

January 4, 2021

VIA HAND DELIVERY

Ms. Ruby Potter
Health Facilities Coordination Officer
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: Certificate of Need Application
Crescent Cities SNF LLC
Renovation and Expansion of Riverdale Nursing Unit

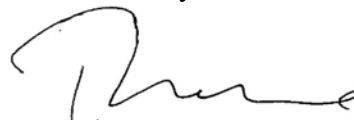
Dear Ms. Potter:

On behalf of applicant Crescent Cities SNF LLC, per Commission Staff's standing request, we are submitting six copies of its Certificate of Need Application and related exhibits, along with one set of full-size project drawings. Searchable PDF files of the application and exhibits, a Word version of the application, and native Excel spreadsheets of the MHCC tables will be provided to Commission Staff under separate cover.

I hereby certify that a copy of this submission has also been forwarded to the appropriate local health planning agencies as noted below.

Please sign and return to our waiting messenger the enclosed acknowledgment of receipt.

Sincerely,



Thomas C. Dame



Hannah L. Perng

TCD/HLP:blr
Enclosures

#726144
014087-0001

Ms. Ruby Potter
January 4, 2021
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cc: Kevin McDonald, Chief, Certificate of Need
Paul Parker, Director, Center for Health Care Facilities Planning & Development, MHCC
Suellen Wideman, Esq., Assistant Attorney General, MHCC
William Chan, Health Policy Analyst, HSP&P/CON, MHCC
Jeanne-Marie Gawel, Program Manager, MHCC
Dr. Ernest Carter, Health Officer, Prince George's County Health Department
Jacob Kohn, Crescent Cities SNF LLC
Cassandra Gottlieb, Waldon Studios Architects
Andrew L. Solberg, A.L.S. Healthcare Consultant Services
Henry Schwartz, Esq., Counsel to Hillhaven Nursing and Rehabilitation Center

IN THE MARYLAND HEALTH CARE COMMISSION

Application for Certificate of Need

for

**Renovation and Expansion of
Riverdale Nursing Unit**



Crescent Cities SNF LLC

January 4, 2021

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PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Facility: **Crescent Cities Nursing & Rehabilitation Center**

Address:

4409 East-West Highway	Riverdale Park	20737	Prince George's
Street	City	Zip	County

2. OWNER

Name of Owner **Crescent Cities SNF LLC d/b/a Crescent Cities Nursing & Rehabilitation Center**

If Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the applicant and any related parent entities. Attach a chart that completely delineates this ownership structure.

An organizational chart, which identifies all individuals with at least a 5% ownership share, is attached as Exhibit 3.

3. APPLICANT.. If the application has co-applicants, provide the detail regarding each co-applicant in sections 3, 4, and 5 as an attachment.

Legal Name of Project Applicant (Licensee or Proposed Licensee):

**Crescent Cities SNF LLC
d/b/a Crescent Cities Nursing & Rehabilitation Center**

Address:

1010 E 33rd Street	Baltimore	21218	Baltimore City
Street	City	Zip	County

Telephone: **410-252-4500**

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from applicant:

Crescent Cities Nursing & Rehabilitation Center

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

- A. Governmental
 - B. Corporation
 - (1) Non-profit
 - (2) For-profit
 - (3) Close
 - C. Partnership
 - General
 - Limited
 - Limited liability partnership
 - Limited liability limited partnership
 - Other (Specify): _____
 - D. Limited Liability Company _____
 - E. Other (Specify): _____
- State & date of incorporation
- Maryland; October 23, 2018
- To be formed:
- Existing:

6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED

A. Lead or primary contact:

Name and Title: Jacob Kohn

Company Name Crescent Cities Nursing & Rehabilitation Center

Mailing Address:

4409 East-West Highway	Riverdale Park	20737	MD
Street	City	Zip	State

Telephone:

E-mail Address (required): jacobkohn10@gmail.com

Fax:

If company name is different than applicant briefly describe the relationship

B. Additional or alternate contact:

Name and Title: Thomas C. Dame, Esq.

Company Name Gallagher Evelius & Jones LLP

Mailing Address:

218 N. Charles Street Suite 400

Baltimore

21201

MD

Street

City

Zip

State

Telephone: 410-347-1331

E-mail Address (required): tdame@gejlaw.com

Fax: 410-468-2786

If company name is different than applicant briefly describe the relationship

Legal Counsel

7. NAME OF THE OWNER OR PROPOSED OWNER OF THE REAL PROPERTY and Improvements (if different from the licensee or proposed licensee)

Legal Name of the Owner of the Real Property

4409 East West Highway LLC

Address:

1010 E 33rd Street

Baltimore

21218

MD

Baltimore City

Street

City

Zip

State

County

Telephone:

If Owner is a Corporation, Partnership, or Limited Liability Company attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the in the real property and any related parent entities. Attach a chart that completely delineates this ownership structure.

An organizational chart, which identifies all individuals with at least a 5% ownership share, is attached as **Exhibit 3.**

8. NAME OF THE OWNER OF THE BED RIGHTS (i.e., the person/entity that could sell the beds included in this application to a 3rd party):

Legal Name of the Owner of the Rights to Sell the CCF Beds

Crescent Cities Nursing & Rehabilitation Center

If the Legal Entity that has or will have the right to sell the CCF beds is other than the Licensee or the Owner of the Real Property Identified Above Provide the Following Information.

Address:

N/A, see above.

Street	City	Zip	State	County
--------	------	-----	-------	--------

Telephone:

9. MANAGEMENT COMPANIES INVOLVED

If a management company or companies is or will be involved in the clinical or financial management of the facility or will provide oversight of any construction or renovations proposed as part of this APPLICATION, identify each company or individual that will provide the services and describe the services that will be provided. Identify any ownership relationship between the management company and the owner of the facility and/or the real property or any related entity.

Name of Management Company

Vita Healthcare Group, LLC provides clinical, operational, and marketing consulting services to Crescent Cities. It is owned by Israel Birnbaum and Michael Netzer.

Address:

15 American Ave., Suite 302	Lakewood	08791	NJ	
Street	City	Zip	State	County

Telephone: 732-905-6440

10. TYPE OF PROJECT

The following list includes all project categories that require a CON pursuant to COMAR 10.24.01.02(A). Please mark all that apply in the list below.

