HOUSEKEEPING SUPPLIES	0.05	0.00	0.07	0.11	0.07	0.11	105	174	69	1,188	2,052	864	864	1,188	2,052	864
HSRP-CONTR SUPP/SRV	6.91	7.23	6.57	7.19	6.85	7.33	9,994	11,374	1,380	121,747	136,488	14,742	14,742	121,747	136,488	14,742
TOTAL HOUSEKEEPING	6.96	7.23	6.64	7.30	6.92	7.44	10,099	11,548	1,449	122,935	138,541	15,606	15,606	122,935	138,541	15,606
MAINTENANCE PERSONAL	1.96	2.37	2.34	2.19	2.17	2.18	3,558	3,467	91-	38,489	40,635	2,146	2,146	38,489	40,635	2,146
MAINT WAGE TRANS	0.02	0.14-	0.10-	0.00	0.01-	0.00	155-	0	155	247-	0	247-	247-	155	0	247-
MAINTENANCE SUPPLIES	0.01	0.13	0.15	0.06	0.05	0.06	222	96	125-	905	1,136	231	231	905	1,136	231
CONTRACTS-BLDG ETC	0.32	0.19	0.17	0.31	0.27	0.32	263	494	232	4,636	5,930	1,094	1,094	4,636	5,930	1,094
GROUND MAINT SUPP	0.38	0.40	0.93	0.57	0.44	0.58	1,410	906	504-	7,900	10,869	2,969	2,969	7,900	10,869	2,969
EQUIPMENT REP/MAINT	0.52	0.71	0.80	0.61	0.68	0.61	1,222	960	262-	11,998	11,971	626-	626-	11,998	11,971	626-
BUILDING REP/MAINT	1.02	0.41	5.72	0.30	0.74	0.30	8,699	471	8,229-	13,073	5,540	7,533-	7,533-	8,699	5,540	7,533-
MINOR EQUIP EXPENSE	0.05	0.10	0.50	0.20	0.15	0.20	768	321	447-	2,592	3,777	1,185	1,185	2,592	3,777	1,185

	Per Patient Day		Actual Dollars		YTD		YTD		YTD	
	October	November	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance
<b>TOTAL MAINTENANCE</b>	<b>4.28</b>	<b>4.16</b>	<b>10.51</b>	<b>4.25</b>	<b>4.48</b>	<b>4.26</b>	<b>9,271-</b>	<b>79,546</b>	<b>79,257</b>	<b>288-</b>
UTILITIES-WATER/SEWR	0.71	0.16	0.58	0.62	0.59	0.63	103	10,524	11,766	1,242
UTILITIES-ELECTRIC	2.13	2.05	2.01	2.67	2.22	2.27	1,170	39,520	42,202	2,682
UTILITIES-GAS & OIL	1.36	1.14	2.11	2.18	1.32	1.27	233	23,442	23,661	219
UTILITIES-CARBARE	0.44	0.35	0.31	0.47	0.47	0.47	265	8,319	8,833	514
<b>TOTAL UTILITIES</b>	<b>4.58</b>	<b>3.70</b>	<b>5.01</b>	<b>5.94</b>	<b>4.60</b>	<b>4.64</b>	<b>1,771</b>	<b>81,806</b>	<b>86,462</b>	<b>4,657</b>
ACTIVITY WAGES	2.46	2.25	2.31	2.49	2.24	2.48	424	39,766	46,208	6,442
RECREATIONAL SUPPLY	0.18	0.17	0.18	0.17	0.18	0.17	3-	3,242	3,223	18-
<b>TOTAL ACTIVITIES</b>	<b>2.64</b>	<b>2.42</b>	<b>2.49</b>	<b>2.67</b>	<b>2.42</b>	<b>2.66</b>	<b>422</b>	<b>43,008</b>	<b>49,431</b>	<b>6,423</b>
PHARMACY CONSULTANT	0.25	0.36	0.40	0.28	0.39	0.29	155-	6,961	5,403	1,559-
SOCIAL WORKER WAGES	2.72	2.96	3.46	3.15	2.95	3.14	272-	52,394	55,432	6,038
MEDICAL DIRECTOR	0.69	0.72	0.66	0.63	0.68	0.64	0	12,000	12,000	0
OTHER PROF CONSULT	0.00	0.02	0.02	0.00	0.01	0.00	30-	240	0	240-
PROP WAGE TRANSFER	0.07	0.03-	0.08	0.00	0.01	0.00	117-	174	0	174-
<b>TOTAL PROF/CONSULT</b>	<b>3.77</b>	<b>4.03</b>	<b>4.61</b>	<b>4.07</b>	<b>4.04</b>	<b>4.07</b>	<b>574-</b>	<b>71,769</b>	<b>75,835</b>	<b>4,066</b>
VACATION ACCRUAL	0.00	0.00	0.09	0.00	0.01	0.00	0	215	0	215-
HOLIDAY PAY	0.00	3.16	3.19	3.34	1.53	1.62	432	27,170	30,232	3,062
PAID TIME OFF	6.19	3.53	3.57	3.86	5.03	5.01	672	89,466	93,180	3,714
PRO ACCRUAL	1.88-	1.66	0.21-	0.63	0.01-	0.01-	1,305	155-	1,215-	1,080-
PAY BENEF TRANSFER	1.91	2.64	1.24	0.96	1.58	0.96	369-	28,006	17,817	10,189-
PAYROLL TAXES	8.15	8.72	8.78	10.40	8.93	9.44	16,441	16,441	175,750	170,355
WORKERS COMP INS	6.57	6.88	2.44-	6.02	5.68	6.13	13,235	100,873	114,199	13,326
W/C OCCUPATIONAL INCE	11.46	0.00	7.66	0.00	0.98	0.00	11,657	17,459	0	17,459-
W/C MOD DUTY WAGES	0.00	0.16	0.63	0.07	0.44	0.07	846-	7,845	1,287	6,558-
GROUP MEDICAL INS	8.41	7.09	7.51	9.20	8.54	9.38	3,128	151,845	174,566	22,721
SHORT/LONG TERM DISAB	0.42	0.03	0.02	0.03	0.06	0.03	9	1,094	548	546-
RETIRE SAVINGS MATCH	0.06	0.00	1.01	0.11	0.09	0.11	169	1,542	2,034	492
OTHER BENEFITS	2.99	2.36	1.61-	2.32	2.15	2.36	6,125	38,274	43,870	5,596
<b>TOTAL EXP BENEFITS</b>	<b>44.25</b>	<b>36.22</b>	<b>29.36</b>	<b>36.94</b>	<b>35.01</b>	<b>35.04</b>	<b>13,743</b>	<b>622,348</b>	<b>652,268</b>	<b>29,919</b>
STP DEVELOPMENT COORD	0.00	0.00	2.33	2.17	1.36	2.15	103-	24,245	40,267	16,021
STP DEV COORD-WG TRN	0.00	0.00	1.11	0.00	0.09	0.00	1,686-	1,686	0	1,686-
ORIENTATION WAGES	4.49	4.43	1.43	0.83	4.10	0.83	858-	72,662	15,435	57,427-
EDUCATION/TRAINING	0.00	0.03	0.00	0.06	0.14	0.11	93	2,437	2,110	327-
<b>TOTAL TRAINING</b>	<b>4.49</b>	<b>4.46</b>	<b>4.86</b>	<b>3.06</b>	<b>5.70</b>	<b>3.11</b>	<b>2,554-</b>	<b>101,230</b>	<b>57,812</b>	<b>43,418-</b>
ADMISSIONS COORD WAGE	2.03	3.18	1.93	1.57	2.24	1.56	455-	39,867	29,096	10,768-
ADM/BUS WAGES	10.22	10.56	9.15	6.61	8.73	8.58	303-	155,117	159,796	4,680
ADM/BUS WAGE TRANSF	0.16	0.98-	0.09	6.00	0.17	0.09	0	3,020	0	3,020-
CENTRAL SUPPLY WAGES	0.00	0.00	0.00	0.65	0.00	0.64	1,023	0	11,996	11,996
RECORDS CLERK WAGES	0.81	0.22	0.09	0.62	0.65	0.64	0	1,458	1,458	0
PROFESSIONAL FEES	0.18	0.19	0.01-	0.22	0.16	0.22	354	2,886	4,153	1,267
MANAGEMENT FEES	13.30	13.90	11.03	12.35	12.86	12.41	2,744	228,577	231,014	2,436
OFF SUPPLY/STATIONERY	0.24	0.31	0.19	0.45	0.31	0.45	414	5,567	6,360	2,794
OVERNITE/COURIER SRV	0.12	0.10	0.14	0.10	0.12	0.10	64-	2,147	1,797	349-

	October		November		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD		
	Cur Mo	Budget	Cur Mo	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance	
US MAIL-POSTAGE	0.00	0.07	0.06	0.06	0.06	0.06	90	56	6	590	1,131	141	60	327,387	330,565	3,178	
COMPUTER RELATED EXP	0.25	0.44	0.11	0.20	0.21	0.20	164	369	146	3,630	3,709	76	223	2,225	2,448	223	
TELEPHONE	1.61	1.70	1.66	1.48	1.62	1.50	2,325	2,334	191-	28,654	28,008	633-	6,055-	48,055	42,000	6,055-	
RECRUITMENT/HELP WRTD	0.99	0.47	0.11	0.32	0.59	0.33	171	514	343	10,562	6,165	4,397-	4,397-	87,275	65,734	21,541-	
ADVERTISING	0.04	0.04	0.26	0.05	0.07	0.05	394	79	315-	1,279	931	348-	72-	0	4,274	4,274	622-
MARKETING/RENEWAL DE	0.12	0.09	0.10	0.37	0.08	0.37	130	585	455	1,334	6,868	5,533	5,533	4,896	4,274	622-	
INSURANCE	1.44	1.51	0.12	1.32	1.05	1.35	4,760-	2,089	6,849	16,596	25,053	8,457	1,284-	5,715	4,432	1,284-	
TRAVEL	0.48	0.45	0.28	0.23	0.32	0.24	426	369	57-	5,715	4,432	1,284-	5,721-	50,851	45,130	5,721-	
BAD DEBT EXPENSE	2.68	4.16	1.69-	2.45	2.86	2.42	2,263-	3,880	6,142	10	260	260-	260-	10,230	11,682	1,451	
COLLECTION EXPENSE	0.00	0.00	0.01-	0.00	0.01	0.00	10-	0	10	452	0	452	0	973	11,682	1,451	
DIETS & SUBSCRIPTIONS	0.36	0.86	0.34	0.62	0.58	0.63	521	973	452	10,230	11,682	1,451	5,729	217,024	222,753	5,729	
PROVIDER TAXES	9.37	13.51	13.43	12.11	12.21	11.97	20,388	19,148	1,239-	1,239-	1,239-	2,548	2,548	1,597	4,144	4,144	2,548
MISC GEN & ADMIN	0.07	0.04	0.04	0.22	0.69	0.22	57	345	288	799,655	823,341	23,686	23,686	799,655	823,341	23,686	
<b>TOTAL GEN &amp; ADMIN</b>	<b>44.47</b>	<b>50.81</b>	<b>34.18</b>	<b>44.29</b>	<b>44.99</b>	<b>44.23</b>	<b>51,989</b>	<b>70,030</b>	<b>18,041</b>	<b>799,655</b>	<b>823,341</b>	<b>23,686</b>	<b>23,686</b>	<b>799,655</b>	<b>823,341</b>	<b>23,686</b>	
<b>TOTAL OPERATING EXPEN</b>	<b>245.72</b>	<b>244.74</b>	<b>224.57</b>	<b>236.50</b>	<b>231.67</b>	<b>232.57</b>	<b>341,575</b>	<b>373,900</b>	<b>32,325</b>	<b>4,117,617</b>	<b>4,329,310</b>	<b>211,693</b>	<b>211,693</b>	<b>4,117,617</b>	<b>4,329,310</b>	<b>211,693</b>	