If approved, this CON would result in (check as many as apply):

- (1) A new health care facility built, developed, or established
- (2) An existing health care facility moved to another site
- (3) A change in the bed capacity of a health care facility
- (4) A change in the type or scope of any health care service offered by a health care facility
- (5) A health care facility making a capital expenditure that exceeds the current threshold for capital expenditures found at:
http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_capital_threshold_20140301.pdf

11. PROJECT DESCRIPTION

A. Executive Summary of the Project

The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is, why you need to do it, and what it will cost. A one-page response will suffice. Please include:

- (1) Brief Description of the project – what the applicant proposes to do
- (2) Rationale for the project – the need and/or business case for the proposed project
- (3) Cost – the total cost of implementing the proposed project

Crescent Cities Nursing & Rehabilitation Center (“Crescent Cities”) is a comprehensive care facility in Prince George’s County. It has been offering a range of health and residential services since April 1999, when the facility was repurposed as a comprehensive care facility from its original use as a 58-bed general acute care hospital (first established in 1942, as Leland Memorial Hospital). Crescent Cities offers long- and short-term care, in-patient physical therapy, occupational and speech therapies, pulmonary care, complex wound care, infectious disease management, and respite care. Crescent Cities also offers psychiatric and tracheostomy services.

Crescent Cities proposes to renovate and expand the Riverdale Nursing Unit, which is located on the first floor of the building, to include 16 additional beds. This expansion will allow Crescent Cities to open a dialysis center and expand the tracheostomy services to better serve its patient population in Prince George’s County.

The total estimated cost of the project is \$1,293,484. See **Exhibit 1, Table C** for additional information.

B. Comprehensive Project Description

The description should include details regarding:

- (1) Construction, renovation, and demolition plans
- (2) Changes in square footage of departments and units
- (3) Physical plant or location changes
- (4) Changes to affected services following completion of the project
- (5) Outline the project schedule.

The proposed project will expand the Riverdale Nursing Unit, which is located on the first floor of the 1964 wing of the building. The expansion will repurpose and renovate 10,940 square feet of existing interior space and will not involve any new construction outside the existing building footprint.

The Riverdale Unit currently has 18 beds, 12 of which are located in private rooms and six beds are located in semi-private rooms. All of these rooms currently have private toilets, but do not have private showers. Instead, there is a central bathing suite with one shower and one tub. The proposed expansion will result in a total of 34 beds in the Riverdale Unit. Of the 16 new beds, six will be in private rooms and ten will be in semi-private rooms. The semi-private rooms will be spacious, with the beds in a toe-to-toe arrangement or with privacy screens between beds in a shoulder-to-shoulder arrangement. All of the new rooms will have private toilets and private showers.

The resident rooms in the current 18-bed unit are laid out along a traditional double-loaded corridor, with a small, enclosed nurses' station and the requisite multipurpose spaces located at the north end of the corridor. The south end of the corridor connects to the 1942 wing of the building, which currently houses under-utilized office space and an activity room. The proposed project entails renovating the areas to the north and south of the existing corridor, to add eight beds to the north and eight beds to the south.

At the north end of the corridor, the existing nurses' station and multipurpose spaces will be reconfigured to accommodate four private resident rooms and two semi-private resident rooms, clustered around a large open nurses' station with support services, including an open nourishment station that will be accessible to the residents. A space off the adjacent lobby—once used as an adult day care center, but is currently unoccupied—will be converted to a new 987 square foot dining/activity room with a café-type

nourishment station.

At the south end of the corridor, the 1942 wing will be reconfigured to accommodate two private resident rooms and three semi-private resident rooms. Because of the distance from one end of the corridor to the other, this area will have an “auxiliary” nurses’ station with support services, including an open nourishment station that will be accessible to the residents. A group of offices at the far end of the wing will be completely gutted (including reconstructing the floor so that it is level with the rest of the nursing unit) and converted to a new 275 square foot dining and activity space.

The two new dining/activity spaces, totaling **1,262 square feet**, comply with the COMAR 10.07.02 requirement to provide 30 square feet of multipurpose space per bed. The expanded Riverdale Unit, which will have 34 beds after this project adds 16 beds, will require only **1,020 square feet** of multipurpose space (i.e., 30 sq. ft. of multipurpose space x 34 beds). Additionally, COMAR 10.07.02 requires that the food service area (serving the entire facility) have 1,070 square feet of space for the first 100 beds and eight square feet for each additional bed above 100. According to the existing floor plans, the facility’s current kitchen has about **1,900 square feet**, not including the two dietary offices, the walk-in cooler/freezer boxes, and the dry storage room. Based on this configuration, there is more than enough space in the kitchen to meet the requirements for the 16 additional beds as follows: 150 existing beds require 1,470 square feet; 16 new beds will require an additional 128 square feet for a total of **1,598 square feet**, which is less than the existing 1,900 SF.

The total project is expected to take 20 months from grant of a CON through completion. Crescent Cities will obligate 51% of the approved capital for the project within 12 months of the certificate of need. Within four months of the contract award, construction will commence. Construction will be completed approximately four months thereafter.

12. CON TABLE PACKAGE – TABLE A

Complete Table A of the CON Table Package for Nursing Home (CCF) Applications.

See **Exhibit 1**, which includes entire CON Table Package.

13. COMMUNITY BASED SERVICES

Identify any community based services that are or will be offered at the facility and explain how each one will be affected by the project.

This project will not affect any community based services that are offered at the facility.

14. REQUIRED APPROVALS AND SITE CONTROL

- A. Site size: 3.42 acres
- B. Have all necessary State and local land use and environmental approvals, including zoning and site plan, for the project as proposed been obtained?

YES NO

(If NO, describe below the current status and timetable for receiving each of the necessary approvals.)

Because Crescent Cities’ proposed project is for the renovation of existing space, it expects a 3-4 month approval process to receive the necessary renovation permits.

- C. Form of Site Control (Respond to the one that applies. If more than one, explain.):

(1) Owned by: _____

(2) Options to purchase held by: _____
Please provide a copy of the purchase option as an attachment.

(3) Land Lease held by: Crescent Cities SNF LLC. A copy of the lease is attached as **Exhibit 4**.
_____ Please provide a copy of the land lease as an attachment.

(4) Option to lease held by: _____
Please provide a copy of the option to lease as an attachment.

(5) Other: _____
Explain and provide legal documents as an attachment.

15. PROJECT SCHEDULE

In completing this section, please note applicable performance requirements time frames set forth in Commission regulations, COMAR 10.24.01.12. Ensure that the information presented in the following table reflects information presented in Application Item 11 (Project Description).

	Proposed Project Timeline	
Obligation of 51% of capital expenditure from approval date	12	months
Initiation of Construction within 4 months of the effective date of a binding construction contract	4	months
Time to Completion of Construction from date of capital obligation	8	months

16. PROJECT DRAWINGS

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least a 1/16" scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable:

- A. Floor plans for each floor affected with all rooms labeled by purpose or function: number of beds, location of bath rooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as "shell space".
- B. For projects involving new construction and/or site work a Plot Plan, showing the "footprint" and location of the facility before and after the project.
- C. Specify dimensions and square footage of patient rooms.

See **Exhibit 2**.

17. FEATURES OF PROJECT CONSTRUCTION

- A. If the project involves new construction or renovation, complete the Construction and Renovation Square Footage worksheet in the CON Table Package (Table B).

See **Exhibit 1**, which includes the entire CON Application Table Package.

- B. Discuss the availability and adequacy of utilities (water, electricity, sewage, natural gas, etc.) for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.

All utilities are already available on-site.

PART II - PROJECT BUDGET

Complete the Project Budget worksheet in the CON Table Package (Table C).

Note: Applicant should include a list of all assumptions and specify what is included in each budget line, as well the source of cost estimates and the manner in which all cost estimates are derived. Explain how the budgeted amount for contingencies was determined and why the amount budgeted is adequate for the project given the nature of the project and the current stage of design (i.e., schematic, working drawings, etc.).

See **Exhibit 1**, which includes the entire CON Application Table Package.

PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE

1. List names and addresses of all owners and individuals responsible for the proposed project and its implementation.

Crescent Cities SNF LLC
4409 East-West Hwy, Riverdale Park, MD 20737

The applicant is wholly owned by Crescent Cities Crescent Cities Health HoldCo LLC, which in turn is owned by the following individuals:

- Israel Birnbaum
4409 East-West Hwy, Riverdale Park, MD 20737
- Michael Netzer
4409 East-West Hwy, Riverdale Park, MD 20737
- A. (Jacob) Kohn
4409 East-West Hwy, Riverdale Park, MD 20737
- Simon Stern
4409 East-West Hwy, Riverdale Park, MD 20737
- Forest Holdings, LLC (wholly owned by Miriam Arem)
4409 East-West Hwy, Riverdale Park, MD 20737

-
2. Are the applicant, owners, or the responsible persons listed in response to Part 1, questions 2, 3, 4, 7, and 9 above now involved, or have they ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of these facilities, including facility name, address, and dates of involvement.

Yes. See **Exhibit 5**.

3. Has the Maryland license or certification of the applicant facility, or any of the facilities listed in response to Question 2, above, been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant, owners or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

The applicant facility and each of the Maryland facilities listed in response to Question 2 are a Comprehensive Care Facility (“CCF”) licensed by the Maryland Office of Healthcare Quality (“OHCQ”) and each has continually maintained licensure. These facilities are also certified for participation in the federal Medicare and Medicaid licensure. The OHCQ regularly surveys these facilities for licensure purposes as well as for compliance with the Medicare and Medicaid requirements of participation. In general, CCFs are subject to annual surveys by the OHCQ as well as periodic complaint surveys conducted in

response to facility self-reported issues and concerns raised by residents or their advocates.

The Medicare and Medicaid certification process has become more formalized in mandating certain actions based upon findings of non-compliance within a 180-day survey cycle. Based on the level of deficiency cited and the period of non-compliance, such actions can require the imposition of civil money penalties, denials of payment for new Medicare and Medicaid admissions, and termination of the Medicare and Medicaid provider agreement, as well as related state law sanctions. The above Maryland facilities have been subject to this licensing, certification, and survey process. While one or more of the Maryland facilities identified above may have, at some point in the last five years, been subject to an imposition of a civil money penalty, none of these facilities have ever been subject to termination, a restriction on licensure, or a ban on admissions.

4. Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) received inquiries in last from 10 years from any federal or state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with any state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide, for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation including reports of non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.

Regarding the facilities listed in response to Question 2 above, and as explained in response to Question 3, while survey deficiencies have been found on occasion over their years of operation, just like virtually all other facilities in this industry, this has not resulted in formal actions to suspend the licensure of the facility.

5. Have the applicant, owners or responsible individuals listed in response to Part 1, questions 2, 3, 4, 7, and 9, above, ever pled guilty to or been convicted of a criminal offense in any way connected with the ownership, development or management of the applicant facility or any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s).

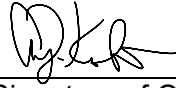
No.

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information and belief.

12/29/20

Date



Signature of Owner or Board-designated Official

Authorized Representative

Position/Title

Jacob Kohn

Printed Name

**PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR
10.24.01.08G(3):**

INSTRUCTION: Each applicant must respond to all criteria included in COMAR 10.24.01.08G(3), listed below.

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards and other review criteria.

If a particular standard or criteria is covered in the response to a previous standard or criteria, the applicant may cite the specific location of those discussions in order to avoid duplication. When doing so, the applicant should ensure that the previous material directly pertains to the requirement and the directions included in this application form. Incomplete responses to any requirement will result in an information request from Commission Staff to ensure adequacy of the response, which will prolong the application's review period.

10.24.01.08G(3)(a). The State Health Plan.

Every Comprehensive Care Facility ("CCF" -- more commonly known as a nursing home) applicant must address each applicable standard from **COMAR 10.24.08: State Health Plan for Facilities and Services -- Nursing Home and Home Health Services.**¹ Those standards follow immediately under **10.24.08.05 Nursing Home Standards.**

Please provide a direct, concise response explaining the project's consistency with each standard. In cases where demonstrating compliance with a standard requires the provision of specific documentation, please include the documentation as a part of the application.

10.24.20.05. Comprehensive Care Facility Standards.

A. GENERAL STANDARDS

The Commission will use the following standards for CON review of all CCF projects.

1) Bed Need and Average Annual Occupancy.

(a) For a relocation of existing comprehensive care facility beds currently in the inventory, an applicant shall demonstrate need for the beds at the new site in the same jurisdiction. This demonstration may include, but is not limited to, a demonstration of unmet needs by a particular patient population, high utilization of comprehensive care facility beds in the jurisdiction during the past five years, and the ways in which the relocation will improve access to needed services or improve the quality of comprehensive care facility services.

(b) An applicant proposing a project that will not add comprehensive care facility beds to a jurisdiction, but will add beds to an existing facility by relocation of existing

¹ Copies of all applicable State Health Plan chapters are available from the Commission and are available on the Commission's web site here: http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_shp/hcfs_shp

licensed or temporarily delicensed comprehensive care facility beds within a jurisdiction, shall demonstrate that the facility being expanded operated all of its licensed beds at an occupancy rate of 90 percent or higher during the last two fiscal years for which the annual Maryland Long Term Care Survey data is available.