\*\*\*\*\* Inactive GL Account/Department Combinations Were Found \*\*\*\*\*  
 \*\*\*\*\* Unassigned SNF/Department Combinations Were Found \*\*\*\*\*

RENT - BUILDING	18.99	19.69	17.94	17.53	18.42	17.76	27,282	27,712	429	327,387	330,565	3,178	3,178	2,225	2,448	223
RENT - EQUIPMENT	0.16	0.22	0.18	0.13	0.13	0.13	280	204	76-	2,225	2,448	223	223	48,055	42,000	6,055-
PROPERTY TAXES	2.86	2.99	2.72	2.21	2.70	2.26	4,133	3,500	633-	87,275	65,734	21,541-	21,541-	87,275	65,734	21,541-
DEPRECIATION	5.15	5.36	4.85	3.08	4.91	3.53	7,375	4,870	2,505-	0	0	72-	72-	0	0	0
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0	6-	6-	0	0	0	0	0	0	0
INSURANCE - PROPERTY	0.25	0.26	0.59	0.23	0.28	0.23	903	356	547-	4,896	4,274	622-	622-	4,896	4,274	622-
LOCAL TAXES	0.01	0.01	0.01	0.02	0.01	0.02	21	27	6	197	323	127	127	21	197	127
LICENSES & TAXES	0.14	0.00	0.05	0.03	0.05	0.03	72	46	26-	918	597	361-	361-	72	597	361-
<b>TOTAL PROP &amp; RELATED</b>	<b>27.55</b>	<b>28.54</b>	<b>26.34</b>	<b>23.22</b>	<b>26.50</b>	<b>23.95</b>	<b>40,066</b>	<b>36,709</b>	<b>3,357-</b>	<b>470,952</b>	<b>445,829</b>	<b>25,123-</b>	<b>25,123-</b>	<b>470,952</b>	<b>445,829</b>	<b>25,123-</b>

\*\*\*\*\* SUMMARY \*\*\*\*\*  
 CENSUS  
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	Per Patient Day		YTD		YTD		Actual Dollars		YTD	
	October	November	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance
PRIVATE	1.0	1.0	1.1	2.0	1.1	2.0	28-	404	730	326-
COMMERCIAL INS	1.2	0.8	0.5	6.0	0.7	0.0	15	239	0	239
MEDICARE ADVANTAGE	2.5	0.5	0.0	1.0	2.1	31	769	365	404	404
MEDICARE	2.7	3.1	3.6	6.0	4.3	146	1,568	2,190	622-	622-
TOTAL P/I/M	7.4	5.4	5.2	9.0	8.2	161	2,980	3,285	305-	305-
MEDICAID	42.3	43.5	42.0	42.0	40.2	42.0	0	14,653	15,330	677-
HOSPICE	2.0	1.9	2.0	5.0	2.9	5.0	93-	1,045	1,825	780-
OTHER	2.4	0.2	4.7	0.0	1.3	0.0	146	485	0	485
TOTAL PAID CENSUS	54.1	51.1	53.9	56.0	52.5	56.0	65-	19,163	20,440	1,277-

PATIENT REVENUE  
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 ROUTINE REVENUE

PRIVATE	285.00	285.00	285.00	278.22	279.53	278.22	9,690	17,250	7,560-	112,932	203,101	90,169-
COMMERCIAL INS	379.86	379.86	379.86	0.00	381.75	0.00	5,698	0	5,698	91,238	0	91,238
MEDICARE ADVANTAGE	308.70	236.55	0.00	321.67	336.55	321.67	0	9,972	9,972-	258,811	117,408	141,402
MEDICARE PART A	430.31	432.92	398.78	504.71	472.89	501.43	44,664	93,876	49,212-	741,494	1,098,129	356,635-
TOTAL P/I/M ROUTINE	361.60	378.94	372.22	434.04	404.19	431.85	60,052	121,097	61,046-	1,204,475	1,418,638	214,163-
MEDICAID	181.03	181.03	181.03	180.45	181.03	177.66	235,701	234,946	755	2,652,626	2,727,199	74,574-
HOSPICE	186.45	181.03	181.03	191.97	169.10	191.97	11,224	29,786	18,562-	197,606	350,353	152,747-
OTHER	294.59	317.86	318.15	0.00	294.34	0.00	46,450	0	46,450	142,755	0	142,755
TOTAL ROUTINE REVENUE	210.90	202.71	211.51	222.23	219.04	219.97	353,427	385,799	32,373-	4,197,462	4,496,190	298,728-

ANCILLARY REVENUE  
 PRIVATE 0.00 0.00 0.24 1.86 1.78 1.86 8 115 197- 718 1,356 638-  
 COMMERCIAL INS 19.77- 2.83 78.00 0.00 50.77 0.00 1,170 0 1,170 12,135 0 12,135  
 MEDICARE ADVANTAGE 0.00 0.00 0.00 3.88 0.00 3.88 0 120 120- 0 1,418 1,418-  
 MEDICARE PART B 4.01 6.71 3.13 2.54 3.54 2.65 4,882 3,944 936 62,234 48,281 13,953  
 TOTAL ANCILLARY REVENUE 3.38 6.34 3.63 2.41 3.92 2.50 6,060 4,180 1,881 75,087 51,055 24,032

TOTAL PATIENT REVENUE	214.28	209.05	215.13	224.64	222.96	222.47	359,487	389,979	30,492-	4,272,549	4,547,245	274,696-
NON PATIENT REVENUE	0.03	0.01	0.03	0.02	0.03	0.02	54	30	23	627	357	270
TOTAL NET REVENUE	214.31	209.06	215.16	224.66	222.99	222.49	359,541	390,010	30,469-	4,273,175	4,547,601	274,426-

OPERATING EXPENSES  
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NURSING	76.08	74.43	73.73	77.46	74.44	76.87	123,198	134,467	11,269	1,426,574	1,571,153	144,579
ANCILLARY EXP	21.37	18.48	21.12	25.46	24.47	25.61	35,290	44,200	8,909	468,949	523,509	54,560
FOOD RELATED	5.64	7.28	5.54	5.80	6.00	5.80	9,260	10,070	810	114,896	118,564	3,668
OTHER DIETARY	9.37	9.63	9.15	10.20	9.43	10.12	15,290	17,714	2,423	180,761	206,442	26,082
LAUNDRY	4.45	4.40	4.40	4.15	4.31	4.23	7,352	7,201	152-	82,672	86,379	3,707
HOUSEKEEPING	5.98	6.63	6.06	5.89	6.29	6.00	10,126	10,229	102	120,575	122,726	2,151
MAINTENANCE	4.34	5.48	2.90	3.81	4.56	3.80	4,840	6,911	1,771	87,378	77,763	9,616-



OPERATING REPORT SUMMARY	October		November		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance
OTHER	19.78	22.03	14.71	18.52	7.97	15.98	13.51	16.96	13.14	16.60	19,21	19,84	0.63	19,29	19,68	0.39
* TOTAL WAGE RATES *	6.0-	6.0-	7.0	1.0	3.0	2.0	7	1	6-	3	2	1-				
EBITDPM MARGIN	19.78	22.03	14.71	18.52	7.97	15.98	13.51	16.96	13.14	16.60	19,21	19,84	0.63	19,29	19,68	0.39

OPERATING REPORT SUMMARY	October		November		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD		
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance	
G & A	19.78	22.03	14.71	18.52	7.97	15.98	13.51	16.96	13.14	16.60	19,21	19,84	0.63	19,29	19,68	0.39	
MANAGEMENT FEE	13.64	14.71	7.97	15.98	13.51	16.96	13.14	16.60	13.14	16.60	19,21	19,84	0.63	19,29	19,68	0.39	
OTHER OPERATING	15.83	18.52	18.52	16.80	16.96	16.60	16.96	16.60	16.60	16.60	19,21	19,84	0.63	19,29	19,68	0.39	
CONTROLLIABLES	1.67	1.85	0.15	0.19	0.20	0.18	0.17	0.18	0.18	0.18	2,935	3,486	551	34,200	41,809	7,609	
NURSING SUPPL/INCONT	0.15	0.19	0.15	0.19	0.20	0.18	0.17	0.18	0.18	0.18	330	312	18-	3,347	3,672	325	
ACTIVITY SUPPL/INS	5.45	7.05	0.91	0.86	0.63	0.85	0.87	0.86	0.86	0.86	8,819	9,757	939	112,156	114,885	2,730	
RAW FOOD EXPENSE	0.91	0.86	0.23	0.23	0.26	0.16	0.14	0.18	0.18	0.18	1,056	1,491	435	16,623	17,558	935	
DIETARY SUPPLIES	0.19	0.23	0.05	0.00	0.00	0.07	0.06	0.07	0.07	0.07	441	312	129-	2,741	3,679	938	
FOOD SUPPLEMENTS	1.66	2.12	0.38	0.38	0.31	0.31	0.31	0.31	0.31	0.31	0	122	122	0	1,431	1,431	344
LINEX REPLACEMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,229	1,671	442	26,467	19,742	6,725-	
MAINTENANCE & REPAIR	0.00	0.18	0.00	0.18	0.07	0.07	0.22	0.20	0.20	0.20	121	342	221	4,273	4,031	243-	
MINOR EQUIP EXPENSE	0.38	0.58	0.19	0.31	0.21	0.45	0.42	0.45	0.45	0.45	521	752	232	8,099	9,211	1,112	
OFFICE SUPPLIES	0.22	0.19	0.19	0.19	0.21	0.17	0.17	0.17	0.17	0.17	344	288	56-	3,909	3,395	514-	
POSTAGE/OVERNIGHT COU	0.36	0.43	0.36	0.43	0.30	0.42	0.35	0.42	0.42	0.42	494	724	231	6,778	6,530	248	
MARKETING	9.77	10.29	10.29	3.46-	2.25	3.31	3.31	2.22	2.22	2.22	5,775-	3,900	1,875-	63,486	45,472	18,014-	
BAD DEBT	20.81	23.97	23.97	6.29	13.36	14.78	13.38	13.38	13.38	13.38	10,516	23,189	12,673	283,166	273,416	9,750-	
TOTAL CONTROLLIABLES	11.04	13.68	13.68	9.75	11.11	11.46	11.15	11.15	11.15	11.15	16,291	19,259	2,968	219,680	227,943	8,264	
TOT CONTROL-BAD DEBT																	