Applicant Response:

See discussion of Need as required by COMAR 10.24.01.08G(3)(b), beginning *supra* page 28, which addresses all requirements of this standard.

2) Medical Assistance Participation.

(a) The Commission may approve a Certificate of Need for a comprehensive care facility only for an applicant that participates, or proposes to participate, in the Medicaid program, and only if the applicant submits documentation or agrees to submit documentation of a written Memorandum of Understanding (MOU) with Medicaid to maintain the proportion of Medicaid patient days required by .05A(2)(b) of this Chapter.

Applicant Response:

Crescent Cities participates in the Medicaid program. Crescent Cities will enter into an MOU with the Maryland Department of Health after this application is approved and prior to licensure of the additional 16 beds.

(b) Each applicant shall agree to serve and maintain a proportion of Medicaid patient days that is at least equal to the proportion of Medicaid patient days in all other comprehensive care facilities in the jurisdiction or region, whichever is lower, calculated as the weighted mean minus the 25th percentile value across all jurisdictions for each year based on the most recent Maryland Long Term Care Survey data and Medicaid Cost Reports available to the Commission, as published in the Maryland Register.

Applicant Response:

Crescent Cities agrees to continue to admit Medicaid residents in order to maintain its required level of participation. Crescent Cities' percentage of Medicaid residents in fiscal years 2018 and 2019 were 73% and 63%, respectively. The required minimum Medicaid participation rate for Prince George's County for fiscal year 2018, pursuant to Maryland Register Volume 47, Issue 12 (June 5, 2020), was 42.2%

(c) An applicant for new comprehensive care facility beds has three years during which to achieve the applicable proportion of Medicaid participation from the time the facility is licensed, and shall show a good faith effort and reasonable progress toward achieving this goal in years one and two of its operation.

Applicant Response:

Not applicable.

(d) An applicant that seeks to expand or replace an existing comprehensive care facility shall modify its MOU upon expansion or replacement of its facility to encompass all of the comprehensive care facility beds in the expanded or replaced facility and to include a Medicaid percentage that reflects the most recent Medicaid participation rate, unless the facility's existing MOU encompasses all beds at a percentage that is equal to or greater than the most recent Medicaid participation rate.

Applicant Response:

Crescent Cities participates in the Medicaid program. Crescent Cities will enter into an MOU with the Maryland Department of Health once this application is approved.

(e) An applicant shall agree to continue to admit Medicaid residents to maintain its required level of participation when attained and have a written policy to this effect.

Applicant Response:

Crescent Cities agrees to continue to admit Medicaid residents in order to maintain its required level of participation. Crescent Cities' percentage of Medicaid residents in fiscal years 2018 and 2019 were 73% and 63%, respectively. The required minimum Medicaid participation rate for Prince George's County for fiscal year 2018, pursuant to Maryland Register Volume 47, Issue 12 (June 5, 2020), was 42.2%.

(f) Prior to licensure, an applicant shall execute a written Memorandum of Understanding with the Medical Assistance Program of the Maryland Department of Health to:

- (i) Achieve and maintain the level of Medicaid participation required by .05A(2)(b) of this Chapter; and
- (ii) Admit residents whose primary source of payment on admission is Medicaid.

Applicant Response:

Crescent Cities will execute a written MOU with the Medical Assistance Program of the Maryland Department of Health prior to licensure of the additional 16 beds that satisfies these terms.

(g) An applicant may show evidence why this rule should not apply.

Applicant Response:

Not applicable.

3) Community-Based Services.

An applicant shall demonstrate in writing its commitment to alternative community-based services and to minimizing the comprehensive care facility length of stay as appropriate for each resident and agree to:

(a) Provide information to every prospective resident about the existence of alternative community-based services, including Medicaid home and community-based waiver programs, Money Follows the Person Program, and other initiatives to promote care in the most appropriate settings;

Applicant Response:

All Crescent Cities prospective residents are provided with information about the existence of the alternative community-based services, including, for example, the following:

- Angels Heart Assisted Living Home, LLC
- Visiting Angels Living Assistance Services
- Community Home Health of Maryland
- The W Assisted Living
- Adult Medical Day Services (Maryland Care)
- Adventist Home Care Services

See **Exhibit 6** for examples of informational fliers about each of these alternative, community-based services, which are distributed to prospective residents of Crescent Cities.

(b) Use Section Q of Minimum Data Set (MDS) 3.0 to assess the individual's interest in and willingness to pursue community-based alternatives;

Applicant Response:

Crescent Cities agrees to use Section Q of the Minimum Data Set to assess each resident's interest in and willingness to pursue community-based alternatives.

- (c) Develop a discharge plan on admission with resident reassessment and plan validation at six-month intervals for the first 24 months. This plan is to be provided to the resident and/or designated representative; and

Applicant Response:

Crescent Cities initiates discharge planning on admission. Crescent Cities' Discharge Planning Policy and Person Centered Care Policy, which together satisfy this requirement, are attached as **Exhibit 7**.

- (d) Provide access to the facility for all long term care home and community-based services education and outreach efforts approved by the Maryland Department of Health and the Maryland Department of Disabilities to provide education and outreach for residents and their families regarding home and community-based alternatives.

Applicant Response:

Crescent Cities provides access to its facility for these community-based services education and outreach efforts approved by the Maryland Department of Health and the Maryland Department of Disabilities. In addition, Crescent Cities complies with the Americans with Disabilities Act (ADA) as amended by the ADA Amendments Act, as well as other local, state, and federal guidelines for those individuals found to be disabled.

4) Appropriate Living Environment.

An applicant shall provide to each resident an appropriate living environment that demonstrates compliance with the most recent FGI Guidelines. In addition, an applicant shall meet the following standards:

- (a) In a new construction project:
 - (i) Develop rooms with no more than two beds for each resident room;
 - (ii) Provide individual temperature controls for each room;
 - (iii) Assure that no more than two residents share a toilet; and
 - (iv) Identify in detail plans to develop a comprehensive care facility that provides a cluster/neighborhood design or a connected household design, rather than an institutional design, consistent with the most recent FGI Guidelines.

Applicant Response:

Not applicable, as this proposed project is not a new construction project.

- (b) In a renovation or expansion project:
 - (i) Reduce the number of resident rooms with more than two residents per room;
 - (ii) Provide individual temperature controls in each newly renovated or constructed room;
 - (iii) Reduce the number of resident rooms where more than two residents share a toilet; and
 - (iv) Document that the applicant considered development of a cluster/neighborhood design or a connected household design, and, if the project includes an institutional model, document why the alternative models were not feasible.

Applicant Response:

The Riverdale Unit currently has 18 beds, 12 of which are located in private rooms and six are located in three semi-private rooms. The proposed expansion will have a total of 34 beds. Of the 16 new beds, six will be in private rooms and ten will be located in five semi-private rooms, totaling 11 new rooms.

The 15 existing resident rooms have packaged terminal air conditioners (“PTACs”) with individual room controls; the 11 new resident rooms will also have PTACs with individual room controls.

All of the 15 existing resident rooms have private toilets; all of the 11 new resident rooms will have private toilets and private showers.

The existing building was originally constructed as a general acute care hospital in 1942 and expanded in 1964 and then again in the 1980s, before becoming a skilled nursing facility in 1999. At all stages of its evolution, the facility was developed consistent with an “institutional” model, with resident rooms laid out along a traditional double-loaded corridor. The exterior walls and corridor walls of the 1942 and 1964 wings are structural and load-bearing, making it impossible to create nursing units that are “neighborhoods” or “connected households” without major reconstruction or expansion outside the building footprint. Nevertheless, the design of the two new clusters of eight beds – connected by the existing 18-bed corridor – will achieve a modified “connected household” model by providing each cluster with its own nurses station and support services, including an open nourishment station that will be accessible to the residents.

- (c) The applicant shall demonstrate compliance with Subsection .05A(4) of this Regulation by submitting an affirmation from a design architect for the project that:
 - (i) The project complies with applicable FGI Guidelines; and
 - (ii) Each design element of the project that deviates from the FGI Guidelines is justified by specific stated reasons.

Applicant Response:

See architect's certification, attached as **Exhibit 8**.

5) Specialized Unit Design.

An applicant shall administer a defined model of resident-centered care for all residents and, if serving a specialized target population (such as, Alzheimer's, respiratory, post-acute rehabilitation) demonstrate that its proposed facility and unit design features will best meet the needs of that population. The applicant shall:

- (a) Identify the types of residents it proposes to serve, their diagnostic groups, and their care needs;

Applicant Response:

Crescent Cities offers long- and short-term care, in-patient physical therapy, occupational and speech therapies, pulmonary care, complex wound care, infectious disease management, and respite care. Crescent Cities also offers psychiatric and tracheostomy services.

The addition of 16 beds to the existing Riverdale Unit (located on the first floor of the building) will allow Crescent Cities to provide on-site dialysis services, and serve the following primary diagnoses groups:

1. Pulmonary care;
2. Complex wound care;
3. Tracheotomy care;
4. Infectious disease management;
5. Psychiatric care;
6. Orthopedics;
7. Sepsis;
8. Osteoarthritis;
9. Lymphedema;
10. Gastro-esophageal reflux disease;
11. Cardiomyopathy;
12. Renal disease;
13. Hyperlipidemia.

- (b) If developing a unit to serve respiratory patients, demonstrate the ability to meet Office of Health Care Quality standards in COMAR 10.07.02.14-1;

Applicant Response:

Not applicable.

- (c) If developing a unit to serve dementia patients, demonstrate the ability to meet Office of Health Care Quality standards and the most current FGI Guidelines.

Applicant Response:

Not applicable.

- (d) Demonstrate that the design of the comprehensive care facility is consistent with current FGI Guidelines and serves to maximize opportunities for ambulation and self-care, socialization, and independence. An applicant shall also demonstrate that the design of the comprehensive care facility promotes a safe and functional environment and minimizes the negative aspects of an institutional environment.

Applicant Response:

Regarding consistency with FGI Guidelines:

The project complies with the FGI Guidelines, except for one aspect of the design of the resident room bathrooms. The resident room bathrooms are designed to comply with Americans with Disabilities Act Accessibility Guidelines (“ADAAG”), which mandates that the centerline of a wheelchair-accessible toilet must be no more than 18 inches from the sidewall that is equipped with a 42-inch long grab bar (604.2). However, the FGI Guidelines require that clearance “*be provided on both sides of the toilet to enable physical access and maneuvering by staff members assisting the resident with wheelchair-to-toilet transfers and returns*” (3.1-2.2.2.6(2)(b)). The 18-inch maximum distance mandated by ADAAG does not provide adequate space “*to enable physical access and maneuvering by staff members*”.

Since the United States Department of Justice publishes and enforces the Americans with Disabilities Act Accessibility Guidelines, and since long-term care facilities are required by the Federal Government to comply with ADAAG, the clearance on the sidewall side of the toilet in the resident room bathrooms will be in compliance with ADAAG and not with the FGI Guidelines. The rest of the bathroom design will comply with the FGI Guidelines.

Regarding maximizing opportunities for ambulation and self-care, socialization, and independence/minimizing effects of institutional environment:

The existing building was originally constructed as a general acute care hospital in 1942 and expanded in 1964 and then again in the 1980s, before becoming a skilled nursing facility in 1999. At all stages of its evolution, the facility was developed consistent with an “institutional” model, with resident rooms laid out along a traditional double-loaded corridor. The exterior walls and corridor walls of the 1942 and 1964 wings are structural and load-bearing, making it impossible to create nursing units that are “neighborhoods” or “connected households” without major reconstruction or expansion outside the building footprint. Nevertheless, the design of the two new clusters of eight beds – connected by the existing 18-bed corridor – will achieve a modified “connected household” model, by providing each cluster with its own nurses station and support services, including an open nourishment station that will be accessible to the residents.

6) Renovation or Replacement of Physical Plant.

An applicant shall demonstrate how the renovation or replacement of its comprehensive care facility will:

- (a) Improve the quality of care for residents in the renovated or replaced facility;

Applicant Response:

This project will not involve a replacement of the comprehensive care facility. It will involve a limited amount of renovation, only insofar as renovation is necessary to add beds to the facility and include re-designed nurses' station, nourishment stations, and a new dining and activity room. This expansion is necessary because of the bed need in Crescent Cities' service area, including a need for expanded services of high-acuity, short-term rehabilitation and dialysis. By adding 16 more beds, Crescent Cities will be able to better serve its community, and will no longer be in a position of having to consistently turn away potential residents because the facility is at full capacity.

- (b) Provide a physical plant design consistent with the FGI Guidelines; and

Applicant Response:

See architect's certification regarding FGI Guideline compliance, attached as **Exhibit 8**.

- (c) If applicable, eliminate or reduce life safety code waivers from the Office of Health Care Quality and the Office of the Maryland State Fire Marshal.