\*\*\*\*\* Inactive GL Account/Department Combinations Were Found \*\*\*\*\*  
 \*\*\*\*\* Unassigned SKF/Department Combinations Were Found \*\*\*\*\*

CENSUS	Per Patient Day												Actual Dollars			
	October	November	Actual	Budget	YTD Actual	YTD Budget	Actual	Budget	Actual	Budget	Variance	YTD Actual	YTD Budget	YTD Variance		
PRIVATE - C	1.0	1.0	1.1	2.0	1.1	2.0	34	62	26-	404	730	326-				
TOTAL PRIVATE	1.0	1.0	1.1	2.0	1.1	2.0	34	62	26-	404	730	326-				
ADJ MEMO	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	67-	0	67-				
COMMERCIAL INS - C	1.2	0.8	0.5	0.0	0.7	0.0	15	0	15	239	0	239				
TOTAL COMMERCIAL INS	1.2	0.8	0.5	0.0	0.7	0.0	15	0	15	239	0	239				
ADJ MEMO	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	9-	0	9-				
MEDICARE ADVANTAGE - C	2.5	0.5	0.0	1.0	2.1	1.0	0	31	31-	769	365	404				
TOTAL M-CARE ADVANTAGE	2.5	0.5	0.0	1.0	2.1	1.0	0	31	31-	769	365	404				
ADJ MEMO	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	37-	0	37-				
MEDICARE - C	2.7	3.1	3.6	6.0	4.3	6.0	112	186	74-	1,568	2,190	622-				
TOTAL MEDICARE	2.7	3.1	3.6	6.0	4.3	6.0	112	186	74-	1,568	2,190	622-				
ADJ MEMO	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0				
TOTAL P/I/M	7.4	5.4	5.2	9.0	8.2	9.0	161	279	118-	2,980	3,285	305-				
MEDICAID - C	42.3	43.5	42.0	42.0	40.2	42.0	1,302	1,302	0	14,653	15,330	677-				
TOTAL MEDICAID	42.3	43.5	42.0	42.0	40.2	42.0	1,302	1,302	0	14,653	15,330	677-				
ADJ MEMO	0.0	0.0	0.0	0.0	0.3	0.0	0	0	0	95	0	95				
TOTAL VA	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0				
HOSPICE - C	2.0	1.9	2.0	5.0	2.9	5.0	62	155	93-	1,045	1,825	780-				
TOTAL HOSPICE	2.0	1.9	2.0	5.0	2.9	5.0	62	155	93-	1,045	1,825	780-				
ADJ MEMO	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	2-	0	2-				
MANAGED MEDICAID - C	2.4	0.2	4.7	0.0	1.3	0.0	146	0	146	485	0	485				
TOTAL MANAGED MEDICAID	2.4	0.2	4.7	0.0	1.3	0.0	146	0	146	485	0	485				
ADJ MEMO	0.0	0.0	0.0	0.0	0.1	0.0	0	0	0	20	0	20				
TOTAL MEDICAID O-O-S	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0				
TOTAL OTHER	2.4	0.2	4.7	0.0	1.3	0.0	146	0	146	485	0	485				
TOTAL OPERATING CENSUS	54.1	51.1	53.9	56.0	52.5	56.0	1,671	1,736	65-	19,163	20,440	1,277-				
HOLD CENSUS	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0				
TOTAL HOLD	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0				

PATIENT REVENUE	October		November		December		YTD		YTD		YTD		YTD		YTD		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
TOTAL PAID CENSUS	54.1	51.1	53.9	56.0	52.5	56.0	1,671	1,736	65-	19,163	20,440	1,277-						
*****																		
P/P ROUTINE -C	285.00	285.00	285.00	278.22	279.53	278.22	9,690	17,250	7,560-	112,932	203,101	90,169-						
TOTAL P/P ROUTINE	285.00	285.00	285.00	278.22	279.53	278.22	9,690	17,250	7,560-	112,932	203,101	90,169-						
P/P ANCILLARY	0.00	0.00	0.24	1.86	1.78	1.86	8	115	107-	718	1,356	638-						
TOTAL P/P REVENUE	285.00	285.00	285.24	280.08	281.31	280.08	9,698	17,365	7,667-	113,650	204,457	90,807-						
COMM INS ROUTINE-C	269.00	269.00	269.00	0.00	271.74	0.00	4,035	0	4,035	64,947	0	64,947						
COMM INS CONTRACTUAL	110.86	110.86	110.86	0.00	110.01	0.00	1,663	0	1,663	26,291	0	26,291						
TOTAL COMM INS ROUTINE	379.86	379.86	379.86	0.00	381.75	0.00	5,698	0	5,698	91,238	0	91,238						
COMM INS ANCILLARY	19.77-	2.83	78.00	0.00	50.77	0.00	1,170	0	1,170	12,135	0	12,135						
TOTAL COMM INS REVENUE	360.09	382.69	457.86	0.00	432.52	0.00	6,868	0	6,868	103,373	0	103,373						
M/CARE ADV ROUTINE-C	286.36	310.31	0.00	321.67	279.89	321.67	0	9,972	9,972-	215,239	117,408	97,831						
M/CARE ADV CONTRACTUAL	22.33	73.76-	0.00	0.00	56.66	0.00	0	0	0	43,572	0	43,572						
TOTAL M/C ADV ROUTINE	308.70	236.55	0.00	321.67	336.55	321.67	0	9,972	9,972-	258,811	117,408	141,402						
M/CARE ADV ANCILLARY	0.00	0.00	0.00	3.88	0.00	3.88	0	120	120-	0	1,418	1,418-						
TOTAL M/C ADV REVENUE	308.70	236.55	0.00	325.55	336.55	325.55	0	10,092	10,092-	258,811	118,826	139,984						
M/P PART A ROUTINE-C	279.49	279.89	282.00	504.71	280.56	501.43	31,584	93,876	62,292-	439,922	1,098,129	658,207-						
M/P PART A CONTRACTUAL	156.82	153.03	116.78	0.00	192.33	0.00	13,080	0	13,080	301,572	0	301,572						
TOTAL M/P PART A ROUTINE	430.31	432.92	398.78	504.71	472.89	501.43	44,664	93,876	49,212-	741,494	1,098,129	356,635-						
TOTAL M/P PART A REVE	430.31	432.92	398.78	504.71	472.89	501.43	44,664	93,876	49,212-	741,494	1,098,129	356,635-						
M/P PART B ANCILLARY	4.01	6.71	3.13	2.54	3.54	2.65	4,882	3,944	938	62,234	46,281	13,953						
TOTAL M/P PART B REVE	4.01	6.71	3.13	2.54	3.54	2.65	4,882	3,944	938	62,234	46,281	13,953						
TOTAL P/I/M REVENUE	386.33	438.51	410.63	449.02	429.38	447.39	66,112	125,277	59,165-	1,279,562	1,469,692	190,131-						
M/CAID ROUTINE-C	274.06	274.36	274.88	180.45	274.26	177.90	357,891	234,946	122,945	4,016,708	2,727,159	1,291,509						
M/CAID CONTRACTUAL	93.03-	93.33-	93.85-	0.00	93.23-	0.00	1,221,190-	0	1,221,190-	1,366,082-	0	1,366,082-						
TOTAL M/CAID ROUTINE	181.03	181.03	181.03	180.45	181.03	177.90	235,701	234,946	755	2,652,626	2,727,159	74,574-						
TOTAL M/CAID REVENUE	181.03	181.03	181.03	180.45	181.03	177.90	235,701	234,946	755	2,652,626	2,727,159	74,574-						
TOTAL VA ROUTINE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0						
TOTAL VA REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0						
HOSPICE ROUTINE-C	269.00	269.00	269.00	191.97	269.12	191.97	16,678	29,756	13,078-	281,233	350,353	69,120-						
HOSPICE CONTRACTUAL	82.55-	87.97-	87.97-	0.00	80.03-	0.00	5,454-	0	5,454-	83,627-	0	83,627-						
TOTAL HSCP ROUTINE	186.45	181.03	181.03	191.97	189.10	191.97	11,224	29,756	18,532-	197,606	350,353	152,747-						

	Per Patient Day		YTD		YTD		YTD		YTD		YTD		YTD		
	October	November	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
TOTAL RSCG REVENUE	186.45	181.03	181.03	191.97	189.10	191.97	11,224	29,756	18,532-	197,606	350,353	152,747-			
MCD M'CAID ROUTINE-C	272.46	269.00	271.74	0.00	274.31	0.00	39,674	0	39,674	133,041	0	133,041			
MCD M'CAID CONTRACTORA	22.14	48.86	46.41	0.00	20.03	0.00	6,776	0	6,776	9,714	0	9,714			
TOTAL MCD M'CAID ROUT	294.59	317.86	318.15	0.00	294.34	0.00	46,450	0	46,450	142,755	0	142,755			
TOTAL MCD M'CAID REVE	294.59	317.86	318.15	0.00	294.34	0.00	46,450	0	46,450	142,755	0	142,755			
TOTAL M'CAID O-O-S RO	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0			
TOTAL M'CAID O-O-S RE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0			
TOTAL OTHER	294.59	317.86	318.15	0.00	294.34	0.00	46,450	0	46,450	142,755	0	142,755			
TOTAL CONT SERV REVEN	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0			
TOTAL ROUT/ANC REVENU	214.28	209.05	215.13	224.64	222.96	222.47	359,487	389,979	30,492-	4,272,549	4,547,245	274,696-			
TOTAL HOLD REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0			
TOTAL PATIENT REVENUE	214.28	209.05	215.13	224.64	222.96	222.47	359,487	389,979	30,492-	4,272,549	4,547,245	274,696-			
VENDING MACHINE INC	0.01	0.01	0.02	0.01	0.01	0.01	40	22	18	253	256	3-			
CASH DISC EARNED	0.62	0.00	0.01	0.00	0.02	0.00	14	9	5	349	100	248			
MISC INC	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	25	0	25			
TOT NON PATIENT REVEN	0.03	0.01	0.03	0.02	0.03	0.02	54	30	23	627	357	270			
OPERATING EXPENSES															
*****															
NURSING ADMIN	10.23	8.03	8.50	6.12	8.53	6.10	14,195	14,088	107-	163,471	165,498	2,027			
REGISTERED NURSES	28.58	27.38	26.35	19.39	26.97	19.22	47,373	33,669	13,704-	516,806	392,839	123,966-			
LVN/LPN	5.06	5.42	5.08	14.69	6.51	14.56	8,492	57,503	17,011	124,695	297,557	172,863			
AIDES/ORDERLIES	30.54	31.76	30.04	33.25	30.65	32.95	60,202	57,720	7,518	587,403	673,450	86,047			
TOTAL STAFF NURSING	74.41	72.59	71.97	75.45	72.66	74.82	120,262	130,980	10,718	1,392,375	1,529,344	136,970			
TOTAL CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0			
NURSING SUPPLIES	0.93	1.23	0.94	1.08	1.03	1.12	1,563	1,680	317	19,747	22,890	3,142			
INCONT & HEPD RAY	0.06	0.09	0.04-	0.01-	0.02-	0.01-	75-	25-	50	317-	294-	23			
INCONT & FELD EXP	0.75	0.62	0.87	0.94	0.77	0.94	1,447	1,632	185	14,769	15,214	4,444			
TOTAL OTHER NURSING	1.67	1.85	1.76	2.01	1.78	2.05	2,935	3,486	551	34,200	41,809	7,609			
TOTAL NURSING	76.08	74.43	73.73	77.46	74.44	76.87	123,198	134,467	11,269	1,426,574	1,571,153	144,579			
TOTAL SPECIAL SVCS LB	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0			
TOTAL MISC LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0			
REHAB	12.73	13.37	12.82	11.76	14.04	11.91	21,429	20,410	1,019-	269,057	243,405	25,652-			

	Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	October	November	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance
GENERAL SUPPLIES	0.77	0.77	1.08	0.80	0.92	0.80	1,806	1,389	417-	17,691	16,349	1,341-
EQUIPMENT RENT	0.00	0.00	0.00	0.15	0.05	0.15	0	256	258	1,003	3,039	2,036
COMPLEX MEDICAL	1.48	0.98	1.33	1.63	1.23	1.63	2,222	2,836	614	23,522	33,391	9,869
PHARMACY	4.24	1.36	2.53	5.24	4.86	5.24	4,232	9,088	4,856	91,929	107,006	15,077
MED SUPPLIES/OXYGEN	0.97	0.32	0.95	1.13	0.73	1.13	1,591	1,960	368	13,898	23,075	9,177
LAB-XRAY	0.96	0.66	0.91	1.13	1.25	1.13	1,518	1,962	444	23,904	23,104	801-
PHYSICAL THERAPY	0.00	0.00	0.06	0.02	0.02	0.02	107	32	75-	357	377	20
OCCUPATIONAL THERAPY	0.03	0.17	0.04	0.01	0.03	0.01	63	22	42-	588	255	334-
RESPIRATORY THERAPY	0.00	0.02	0.06	0.08	0.03	0.08	105	139	34	646	1,634	988
TV THERAPY	0.00	0.00	0.00	2.55	0.19	2.55	0	4,427	4,427	3,660	52,122	48,462
NUTRITIONAL THERAPY	0.01	0.01	0.04	0.11	0.03	0.11	73	185	112	548	2,183	1,636
MEDICAL SERVICES	0.06	0.47	1.15	0.53	0.98	0.53	1,925	912	1,013-	18,856	10,736	8,120-
MISC PERSONAL	0.13	0.14	0.13	0.33	0.17	0.33	219	580	362	3,290	6,833	3,543
<b>TOTAL ANCILLARY EXP</b>	<b>21.37</b>	<b>18.48</b>	<b>21.12</b>	<b>25.46</b>	<b>24.47</b>	<b>25.61</b>	<b>35,290</b>	<b>44,200</b>	<b>8,909</b>	<b>468,949</b>	<b>523,509</b>	<b>54,560</b>
FOOD SALES	0.24-	0.26-	0.13-	0.18-	0.21-	0.18-	223-	309-	86-	3,953-	3,642-	310
FOOD EXPENSES	5.58	7.13	5.27	5.47	5.89	5.47	8,799	9,496	697	112,651	111,807	1,044-
FOOD SUPPLEMENTS	0.19	0.23	0.26	0.18	0.14	0.18	441	312	129-	2,741	3,679	938
FOOD THICKENED BEVNS	0.11	0.18	0.15	0.33	0.17	0.33	243	571	328	3,257	6,721	3,463
<b>TOTAL FOOD RELATED</b>	<b>5.64</b>	<b>7.28</b>	<b>5.54</b>	<b>5.80</b>	<b>6.00</b>	<b>5.80</b>	<b>9,260</b>	<b>10,070</b>	<b>810</b>	<b>114,896</b>	<b>118,564</b>	<b>3,668</b>
SUPERVISORS	2.32	2.91	2.17	2.40	2.46	2.38	3,626	4,163	537	47,501	48,574	1,072
COOK/KITCHEN HELPERS	5.81	5.65	5.85	6.25	5.63	6.19	9,774	10,841	1,067	107,848	126,493	18,645
DIETARY WAGE津NSFR	0.32	0.19	0.48	0.00	0.44	0.00	806	0	806-	8,438	0	8,438-
KITCHEN SUPPLIES	0.77	0.80	0.59	0.73	0.79	0.73	979	1,266	287	15,233	14,901	332-
KITCHEN REPLACE	0.13	0.06	0.05	0.13	0.07	0.13	78	226	148	1,350	2,657	1,267
REGISTERED DIETICIAN	0.00	0.00	0.00	0.68	0.00	0.68	0	1,188	1,188	0	13,857	13,857
DIETARY-CONTRACT SRV	0.02	0.02	0.02	0.02	0.02	0.02	28	30	2	350	360	10
<b>TOTAL OTHER DIETARY</b>	<b>9.37</b>	<b>9.63</b>	<b>9.15</b>	<b>10.20</b>	<b>9.43</b>	<b>10.12</b>	<b>15,290</b>	<b>17,714</b>	<b>2,423</b>	<b>180,761</b>	<b>206,842</b>	<b>26,082</b>
LINEN REPLACEMENT	0.05	0.00	0.00	0.07	0.06	0.07	0	122	122	1,087	1,431	344
LAUNDRY-CONTRACT SRV	4.40	4.40	4.40	4.08	4.26	4.16	7,352	7,079	273-	81,584	84,948	3,364
<b>TOTAL LAUNDRY EXP</b>	<b>4.45</b>	<b>4.40</b>	<b>4.40</b>	<b>4.15</b>	<b>4.31</b>	<b>4.23</b>	<b>7,352</b>	<b>7,201</b>	<b>152-</b>	<b>82,672</b>	<b>86,379</b>	<b>3,707</b>
HOUSEKEEPING SUPPLIES	0.02	0.11	0.08	0.05	0.03	0.05	132	85	48-	645	998	353
HSKP-CNTR SUPPL/SRV	5.96	6.52	5.98	5.84	6.26	5.96	9,994	10,144	150	119,930	121,728	1,798
<b>TOTAL HOUSEKEEPING</b>	<b>5.98</b>	<b>6.63</b>	<b>6.06</b>	<b>5.89</b>	<b>6.29</b>	<b>6.00</b>	<b>10,126</b>	<b>10,229</b>	<b>102</b>	<b>120,575</b>	<b>122,726</b>	<b>2,151</b>
MAINTENANCE PERSONAL	2.02	2.04	1.92	2.06	2.05	2.04	3,214	3,576	362	39,286	41,719	2,432
MAINT WAGE TRANS	0.00	0.00	0.00	0.00	0.01-	0.00	0	0	0	107-	0	107
MAINTENANCE SUPPLIES	0.01	0.16	0.06	0.05	0.30	0.05	103	80	23-	1,886	941	946-
CONTRACTS-BLDG ETC	0.24	0.77	0.17	0.24	0.39	0.24	276	418	134	7,383	4,917	2,466-
GROUNDS MAINT SUPPL	0.42	0.38	0.09	0.35	0.53	0.36	0	613	613	10,076	7,554	2,722-
EQUIPMENT REE/MAINT	0.53	0.52	0.52	0.65	0.73	0.65	868	1,122	255	13,283	13,283	639-
BUILDING REE/MAINT	1.13	1.64	0.15	0.27	0.56	0.27	258	469	210	10,659	5,519	5,140-
MINOR EQUIP EXPENSE	0.00	0.18	0.07	0.20	0.22	0.20	121	342	221	4,273	4,031	243-
<b>TOTAL MAINTENANCE</b>	<b>4.34</b>	<b>5.48</b>	<b>2.90</b>	<b>3.81</b>	<b>4.56</b>	<b>3.80</b>	<b>4,840</b>	<b>6,611</b>	<b>1,771</b>	<b>87,378</b>	<b>77,763</b>	<b>9,616-</b>
UTILITIES-WATER/SEWR	0.46	1.39	1.11	0.51	0.81	0.52	1,860	885	975-	15,573	10,620	4,953-