Applicant Response:

Crescent Cities does not anticipate any life safety code issues based on the age of the facility or otherwise.

7) Public Water.

Unless otherwise approved by the Commission and the Office of Health Care Quality in accordance with COMAR 10.07.02.26, an applicant for a comprehensive care facility shall demonstrate that its facility is, or will be, served by a public water system that meets the Safe Drinking Water Act standards of the Maryland Department of the Environment.

Applicant Response:

Crescent Cities is already served by a public water system.

8) Quality Rating.

(a) An applicant shall demonstrate, at the time of letter of intent submission, that at least 70 percent of all the comprehensive care facilities owned or operated by the applicant or a related or affiliated entity for three years or more had an average overall CMS star rating of three or more stars in CMS's most recent five quarterly refreshes for which CMS data is reported.

(i) If the applicant or a related or affiliated entity owns or operates one or more comprehensive care facilities in Maryland, the CMS star ratings for Maryland facilities shall be used.

(ii) If the applicant or a related or affiliated entity does not own or operate comprehensive care facilities in Maryland, CMS star ratings for such facilities in the states in which it operates shall be used.

Applicant Response:

The Commission has already determined that Crescent Cities complies with this standard. See **Exhibit 9**, a May 29, 2020 e-mail from Commission staff to counsel for Crescent Cities.

(b) An applicant that is an existing Maryland comprehensive care facility shall document, at the time of letter of intent submission, that it had an average overall star rating of three or more stars in CMS's most recent five quarterly refreshes for which CMS data is reported, unless the facility has been owned or operated by the applicant for fewer than three years.

Applicant Response:

The Commission has already determined that Crescent Cities complies with this standard. See **Exhibit 9**, a May 29, 2020 e-mail from Commission staff to counsel for Crescent Cities.

(c) An applicant shall demonstrate that it has an effective program of quality assurance functioning in each comprehensive care facility owned or operated by the applicant or a related or affiliated entity.

Applicant Response:

The applicant maintains a robust quality assurance program. See **Exhibit 10**, Quality Assurance Policy for Crescent Cities.

There is also a robust quality assurance program functioning in each of the Maryland comprehensive care facilities currently owned or operated by the owners of Crescent Cities, including: Elkton Nursing and Rehabilitation Center; Shady Grove Nursing and Rehabilitation Center; Layhill Nursing and Rehabilitation Center; Potomac Valley Nursing and Wellness; The

Nursing and Rehabilitation Center at Stadium Place; Adelphi Nursing and Rehabilitation Center; Hyattsville Nursing and Rehabilitation Center; and Largo Nursing and Rehabilitation Center.

Each of these facilities is managed by Vita HealthCare Group LLC, and a copy of the quality assurance policy applicable to each facility is attached as **Exhibit 11**.

- (d) An applicant that has never owned or operated a comprehensive care facility shall demonstrate its ability:
 - (i) To develop and implement a quality assessment and performance improvement plan, consistent with requirements of the Maryland Office of Health Care Quality; and
 - (ii) To produce high-level performance on CMS quality measures.

Applicant Response:

Not applicable.

9) Collaborative Relationships.

An applicant shall document, by means of letters, for new applicants, and contracts, for existing facilities, its links with hospitals, hospice programs, home health agencies, assisted living providers, Adult Evaluation and Review Services, adult day care programs, and other community providers in the long term care continuum.

- (a) An applicant shall demonstrate its commitment to effective collaboration with hospitals by documenting its successful efforts in reducing inappropriate readmissions to hospitals, improving the overall quality of care, and providing care in the most appropriate and cost effective setting. The demonstration shall include:
 - (i) Data showing a reduction in inappropriate hospital readmissions; and
 - (ii) Data showing improvements in the quality of care and provision of care in the most appropriate setting.

Applicant Response:

Crescent Cities has a history of engagement with other long-term care providers to ensure access to the entire long-term care continuum, including:

Hospitals: Suburban Hospital, Johns Hopkins Hospital, Doctors Community Hospital, Holy Cross Hospital, Medstar Georgetown University Hospital, Sibley Memorial Hospital, Adventist HealthCare White Oak Medical Center, UM Prince George's Hospital Center, and MedStar Washington Hospital Center.

Crescent cities has affiliations and relationships with: Kaiser Permanente, United Healthcare & Optum, Cigna Health Spring, Seasons Hospice, Capital Caring Hospital.

Crescent Cities also has agreements with: Regional Infectious Disease Consultants, NutraSource, Adult Medicare Day Services, Angels Heart Assisted Living, Visiting Angels, Adventist Home Care Services, and Adaptive Rehabilitation.

Finally, Crescent Cities partners with: Carolina Speech Pathology, Advanced Picc Specialists, AHA Labs, East Coast Ambulance Service, Therapy Systems DME, Pharma Script, LLC, and Senior Care Consultant Group.

(b) An applicant shall demonstrate its commitment to providing an effective continuum of care by documenting its collaborative efforts with Medicare-certified home health agencies and hospices to facilitate home-based care following comprehensive care facility discharge and shall facilitate delivery of hospice services for terminally ill residents. The demonstration shall document that the applicant has:

(i) Planned for the provision of home health agency services to residents who are being discharged; and

(ii) Arranged for hospice and palliative care services, when appropriate, for residents who are being discharged.

Applicant Response:

At Crescent Cities, the comprehensive discharge planning starts upon a resident's admission to the facility. The resident is central in this planning process, and an interdisciplinary care team meets with the resident to discuss the resident's goals and wishes. The interdisciplinary team then devises a plan to help the resident meet those goals, based on what works best for the resident. A resident's family members also play a large role, as they will help manage the resident's care once the resident returns home (especially those residents who are unable to care for themselves.)

After Crescent Cities has identified the resident's goals and wishes, a social worker then assesses the patient's psychosocial dispositions that could affect the discharge plan. The social worker also connects the resident and the family with a homecare agency, which usually will come to the facility to evaluate the patient's condition in order to ensure that that agency can care for the patient once he or she is assigned to them. Home care provision revolves around the patient's needs and how many hours of care per day the patient requires. An assigned nurse and aide visit the patient at home on a set schedule. Once the homecare agency has determined the number of hours that a resident requires, it communicates that information to Crescent Cities' social worker, who then communicates that to the resident and family. All other disciplines, including therapy, nursing, and physicians, then put together a discharge plan tailored to accommodate the resident at home once discharged.