	Per Patient Day		YTD		YTD		Actual Excludes		YTD		YTD	
	October	November	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance
UTILITIES-ELECTRIC	1.76	2.12	1.61	1.64	2.06	2.03	2,587	3,188	501	38,275	41,426	3,151
UTILITIES-GAS & OIL	0.78	1.39	1.35	1.93	1.16	1.29	2,291	3,442	1,091	22,240	26,397	4,157
UTILITIES-GARAGE	0.29	0.36	0.21	0.53	0.26	0.59	354	929	575	4,970	11,144	6,174
<b>TOTAL UTILITIES</b>	<b>3.29</b>	<b>5.20</b>	<b>4.28</b>	<b>4.81</b>	<b>4.23</b>	<b>4.38</b>	<b>7,152</b>	<b>8,344</b>	<b>1,191</b>	<b>81,058</b>	<b>89,586</b>	<b>8,528</b>
ACTIVITY WAGES	2.22	2.13	2.06	2.33	2.07	2.31	3,446	4,043	596	39,662	47,173	7,512
RECREATIONAL SUPPLY	0.15	0.19	0.20	0.18	0.17	0.18	330	312	18-	3,347	3,672	325
<b>TOTAL ACTIVITIES</b>	<b>2.37</b>	<b>2.32</b>	<b>2.26</b>	<b>2.51</b>	<b>2.24</b>	<b>2.49</b>	<b>3,776</b>	<b>4,355</b>	<b>579</b>	<b>43,008</b>	<b>50,845</b>	<b>7,837</b>
PHARMACY CONSULTANT	0.16	0.25	0.30	0.39	0.33	0.40	506	674	168	6,387	8,079	1,692
SOCIAL WORKER WAGES	3.18	2.85	2.55	2.93	2.91	2.91	4,263	5,091	829	55,769	59,403	3,634
SOCIAL WORKER CONSULT	0.13	0.12	0.11	0.00	0.10	0.00	180	0	180-	1,935	0	1,935-
MEDICAL DIRECTOR	0.60	0.65	0.60	0.86	0.63	0.88	1,050	1,500	500	12,000	18,000	6,000
OTHER PROF CONSULT	0.02	0.02	0.02	0.01	0.02	0.01	30	15	15-	420	174	246-
<b>TOTAL PROF/CONSULT</b>	<b>4.29</b>	<b>3.89</b>	<b>3.58</b>	<b>4.19</b>	<b>3.99</b>	<b>4.19</b>	<b>5,978</b>	<b>7,280</b>	<b>1,302</b>	<b>76,511</b>	<b>85,655</b>	<b>9,144</b>
VACATION ACCRUAL	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	13	13
HOLIDAY PAY	0.00	3.94	3.52	2.97	1.68	1.54	5,885	5,153	732-	32,135	31,428	707-
STICK PAY	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	6	0	6-
PAID TIME OFF	2.82	6.73	2.32	6.51	3.90	5.25	3,804	11,303	7,419	74,668	107,289	32,541
PTG ACCRUAL	1.84	1.62-	1.81	1.10-	0.87	1.917-	3,025	1,917-	4,942-	16,744	1,713-	18,457-
PAY BENES TRANSFER	0.78	0.83	0.80	0.80	0.79	1.26	1,336	2,204	868	15,230	10,508	4,725
PAYROLL TAXES	8.76	5.53	10.16	9.21	9.25	8.84	16,972	15,686	984-	177,303	180,727	3,425
WORKERS COMP INS	4.81	5.27	6.14	4.70	5.17	4.79	10,268	8,156	2,112-	99,087	97,877	1,210-
W/C OCCUPATIONAL INCE	12.21	0.00	0.99-	0.00	0.93	0.00	994-	0	994-	17,788	0	17,788-
M/C MOD DUTY WAGES	0.84	1.27	1.01	0.49	0.65	0.48	1,687	848	839-	12,550	9,900	2,650-
GROUP MEDICAL INS	4.35	6.14	7.33	7.66	5.61	7.83	12,244	13,336	1,087	107,442	160,032	52,589
SHORT/LONG TERM DISAB	0.32	0.32	0.03	0.14	0.14	0.14	52	242	190	2,706	2,502	196
EMPLOYEE PHYSICALS	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	178	0	178-
RETIRE SAVINGS MATCH	0.00	0.00	1.01	0.00	0.09	0.00	1,688	0	1,688-	12,187	0	1,688-
OTHER BENEFITS	2.34	2.68	20.62-	3.22	0.64	2.47	34,457-	5,596	40,053	1,688	50,408	36,221
<b>TOTAL EXP BENEFITS</b>	<b>39.09</b>	<b>31.06</b>	<b>12.92</b>	<b>35.09</b>	<b>29.73</b>	<b>32.51</b>	<b>21,596</b>	<b>60,909</b>	<b>39,314</b>	<b>569,712</b>	<b>664,521</b>	<b>94,809</b>
STP DEVELOPMENT COORD	3.66	3.04	2.57	2.01	2.59	1.55	4,290	3,489	801-	49,653	40,714	8,939-
STP DEV COORD-WG TRN	0.00	0.00	0.00	0.00	0.03	0.00	0	0	0	503	0	503-
ORIENTATION WAGES	1.53	1.05	1.03	1.10	1.43	1.09	1,725	1,916	190	27,360	22,352	5,007-
EDUCATION/TRAINING	0.38	0.10	0.03	0.15	0.16	0.16	54	268	3,214	3,156	3,218	61
<b>TOTAL TRAINING</b>	<b>5.58</b>	<b>4.19</b>	<b>3.63</b>	<b>3.27</b>	<b>4.21</b>	<b>3.24</b>	<b>6,069</b>	<b>5,673</b>	<b>396-</b>	<b>80,672</b>	<b>66,283</b>	<b>14,388-</b>
ADMISSIONS COORD WAGE	1.27	1.20	1.64	1.49	1.58	1.46	2,746	2,585	161-	30,206	30,236	30
ADM/BUS WAGES	8.48	8.25	8.09	8.86	8.92	8.80	13,520	15,373	1,852	170,914	179,917	9,002
ADM/BUS WAGE TRNSFR	0.55	0.49	0.35	0.00	0.16	0.00	581	0	581-	3,541	0	3,541-
CENTRAL SUPPLY WAGES	0.59	0.66	0.59	0.60	0.47	0.59	985	1,040	55	6,972	12,129	3,157
RECORDS CLERK WAGES	0.79	0.50	0.90	0.87	0.74	0.86	1,506	1,514	8	14,264	17,653	3,400
PROFESSIONAL FEES	0.16	1.65	0.13	0.15	0.42	0.15	225	257	32	7,999	3,080	4,919-
MANAGEMENT FEES	13.64	14.71	7.97	13.21	13.51	13.14	13,323	22,932	9,608	258,884	266,493	9,608
OFF SUPPLY/STATIONERY	0.38	0.58	0.31	0.45	0.42	0.45	521	782	262	8,099	9,211	1,112
OVERNITE/COURIER SRV	0.16	0.14	0.12	0.12	0.14	0.12	196	200	4	2,697	2,359	338-
US MAIL-POSTAGE	0.05	0.05	0.05	0.05	0.06	0.05	148	88	60-	1,212	1,036	176-

	Per Patient Day				Actual Dollars				
	October	November	Actual	Budget	YTD Actual	YTD Budget	Actual	Budget	YTD Variance
COMPUTER RELATED EXP	0.24	0.09	0.17	0.18	0.20	0.18	291	314	23
TELEPHONE	1.50	1.83	1.60	1.40	1.64	1.42	2,677	2,423	254-
RECRUITMENT/HELP WNTD	0.20	0.19	0.15	0.62	0.21	0.64	272	1,082	810
ADVERTISING	0.08	0.04	0.04	0.06	0.06	0.06	63	100	37
MARKETING/REFERRAL DE	0.28	0.39	0.26	0.36	0.22	0.36	431	625	194
INSURANCE	5.78	6.32	6.94-	5.65	4.98	5.76	11,590-	9,805	21,395
TRAVEL	0.06	0.17	0.10	0.19	0.18	0.19	169	326	157
BAD DEBT EXPENSE	9.77	10.29	3.46-	2.25	3.31	2.22	5,775-	3,900	9,675
COLLECTION EXPENSE	0.00	0.00	0.00	0.02	0.00	0.02	0	36	36
DUES & SUBSCRIPTIONS	0.47	0.86	0.41	0.66	0.61	0.67	688	1,141	453
PROVIDER TAXES	11.35	11.05	11.34	12.36	11.93	12.24	18,944	21,451	2,507
MISC GEN & ADMIN	0.04	0.07	39.32	0.22	3.45	0.23	65,700	384	65,316-
<b>TOTAL GEN &amp; ADMIN</b>	<b>55.83</b>	<b>59.33</b>	<b>63.21</b>	<b>49.74</b>	<b>53.39</b>	<b>49.63</b>	<b>105,621</b>	<b>86,355</b>	<b>19,266-</b>
<b>TOTAL OPERATING EXPEN</b>	<b>237.67</b>	<b>232.34</b>	<b>212.78</b>	<b>232.38</b>	<b>227.30</b>	<b>228.87</b>	<b>355,549</b>	<b>403,407</b>	<b>47,857</b>
RENT - BUILDING	16.27	17.81	16.33	15.92	17.08	16.16	27,262	27,645	363
RENT - EQUIPMENT	0.17	0.18	0.18	0.07	0.17	0.07	293	119	174-
PROPERTY TAXES	2.36	2.58	2.37	2.30	2.51	2.35	3,956	4,000	44
DEPRECIATION	1.20-	2.74	2.53	3.73	3.77	4.41	4,227	6,471	2,244
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
INTEREST INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
INSURANCE - PROPERTY	0.24	0.26	0.42	0.22	0.27	0.22	706	381	325-
LOCAL TAXES	0.01	0.02	0.02	0.01	0.01	0.01	26	18	8-
LICENSES & TAXES	0.00	0.46	0.00	0.05	0.07	0.05	0	85	85
<b>TOTAL PROP &amp; RELATED</b>	<b>17.85</b>	<b>24.04</b>	<b>21.84</b>	<b>22.30</b>	<b>23.90</b>	<b>23.27</b>	<b>36,490</b>	<b>38,719</b>	<b>2,229</b>

\*\*\*\*\* Inactive GI Account/Department Combinations Were Found \*\*\*\*\*  
 \*\*\*\*\* Unassigned SNF/Department Combinations Were Found \*\*\*\*\*

CENSUS	***** SUMMARY *****		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD	
	March	April	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget
PRIVATE	2.0	0.5	1.0	0.0	0.2	0.0	31	0	31	25	0	25	0	
COMMERCIAL INS	0.6	1.0	1.0	2.0	0.6	2.0	31	62	31	85	304	219	164	
MEDICARE ADVANTAGE	2.4	2.1	1.7	3.0	1.9	3.0	53	93	40	292	456	164	578	
MEDICARE	5.3	1.3	1.7	4.0	3.6	3.8	54	124	20	549	29	29	437	
TOTAL P/I/M	10.2	3.5	5.5	9.0	5.9	8.8	169	279	110	901	1,338	437	891	
MEDICAID	41.1	48.9	46.4	40.0	45.5	39.6	1,438	1,240	198	6,911	6,020	112	105	
HOSPICE	2.4	2.0	2.0	3.0	2.3	3.0	62	93	31	344	456	105	447	
OTHER	0.5	0.8	0.4	0.0	0.7	0.0	11	0	11	105	0	105	0	
TOTAL PAID CENSUS	54.2	55.3	54.2	52.0	54.4	51.4	1,680	1,612	68	8,261	7,814	447	447	
PATIENT REVENUE														
*****														
ROUTINE REVENUE	283.48	282.00	252.00	0.00	289.59	0.00	8,742	0	8,742	9,267	0	9,267	0	
PRIVATE	379.86	379.86	379.86	382.00	379.86	382.00	11,776	23,684	11,908	32,288	116,128	83,840	23,915	
COMMERCIAL INS	353.28	360.33	322.96	351.75	301.09	351.75	17,117	17,117	15,596	87,917	160,397	72,480	20,337	
MEDICARE ADVANTAGE	393.57	346.37	388.75	424.73	405.88	426.70	21,532	52,667	31,135	222,826	243,163	185,923	57,240	
MEDICARE PART A	362.02	379.93	350.10	390.91	373.34	388.41	59,167	109,063	49,897	333,765	519,668	193,829	18,345	
TOTAL P/I/M ROUTINE	187.24	187.15	187.49	181.62	187.12	181.62	269,605	225,209	44,399	1,293,182	1,093,352	193,829	23,915	
HOSPICE	216.01	187.50	192.97	197.06	191.70	197.06	11,964	18,327	6,362	65,945	89,859	23,915	18,345	
OTHER	292.60	311.00	392.82	0.00	174.80	0.00	4,321	0	4,321	16,354	0	16,354	0	
TOTAL ROUTINE REVENUE	217.10	201.34	205.39	218.73	207.32	217.93	345,061	352,599	7,538	1,711,245	1,702,900	8,345	8,345	
ANCILLARY REVENUE														
PRIVATE	0.28	0.00	2.11	0.00	46.24	0.00	66	0	66	1,460	0	1,460	0	
COMMERCIAL INS	61.18	41.90	147.55	56.29	108.39	56.29	4,574	3,490	1,084	9,213	17,113	7,900	5,581	
MEDICARE PART B	0.05	0.34	4.65	3.51	2.47	3.40	7,562	5,226	2,336	19,053	24,635	5,581	12,001	
TOTAL ANCILLARY REVENUE	0.59	1.09	7.26	5.41	3.60	5.34	12,202	8,716	3,486	29,746	41,747	12,001	12,001	
HOLDING REVENUE	0.00	0.00	0.00	0.00	187.10	0.00	0	0	0	1,310	0	1,310	0	
TOTAL PATIENT REVENUE	217.29	202.43	212.66	224.14	211.09	223.27	357,262	361,315	4,053	1,742,301	1,744,647	2,346	2,346	
NON PATIENT REVENUE	0.03	0.04	0.04	0.04	0.04	0.04	73	59	14	311	299	21	21	
TOTAL NET REVENUE	217.32	202.47	212.70	224.18	211.12	223.31	357,335	361,374	4,039	1,742,612	1,744,936	2,325	2,325	
OPERATING EXPENSES														
*****														
NURSING	69.93	69.96	71.10	76.50	71.26	76.61	119,432	123,321	3,889	588,202	598,616	10,414	10,414	
ANCILLARY EXP	19.89	21.45	18.98	44.62	20.99	44.37	31,691	71,928	40,237	173,271	246,672	173,401	4,592	
FOOD RELATED	5.16	5.68	7.15	5.86	6.10	5.86	12,017	9,446	2,570	50,382	45,790	4,592	1,990	
OTHER DIETARY	8.90	9.34	10.13	10.24	9.49	10.28	17,026	16,509	516	78,337	80,327	1,990	427	
LAUNDRY	4.40	4.49	4.40	4.47	4.42	4.61	7,592	7,210	382	36,459	36,031	427	559	
HOUSEKEEPING	5.76	5.87	5.78	6.09	5.92	6.32	9,704	9,813	108	48,862	49,421	559	559	
MAINTENANCE	2.76	5.71	6.31	4.57	4.43	4.57	10,604	7,368	3,236	36,575	35,736	840	840	

	March		April		Actual		YTD		YTD		Actual Dollars		YTD		YTD		
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance	
UTILITIES	3.92	4.31	3.70	4.38	4.26	4.68	6,212	7,053	841	35,176	36,567	1,391	1,391	2,448	1,391	1,057	
ACTIVITIES	2.07	1.97	2.40	2.53	2.12	2.56	4,026	4,082	56	17,517	19,965	2,448	1,396	1,396	0	0	
PROF/CONSULTANTS	4.18	3.91	3.81	4.28	3.95	4.35	6,399	6,901	502	32,626	34,022	1,396	1,396	1,117	1,117	0	
EMPLOYEE BENEFITS	31.95	27.56	39.32	39.81	39.67	39.10	66,051	64,173	1,878	294,443	305,560	11,117	11,117	5,184	5,184	0	
TRAINING	3.42	3.71	4.15	2.80	3.30	2.83	6,976	4,513	2,462	27,267	22,084	5,184	5,184	0	0	0	
GEN-ADMIN	53.08	55.71	50.25	53.28	52.30	54.51	84,428	85,893	1,465	431,694	425,959	5,736	5,736	0	0	0	
OPERATING EXPENSES	215.43	219.66	227.49	259.44	224.23	260.65	382,177	418,210	36,033	1,850,810	2,036,748	185,938	185,938	0	0	0	
OPER INC B/F PROP	1.89	17.19	14.79	35.26	13.11	37.34	24,842	56,836	31,994	108,198	291,811	183,613	183,613	0	0	0	
PROPERTY TAX	2.50	2.53	2.50	2.67	2.54	2.75	4,200	4,300	100	21,000	21,500	500	500	0	0	0	
INSURANCE PROPERTY	0.29	0.29	0.29	0.30	0.29	0.31	486	487	1	2,430	2,433	3	3	0	0	0	
LOAN TAXES	0.01	0.01	0.01	0.00	0.01	0.00	18	0	18	93	0	93	93	0	0	0	
LICENSE AND TAXES	0.24	0.00	0.00	0.07	0.08	0.07	0	105	105	640	525	115	115	0	0	0	
OTHER PROPERTY	3.05	2.83	2.80	3.03	2.93	3.13	4,704	4,892	188	24,162	24,458	296	296	0	0	0	
OPER INC (EBITDAR)	1.16	20.02	17.59	38.29	16.04	40.47	29,545	61,727	32,182	132,360	316,269	183,909	183,909	0	0	0	
DEPRECIATION/AMORT	2.49	2.51	2.48	5.23	2.53	5.86	4,174	8,437	4,263	20,898	45,756	24,858	24,858	0	0	0	
RENT - BLDG	16.25	16.44	5.45	19.14	14.33	17.91	5,158	30,854	21,697	118,286	139,983	21,697	21,697	45	45	0	
RENT - EQUIP	0.17	0.18	0.14	0.17	0.17	0.17	232	273	41	1,412	1,367	29	29	0	0	0	
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0	6	6	0	29	29	29	0	0	0	
INTEREST INCOME	0.00	0.00	0.01	0.06	0.00	0.00	9	0	9	9	1	1	1	0	0	0	
OTHER FIXED	18.91	19.14	8.07	24.55	17.03	23.95	13,555	39,570	26,015	140,588	187,135	46,547	46,547	0	0	0	
*EBT *	20.07	39.16	25.65	62.84	33.07	64.42	43,100	101,297	58,197	272,948	503,404	230,456	230,456	0	0	0	
*NET FIN INC(L) *	20.07	39.16	25.65	62.84	33.07	64.42	43,100	101,297	58,197	272,948	503,404	230,456	230,456	0	0	0	
EBITDAR	10.18	9.27	6.17	26.40	4.84	28.65	10,372	42,854	32,482	39,976	223,885	183,909	183,909	0	0	0	
NSG REGULAR LABOR	64.72	63.59	64.41	74.69	65.12	74.80	108,209	120,403	12,193	537,472	584,478	46,998	46,998	0	0	0	
NSG PREMIUM LABOR	3.33	3.47	4.46	0.60	4.08	0.00	7,497	0	7,497	33,712	0	33,712	33,712	0	0	0	
OTHER ROUTINE LABOR	30.07	29.20	30.11	30.03	29.67	30.30	50,591	48,405	2,186	244,932	236,750	8,181	8,181	0	0	0	
OTHER PREMIUM LABOR	0.05	0.03	0.19	0.00	0.08	0.00	327	0	327	687	0	687	687	0	0	0	
*TOTAL LABOR *	98.17	96.29	99.18	104.72	98.96	105.10	166,625	168,808	2,183	816,802	821,220	4,418	4,418	0	0	0	
LABOR & BENEFITS % OF NET REVENUE	60.0	61.0	65.0	64.0	64.0	65.0	63	64	1	64	65	1	1	0	0	0	
REGULAR NSG HOURS	3.08	2.92	3.22	3.41	3.04	3.42	5,413	5,504	91	25,099	26,699	1,600	1,600	0	0	0	
OVERTIME NSG HOURS	0.27	0.34	0.14	0.00	0.30	0.00	231	0	231	2,471	0	2,471	2,471	0	0	0	
OTHER ROUTINE HOURS	1.53	1.51	1.59	1.58	1.53	1.59	2,665	2,544	121	12,650	12,418	232	232	0	0	0	
*TOTAL HOURS *	4.88	4.76	4.95	4.99	4.87	5.01	8,309	8,048	261	40,220	39,117	1,103	1,103	0	0	0	
WAGE RATES							20.50	21.88	1.38	20.72	21.89	1.17	1.17	0	0	0	
NURSING							19.10	19.03	0.07	19.42	19.06	0.36	0.36	0	0	0	
OTHER																	

	March		April		Per Patient Day		YTD		YTD		YTD		YTD		YTD	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance
* TOTAL WAGE RATES *	5.0	5.0	5.0	5.0	3.0	3.0	12.0	12.0	2.0	2.0	13.0	13.0	3.0	3.0	12.0	13.0
BRIDGMAN MARGIN	5.0	5.0	5.0	5.0	3.0	3.0	12.0	12.0	2.0	2.0	13.0	13.0	3.0	3.0	12.0	13.0
OPERATING REPORT SUMMARY																
G & A	24.37	25.74	27.97	27.17	27.17	25.37	26.03	46,998	43,802	3,196	209,391	219,034	9,642	24.37	25.74	27.97
MANAGEMENT FEE	11.34	10.76	11.41	11.89	11.19	11.19	11.82	19,173	19,173	0	92,385	92,385	0	11.34	10.76	11.41
OTHER OPERATING	15.45	16.86	15.61	17.47	16.44	16.44	18.17	26,722	28,161	1,939	135,699	141,963	6,264	15.45	16.86	15.61
CONTROLLABLES																
NURSING SUPPLY/INCONT	1.89	2.90	2.23	1.81	2.06	1.81	3,745	2,918	827	17,018	14,146	2,872	1.89	2.90	2.23	
ACTIVITY SUPPLIES	0.14	0.13	0.18	0.18	0.15	0.16	307	284	23	1,294	1,377	123	0.14	0.13	0.18	
RAW FOOD EXPENSE	4.94	5.49	6.88	3.76	5.89	5.76	11,585	9,285	2,270	48,641	45,009	3,632	4.94	5.49	6.88	
DIETARY SUPPLIES	0.61	0.72	1.09	0.90	0.82	0.90	1,834	1,431	383	6,758	7,033	275	0.61	0.72	1.09	
FOOD SUPPLEMENTS	0.22	0.19	0.27	0.10	0.21	0.10	462	161	301	1,741	781	959	0.22	0.19	0.27	
LINEN REPLACEMENT	0.00	0.00	0.00	0.07	0.00	0.07	0	113	113	0	547	547	0	0.00	0.00	0.00
MAINTENANCE & REPAIR	0.51	2.14	2.98	1.17	1.48	1.17	5,001	1,882	3,119	12,197	9,172	3,024	0.51	2.14	2.98	
MINOR EQUIP EXPENSE	0.07	0.30	0.18	0.28	0.09	0.28	302	445	143	706	2,158	1,452	723	0.07	0.30	0.18
OFFICE SUPPLIES	0.23	0.31	0.30	0.45	0.34	0.45	498	728	230	2,806	3,529	723	0.23	0.31	0.30	
POSTAGE/OVERNIGHT COU	0.18	0.17	0.23	0.20	0.20	0.20	382	329	53	1,620	1,595	26	0.18	0.17	0.23	
MARKETING	0.16	0.14	0.56	0.37	0.26	0.69	941	594	347	2,110	3,267	1,157	0.16	0.14	0.56	
BAD DEBT	5.41	8.52	0.11	2.47	4.12	2.46	190	3,974	3,784	33,968	19,191	14,777	5.41	8.52	0.11	
<b>TOTAL CONTROLLABLES</b>	<b>14.22</b>	<b>21.01</b>	<b>15.01</b>	<b>13.75</b>	<b>15.61</b>	<b>14.07</b>	<b>25,217</b>	<b>22,165</b>	<b>3,053</b>	<b>128,819</b>	<b>109,915</b>	<b>18,904</b>	<b>14.22</b>	<b>21.01</b>	<b>15.01</b>	
TOT CONTROL-BAD DEBT	8.81	12.50	14.90	11.28	11.49	11.61	25,027	18,190	6,837	94,851	90,724	4,127	8.81	12.50	14.90	