Crescent Cities and its social workers work with residents (and their families) for those in need of palliative or hospice care. Terminally ill patients require valuable resources in the community to help with their comfort, peace, and maintenance of quality of life. Accordingly, the social workers work with hospice providers through the discharge planning process to ensure that the residents continue to receive comforting care and emotional support upon discharge.

See also **Exhibit 7**, Crescent Cities' Resident Transfer and Discharge Policy and Procedure and Crescent Cities' Comprehensive Person-Centered Care Planning Policy and Procedure.

10.24.01.08G(3)(b). Need.

The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served, and established that the proposed project meets those needs.

INSTRUCTIONS: Fully address the way in which the proposed project is consistent with any specific applicable need standard or need projection methodology in the State Health Plan.

If the current bed need projection published by the MHCC based on the need formula in the State Health Plan does not project a need for all of the beds proposed, the applicant should identify the need that will be addressed by the proposed project by quantifying the need for all facility and service capacity proposed for development, relocation or renovation in the project.

If the project involves modernization of an existing facility through renovation and/or expansion, provide a detailed explanation of why such modernization is needed by the service area population of the nursing home. Identify and discuss relevant building or life safety code issues, age of physical plant issues, or standard of care issues that support the need for the proposed modernization.

Please assure that all sources of information used in the need analysis are identified and identify all the assumptions made in the need analysis with respect to demand for services, the projected utilization rate(s), and the relevant population considered in the analysis with information that supports the validity of these assumptions. The existing and/or intended service area population of the applicant should be clearly defined.

Complete the Statistical Projection (Tables D and E, as applicable) worksheets in the CON Table Package, as required. Instructions are provided in the cover sheet of the CON package. Table D must be completed if the applicant is an existing facility. Table E must be completed if the application is for a new facility or service or if it is requested by MHCC staff.

Applicant Response:

This project is intended to meet part of the need that the State Health Plan has projected for Comprehensive Care beds in Prince George’s County in 2022.

**Figure 1
MHCC Published Need Projections for 2022 Comprehensive Care Beds**

Jurisdiction/ REGION	Bed Inventory as of September 1, 2019					2022 Projected Bed Need			
	Licensed Beds	CON- Approved Beds	“Waiver” Beds [1]	Temporarily Delicensed Beds	Total Bed Inventory	Gross Bed Need	Net Bed Need	Average Bed Occupancy 2016-17	Effective Bed Need [2]
WESTERN MARYLAND	4,235	0	0	131	4,366				
Allegany	908	0	0	0	908	761	-147	85.9%	0
Carroll	921	0	0	0	921	888	-33	88.3%	0
Frederick	1,082	0	0	0	1,082	1,052	-30	88.0%	0
Garrett	317	0	0	0	317	286	-31	88.1%	0
Washington	1,007	0	0	131	1,138	1,005	-133	88.0%	0
MONTGOMERY COUNTY	4,562	0	5	0	4,567				
Montgomery	4,562	0	5	0	4,567	4,035	-532	86.9%	0
SOUTHERN MARYLAND	4,303	0	62	8	4,373				
Calvert	292	0	0	0	292	311	19	80.2%	0
Charles	495	0	12	0	507	516	9	91.4%	9
Prince George’s	2,953	0	10	0	2,963	2,995	32	92.0%	32
St. Mary’s	563	0	40	8	611	581	-30	93.1%	0

Source: *Maryland Register*, Volume 44, Issue 20, Friday, 9/27/2019, p. 875

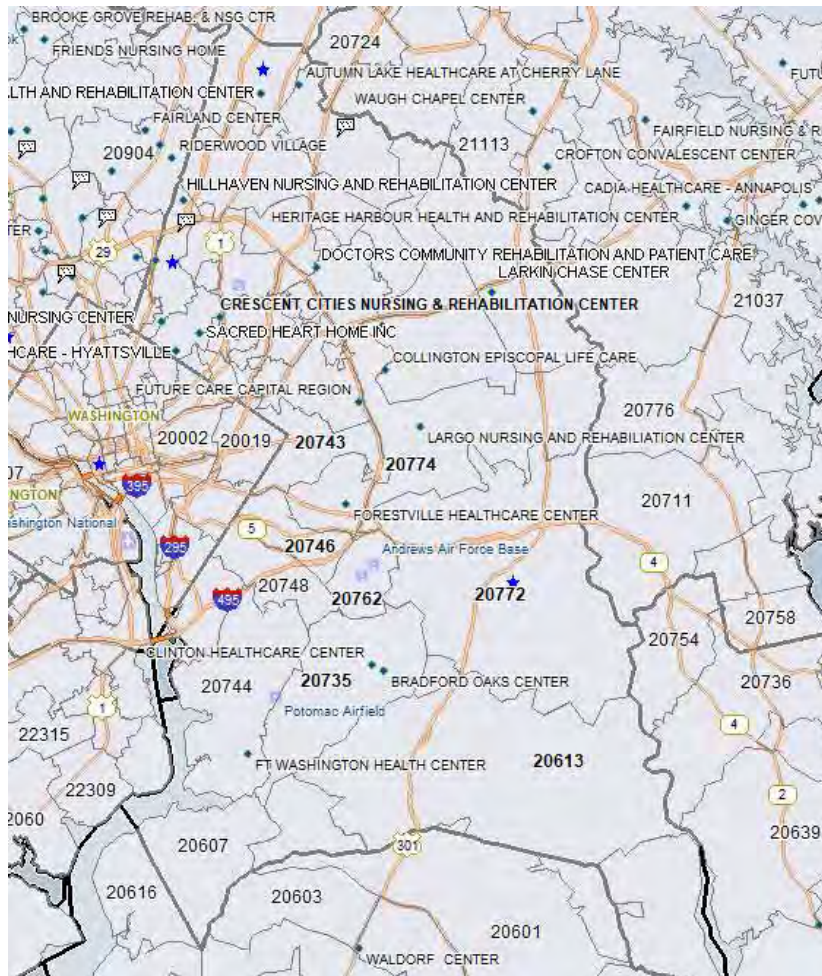
According to the Commission’s 2018 Public Use Database (the most recent available), there are 21 licensed Comprehensive Care Facilities (CCFs) in Prince George’s County. They are:

Facility	Licensed Beds
Clinton Healthcare Center	267
Wye Oak Healthcare of Hyattsville	270
Hillhaven Assisted Living Nursing & Rehabilitation	66
Doctors Community Rehabilitation and Patient Care Center	130
Heartland Health Care Center - Adelphi	170
Manor Care Health Services- Hyattsville	160
Forestville Health & Rehabilitation Center	162
Sacred Heart Home, Inc.	102
Genesis Bradford Oaks Center	180
Villa Rosa Nursing Home	107
Manor Care Health Services - Largo	130
Patuxent River Health and Rehabilitation Center	153
Fort Washington Health Center	150

Facility	Licensed Beds
FutureCare-Pineview	180
Autumn Lake Health Care at Cherry Lane	155
Collington Episcopal Life Care Community	44
Genesis Larkin Chase Nursing and Restorative Center	120
Medstar Southern Maryland Hospital	N/A
Crescent Cities Center	150
FutureCare at Capital Region	150
Riderwood Village	117
Total	2,963

The locations of these facilities are shown in Figure 2.