\*\*\*\*\* Unassigned SKF/Department Combinations Were Found \*\*\*\*\*





	March		April		Per Patient Day		YTD		YTD		YTD		Actual Dollars		YTD		YTD		
	MD M'CAID CONTRACTUA	588.20-	12.00	110.82	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance		
TOTAL MED M'CAID ROBT	292.60-	311.00	392.82	0.00	0.00	174.80	0.00	4,321	0	0	4,321	18,354	0	11,970-	18,354	0	18,354	11,970-	
TOTAL MED M'CAID REVE	292.60-	311.00	392.82	0.00	0.00	174.80	0.00	4,321	0	0	4,321	18,354	0	11,970-	18,354	0	18,354	11,970-	
TOTAL M'CAID O-O-S RO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	
TOTAL M'CAID O-O-S RE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	
TOTAL M'CAID O-O-S RE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	
TOTAL OTHER	292.60-	311.00	392.82	0.00	0.00	174.80	0.00	4,321	0	0	4,321	18,354	0	11,970-	18,354	0	18,354	11,970-	
TOTAL CONT SERV REVEN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	
TOTAL ROBT/ANC REVENU	217.69	202.43	212.66	224.14	210.93	223.27	357,262	361,315	4,053-	1,740,991	1,744,647	3,656-	1,310	1,310	0	1,310	0	1,310	
E/P HOLD REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL HOLD REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PATIENT REVENUE	217.69	202.43	212.66	224.14	210.93	223.27	357,262	361,315	4,053-	1,742,301	1,744,647	2,346-	1,310	1,310	0	1,310	0	1,310	
VENDING MACHINE INC	0.02	0.02	0.01	0.01	0.02	0.01	25	17	6	176	82	94	124	208	11	11	0	84-	
CASH DISC EARNED	0.01	0.03	0.03	0.03	0.02	0.03	47	42	6	124	208	84-	11	11	0	11	0	84-	
MISC INC	0.01	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	
TOT NON PATIENT REVEN	0.03	0.04	0.04	0.04	0.04	0.04	73	59	14	311	290	21	311	290	0	290	0	21	
OPERATING EXPENSES																			
*****																			
NURSING ADMIN	8.52	8.99	8.66	9.22	8.48	9.33	14,549	14,869	320	69,977	72,906	2,929	42,160	48,941	6,781	149,671	126,269	88,151	64,979-
REGISTERED NURSES	24.93	23.33	25.09	19.15	26.01	19.15	10,058	26,053	15,995	38,138	235,604	12,815-	48,941	48,604	337-	248,419	235,604	12,815-	12,815-
LVN/LPN	4.72	4.96	5.99	16.16	4.62	16.16	48,941	48,604	337-	571,183	584,470	13,287	48,941	48,604	337-	571,183	584,470	13,287	13,287
AIDS/ORDERLIES	29.87	29.78	29.13	30.15	30.10	30.15	115,707	120,403	4,696	571,183	584,470	13,287	48,941	48,604	337-	571,183	584,470	13,287	13,287
TOTAL STAFF NURSING	68.04	67.06	68.87	74.69	69.20	74.80	115,707	120,403	4,696	571,183	584,470	13,287	48,941	48,604	337-	571,183	584,470	13,287	13,287
TOTAL CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
NURSING SUPPLIES	0.94	1.96	1.10	1.06	1.16	1.06	1,652	1,709	143-	9,555	8,284	1,271-	1,652	1,709	75	147-	147-	222-	222-
INCONT & FEED REV	0.05	0.00	0.00	0.02-	0.01	0.02-	0-	30-	30-	75	147-	222-	0-	30-	75	147-	147-	222-	222-
INCONT & FEED EXP	0.90	0.94	1.13	0.77	0.90	0.77	1,893	1,240	653-	7,388	6,009	1,379-	1,893	1,240	653-	7,388	6,009	1,379-	1,379-
TOTAL OTHER NURSING	1.89	2.90	2.23	1.81	2.06	1.81	3,745	2,918	827-	17,018	14,146	2,872-	3,745	2,918	827-	17,018	14,146	2,872-	2,872-
TOTAL NURSING	69.93	69.96	71.10	76.50	71.26	76.61	119,452	123,321	3,869	588,202	598,616	10,414	119,452	123,321	3,869	588,202	598,616	10,414	10,414
TOTAL SPECIAL SVCS LB	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MISC LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
REHAB	9.15	9.35	12.52	10.22	10.96	10.12	21,028	45,718	27,691	90,481	235,345	144,865	21,028	45,718	27,691	90,481	235,345	144,865	144,865
CENTRAL SUPPLIES	0.96	1.00	0.95	1.06	0.98	1.04	1,552	1,702	110	8,060	8,160	100	1,552	1,702	150	8,060	8,160	100	100
EQUIPMENT RENT	0.05	0.13	0.13	0.10	0.06	0.10	218	165	51-	508	792	284	218	165	51-	508	792	284	284

	Per Patient Day				Actual Dollars								
	March		April		YTD		YTD						
	Actual	Budget	Actual	Budget	Actual	Budget	Variance	Actual					
COMPLEX MEDICAL	1.59	1.80	0.77	1.34	1.42	1.32	1.32	1,294	2,153	559	11,691	10,324	1,367
PHARMACY	6.39	5.86	2.80	7.17	4.96	7.09	7.09	4,711	11,555	6,845	40,941	55,416	14,475
MD SUPPLIES/OXYGEN	0.35	0.84	0.48	0.94	0.74	0.93	0.93	802	1,524	712	6,121	7,261	1,139
LAB-XRAY	0.78	1.29	0.64	1.56	1.00	1.55	1.55	1,061	2,523	1,442	8,277	12,098	3,821
PHYSICAL THERAPY	0.04	0.00	0.00	0.03	0.01	0.03	0.03	0	50	50	71	241	170
OCCUPATIONAL THERAPY	0.01	0.02	0.00	0.03	0.01	0.03	0.03	0	50	50	102	241	139
RESPIRATORY THERAPY	0.00	0.03	0.00	0.05	0.01	0.05	0.05	0	82	82	57	395	338
IV THERAPY	0.02	0.20	0.00	0.35	0.04	0.35	0.35	0	566	566	367	2,715	2,346
NUTRITIONAL THERAPY	0.03-	0.00	0.01	0.09	0.01	0.09	0.09	12	141	128	68	674	606
MEDICAL SERVICES	0.25	0.79	0.50	1.49	0.65	1.47	1.47	847	2,401	1,554	5,325	11,518	6,192
MISC PERSONAL	0.13	0.14	0.18	0.19	0.15	0.14	0.14	309	308	1-	1,262	1,491	250
<b>TOTAL ANCILLARY EXP</b>	<b>19.99</b>	<b>21.45</b>	<b>18.98</b>	<b>44.62</b>	<b>20.99</b>	<b>44.37</b>	<b>44.37</b>	<b>31,891</b>	<b>71,928</b>	<b>40,037</b>	<b>173,271</b>	<b>346,672</b>	<b>173,401</b>
FOOD SALES	0.15-	0.16-	0.22-	0.16-	0.18-	0.18-	0.18-	369-	290-	79	1,486-	1,407-	79
FOOD EXPENSES	4.95	5.50	6.97	5.69	5.93	5.69	5.69	11,716	9,172	2,544-	48,905	44,462	4,443-
FOOD SUPPLEMENTS	0.22	0.19	0.27	0.10	0.21	0.10	0.10	462	161	301-	1,741	781	959-
FOOD THICKENER BEVERA	0.14	0.15	0.12	0.25	0.15	0.25	0.25	207	403	196	1,221	1,954	732
<b>TOTAL FOOD RELATED</b>	<b>5.16</b>	<b>5.68</b>	<b>7.15</b>	<b>5.86</b>	<b>6.10</b>	<b>5.86</b>	<b>5.86</b>	<b>12,017</b>	<b>9,446</b>	<b>2,570-</b>	<b>50,382</b>	<b>45,790</b>	<b>4,592-</b>
SUPERVISORS	2.44	2.58	2.32	2.54	2.41	2.57	2.57	3,902	4,101	199	19,884	20,110	226
COOK/KITCHEN HELPERS	5.48	5.56	6.08	6.05	5.73	6.05	6.05	10,220	9,752	468-	47,321	47,274	47-
DIETARY WAGE TRNSFR	0.36	0.47	0.62	0.50	0.51	0.50	0.50	1,042	1,042	0	4,234	0	4,234-
KITCHEN SUPPLIES	0.61	0.65	1.00	0.76	0.75	0.76	0.76	1,686	1,225	461-	6,284	5,939	265-
KITCHEN REPAIR	0.00	0.07	0.09	0.09	0.14	0.14	0.14	147	226	78	554	1,094	540
REGISTERED DIETITIAN	0.00	0.00	0.00	0.73	0.00	0.74	0.74	0	1,177	1,177	0	5,770	5,770
DIETARY-CONTRACT SRV	0.02	0.02	0.02	0.02	0.02	0.02	0.02	28	28	0	140	140	0
<b>TOTAL OTHER DIETARY</b>	<b>8.90</b>	<b>9.34</b>	<b>10.13</b>	<b>10.24</b>	<b>9.49</b>	<b>10.28</b>	<b>10.28</b>	<b>17,026</b>	<b>16,509</b>	<b>516-</b>	<b>78,337</b>	<b>80,327</b>	<b>1,990</b>
LINEN REPLACEMENT	0.00	0.00	0.00	0.07	0.00	0.07	0.07	0	113	113	0	547	547
LAUNDRY-CONTRACT SRV	4.40	4.49	4.40	4.40	4.42	4.54	4.54	7,392	7,097	295-	36,459	35,484	974-
<b>TOTAL LAUNDRY EXP</b>	<b>4.40</b>	<b>4.49</b>	<b>4.40</b>	<b>4.47</b>	<b>4.42</b>	<b>4.61</b>	<b>4.61</b>	<b>7,392</b>	<b>7,210</b>	<b>182-</b>	<b>36,459</b>	<b>36,031</b>	<b>427-</b>
HOUSEKEEPING SUPPLIES	0.03	0.06	0.04	0.02	0.04	0.02	0.02	73	31	42-	342	151	191-
HSKR-CONTR SUPPL/SRV	5.74	5.81	5.73	6.07	5.88	6.31	6.31	9,631	9,781	150	48,526	49,269	750
<b>TOTAL HOUSEKEEPING</b>	<b>5.76</b>	<b>5.87</b>	<b>5.78</b>	<b>6.09</b>	<b>5.92</b>	<b>6.32</b>	<b>6.32</b>	<b>9,704</b>	<b>9,813</b>	<b>108</b>	<b>48,862</b>	<b>49,421</b>	<b>559</b>
MAINTENANCE PERSONAL	2.08	2.05	2.43	2.06	2.10	2.05	2.05	4,084	3,327	758-	17,338	16,312	1,026-
PAINT WAGE TRNS	0.00	0.00	0.02-	0.00	0.01-	0.00	0.00	36-	0	36	87-	0	87-
MAINTENANCE SUPPLIES	0.06	0.17	0.02	0.10	0.07	0.10	0.10	28	162	133	573	783	210
CONTRACTS-BLDG ETC	0.12	0.86	0.39	0.39	0.40	0.40	0.40	652	621	31-	3,327	3,104	223-
GOODS MAINT SUPPL	0.12	0.36	0.36	0.68	0.37	0.64	0.64	600	1,093	493	3,095	4,969	1,894
EQUIPMENT REP/MAINT	0.20	1.14	0.32	0.66	0.66	1.050	1.050	546	1,050	504	4,608	5,139	532
BUILDING REP/MAINT	0.25	0.83	2.64	0.42	0.85	0.42	0.42	4,427	670	3,757-	7,016	3,250	3,766-
MINOR EQUIP EXPENSE	0.07-	0.30	0.16	0.28	0.09	0.28	0.28	392	445	143	706	2,158	3,766-
<b>TOTAL MAINTENANCE</b>	<b>2.76</b>	<b>5.71</b>	<b>6.31</b>	<b>4.57</b>	<b>4.43</b>	<b>4.57</b>	<b>4.57</b>	<b>10,604</b>	<b>10,604</b>	<b>3,236</b>	<b>36,575</b>	<b>35,736</b>	<b>840-</b>
UTILITIES-WATER/SEWR	0.67	0.82	0.77	0.72	0.83	0.74	0.74	1,286	1,153	133-	6,841	5,767	1,074-
UTILITIES-ELECTRIC	1.45	1.69	1.87	2.02	1.74	1.86	1.86	3,138	3,264	126	14,386	14,530	144
UTILITIES-GAS & OIL	1.59	1.53	0.79	1.36	1.44	1.80	1.80	1,327	2,195	868	11,887	14,069	2,182

	Per Patient Day				Actual Dollars			
	March	April	Actual	Budget	YTD Actual	YTD Budget	Actual	Variance
UTILITIES-GARBAGE	0.22	0.28	0.27	0.27	461	440	21-	17
TOTAL UTILITIES	3.92	4.31	3.70	4.38	6,212	7,053	841	35,176
ACTIVITY WAGES	1.93	1.83	2.21	2.36	3,719	3,798	79	16,263
RECREATIONAL SUPPLY	0.14	0.13	0.18	0.18	307	284	23-	1,254
TOTAL ACTIVITIES	2.07	1.97	2.40	2.53	4,026	4,082	56	17,517
PHARMACY CONSULTANT	0.40	0.23	0.32	0.35	544	565	22	2,516
SOCIAL WORKER WAGES	3.05	2.95	2.84	2.91	4,765	4,691	74-	24,270
SOCIAL WORKER CONSULT	0.11	0.11	0.05	0.06	96	100	10	720
MEDICAL DIRECTOR	0.60	0.60	0.60	0.93	1,000	1,500	500	5,000
OTHER PROF CONSULT	0.02	0.02	0.00	0.03	0	44	44	120
TOTAL PROF/CONSULT	4.18	3.91	3.81	4.28	6,399	6,901	502	32,626
VACATION PAY	0.00	0.05	0.03	0.00	49	0	49-	132
VACATION ACCRUAL	0.01	0.04-	0.02	0.00	36	0	36-	10-
HOLIDAY PAY	0.00	0.00	0.00	0.00	5,858	5,344	514-	11,689
PAID TIME OFF	1.79	2.91	5.69	3.32	9,565	3,718	5,847-	35,756
PRO ACCRUAL	1.41	1.38	0.38-	2.90	643-	4,668	5,311	4,464
PAY BENES TRANSFER	0.87	0.29	0.36	0.76	606	1,233	627	5,797
PAYROLL TAXES	9.91	8.89	9.61	9.12	16,141	14,696	1,445-	81,168
WORKERS COMP INS	11.47	11.60	11.46	11.94	19,250	15,249	1-	96,233
M/C-OCCUPATIONAL INCE	0.00	6.44-	0.00	0.00	0	0	0	10,684
M/C MOD DUTY WAGES	0.00	0.46	0.43	0.44	724	702	22-	3,417
GROUP MEDICAL INS	3.40	5.60	5.77	6.04	9,693	9,743	50	41,638
SHORT/LONG TERM DISAB	0.23	0.02	0.02	0.15	35	246	210	572
EMPLOYER PHYSICALS	0.00	0.00	0.00	0.02	0	26	26	0
RETIRE SAVINGS MATCH	0.18	0.00	0.00	0.14	0	0	0	1,137
OTHER BENEFITS	2.69	2.82	2.82	2.82	4,731	4,548	183-	22,857
TOTAL EXP BENEFITS	31.95	27.56	39.32	39.81	66,051	64,173	1,878-	294,443
STP DEVELOPMENT COORD	2.76	2.70	1.05	1.88	1,761	3,032	1,271	17,785
ORIENTATION WAGES	0.64	1.01	3.10	0.77	5,214	1,233	3,981-	9,197
EDUCATION/TRAINING	0.02	0.00	0.00	0.15	0	248	248	285
TOTAL TRAINING	3.42	3.71	4.15	2.80	6,976	4,513	2,462-	27,267
PROGRAM COORD WAGES	0.18	0.12	0.18	0.00	302	0	302-	804
ADMISSIONS COORD WAGE	1.22	0.15	0.15	0.12	250	159	51-	6,338
ADM/BUS WAGES	8.19	7.57	7.28	6.89	12,226	14,386	2,110	62,131
CENTRAL SUPPLY WAGES	0.61	0.51	0.48	0.00	811	0	811-	5,780
RECORDS CLERK WAGES	0.62	0.82	0.83	0.65	1,393	1,041	352-	5,773
PROFESSIONAL FEES	0.57	0.91	0.75	1.07	1,264	1,717	453	6,589
MANAGEMENT FEES	0.14	0.15	0.15	0.39	244	624	380	1,324
OFF SUPPLY/STATIONERY	11.34	10.76	11.41	11.89	19,173	15,173	3,900	92,365
OVENITE/COURIER SRV	0.23	0.31	0.30	0.45	498	728	230	2,806
US MAIL-POSTAGE	0.14	0.13	0.14	0.14	234	224	10-	1,102
COMPUTER RELATED EXP	0.04	0.04	0.09	0.07	148	105	43-	518
TELEPHONE	0.15	0.47	0.08	0.15	129	238	109	1,668
TOTAL	2.19	1.77	1.75	1.44	2,943	2,314	629-	15,340

	March		April		Per Patient Day		YTD		YTD		Actual Dollars		YTD		YTD					
	RECDTMENT/HELP WND	ADVERTISING	MARKETING/REFERRAL DE	INSURANCE	TRAVEL	DUES & SUBSCRIPTIONS	PROVIDER TAXES	MISC GEN & ADMIN	TOTAL GEN & ADMIN	TOTAL OPERATING EXPEN	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE				
RECDTMENT/HELP WND	0.30	0.21	0.04	0.08	0.13	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
ADVERTISING	0.04	0.06	0.12	0.12	0.13	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
MARKETING/REFERRAL DE	0.12	0.08	0.12	0.08	0.13	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
INSURANCE	10.29	10.41	10.29	10.28	10.29	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
TRAVEL	0.13	0.11	0.13	0.11	0.13	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
DUES & SUBSCRIPTIONS	0.54	0.55	0.54	0.54	0.54	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
PROVIDER TAXES	10.60	11.95	10.60	14.89	10.60	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
MISC GEN & ADMIN	0.02	0.12	0.02	0.06	0.02	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
TOTAL GEN & ADMIN	53.08	55.71	53.08	50.25	53.08	5.41	10.60	0.02	53.08	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	
TOTAL OPERATING EXPEN	215.43	219.66	227.49	259.44	224.23	260.65	36.033	1,850,810	2,036,748	185,938	185,938	185,938	185,938	185,938	185,938	185,938	185,938	185,938	185,938	185,938
RENT - BUILDING	16.25	16.44	16.25	16.44	16.25	16.44	16.25	16.44	16.25	16.44	16.44	16.25	16.44	16.25	16.44	16.25	16.44	16.25	16.44	16.25
RENT - EQUIPMENT	0.17	0.18	0.17	0.18	0.17	0.18	0.17	0.18	0.17	0.18	0.18	0.17	0.18	0.17	0.18	0.17	0.18	0.17	0.18	0.17
PROPERTY TAXES	2.50	2.53	2.50	2.53	2.50	2.53	2.50	2.53	2.50	2.53	2.53	2.50	2.53	2.50	2.53	2.50	2.53	2.50	2.53	2.50
DEPRECIATION	2.49	2.51	2.49	2.51	2.49	2.51	2.49	2.51	2.49	2.51	2.51	2.49	2.51	2.49	2.51	2.49	2.51	2.49	2.51	2.49
INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTEREST INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INSURANCE - PROPERTY	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
LOCAL TAXES	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
LICENSES & TAXES	0.24	0.00	0.24	0.00	0.24	0.00	0.24	0.00	0.24	0.00	0.00	0.24	0.00	0.24	0.00	0.24	0.00	0.24	0.00	0.24
TOTAL PROP & RELATED	21.95	21.97	21.95	21.97	21.95	21.97	21.95	21.97	21.95	21.97	21.97	21.95	21.97	21.95	21.97	21.95	21.97	21.95	21.97	21.95

\*\*\*\*\* Unassigned SKF/Department Combinations were found \*\*\*\*\*