Figure 2: Prince George’s County CCFs



According to Maryland Department of Planning population estimates and projections, the population that is age 65+ in Prince George's County increased by 55.4% between 2010 and 2020. It is projected to grow by 19.8% between 2020 and 2025, and increase by an additional 15.6% between 2025 and 2030, an overall increase of 38.5% between 2020 and 2030.

Figure 3
Population by Age Cohort, 2010-2025
Prince George's County

Year	Age Cohort					Total	0-64	% Change	65+	% Change	Total	% Change
	0-64	65-74	75-84	85+								
2010	781,907	50,100	23,125	8,288	863,420	781,907		81,513		863,420		
2015	801,724	65,372	28,036	10,720	905,852	801,724	2.5%	104,128	27.7%	905,852	4.9%	
2020	789,483	78,672	34,874	13,113	916,142	789,483	-1.5%	126,659	21.6%	916,142	1.1%	
2025	786,285	88,567	46,120	17,051	938,023	786,285	-0.4%	151,738	19.8%	938,023	2.4%	
2030	777,526	95,439	56,303	23,701	952,969	777,526	-1.1%	175,443	15.6%	952,969	1.6%	

Source: https://planning.maryland.gov/MSDC/Pages/s3_projection.aspx

The average occupancy rate for CCFs in Prince George's County have continued to be approximately 90%.

Figure 4
CCF Occupancy Rates
2014 – 2018
Prince George's County

	2018	2017	2016	2015	2014
Clinton Healthcare Center	97.4%	96.8%	95.1%	95.1%	97.8%
Wye Oak Healthcare of Hyattsville	94.1%	96.7%	97.7%	96.4%	97.9%
Hillhaven Assisted Living Nursing & Rehabilitation	92.3%	93.6%	93.0%	94.5%	94.8%
Doctors Community Rehabilitation and Patient Care C	96.4%	96.9%	96.9%	77.0%	93.3%
Heartland Health Care Center - Adelphi	74.3%	72.4%	75.3%	74.0%	76.6%
Manor Care Health Services- Hyattsville	78.0%	80.1%	89.6%	88.3%	87.6%
Forestville Health & Rehabilitation Center	95.7%	97.3%	97.0%	90.6%	86.8%
Sacred Heart Home, Inc.	81.8%	87.0%	94.1%	96.4%	96.6%
Genesis Bradford Oaks Center	88.9%	89.8%	92.7%	90.1%	91.0%
Villa Rosa Nursing Home	86.2%	91.4%	93.9%	81.8%	26.0%
Manor Care Health Services - Largo	90.7%	91.9%	92.3%	93.1%	93.6%
Patuxent River Health and Rehabilitation Center	79.0%	79.9%	87.1%	86.9%	91.0%
Fort Washington Health Center	97.7%	97.3%	97.9%	93.6%	96.2%
FutureCare-Pineview	90.5%	93.2%	93.1%	93.9%	95.1%
Autumn Lake Health Care at Cherry Lane	92.7%	91.8%	91.3%	92.2%	97.3%
Collington Episcopal Life Care Community	90.6%	88.0%	84.3%	86.6%	88.5%
Genesis Larkin Chase Nursing and Restorative Center	95.0%	94.1%	96.0%	96.4%	96.7%
Medstar Southern Maryland Hospital	N/A	N/A	N/A	78.8%	83.9%
Crescent Cities Center	95.2%	95.5%	95.8%	95.7%	95.7%
Riderwood Village	92.3%	93.6%	95.5%	95.1%	97.1%
TOTAL	90.2%	91.2%	92.9%	90.6%	90.6%

Note: FutureCare at Capital Region is not included in the above calculations because it opened on April 20, 2018 and then began phasing its 150 licensed beds into operation (as all new

facilities do). It could not, therefore, report a full year of data. Based on its 150 beds, its annual occupancy would have been 36.8%, and the average occupancy for the county would have been 87.5%. However, because it was open for only approximately two thirds of the year and was then phasing its beds into operation, the assumption that all of the beds were available for the entire year would be incorrect.

Source: MHCC Public Use Databases for Comprehensive Care Facilities, 2014-2018; accessed from the MHCC website.

Crescent Cities was opened in 1999, repurposing Leland Memorial Hospital (which had closed in 1993) and converting it into a comprehensive care facility. Since that time, it has been providing long-term care and short-term rehabilitation to residents of Prince George’s County. Crescent Cities had strong occupancy between 2014 and 2019.

**Figure 5
Percent Occupancy
Crescent Cities Center
2014-2019**

	Licensed Beds (EDO2018) Comp	Potential Bed Days (Licensed Beds x 365)	Total Patient Days Comp	% Occup.
2019	140	51,100	49,080	96.1%
2018	140	51,100	48,646	95.2%
2017	140	51,100	48,792	95.5%
2016	140	51,100	48,930	95.8%
2015	140	51,100	48,878	95.7%
2014	140	51,100	48,910	95.7%

Sources: 2014-2018: MHCC Public Use Databases, 2019: Internal Data

As Figure 5 shows, Crescent Cities has operated in excess of 90% occupancy for the last six years. The Covid-19 pandemic in 2020 has put further pressure on the capacity at the facility. In November 2020, Crescent Cities operated at approximately 95% occupancy, making it difficult to find beds for isolation of residents with, (or potentially with) Covid-19. While the timing of adding these beds will not provide immediate relief in the pandemic, it will give Crescent Cities more flexibility in the future when the need for isolation arises.

In addition to meeting other resident needs, the proposed bed expansion will allow Crescent Cities to provide: expanded on-site dialysis, skilled nursing and transitional care, rehabilitation care, tracheotomy care, pulmonary care, complex wound care, infectious disease management, psychiatric services, and hospice & palliative care.

10.24.01.08G(3)(c). Availability of More Cost-Effective Alternatives.

The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

INSTRUCTIONS: Please describe the planning process that was used to develop the proposed project. This should include a full explanation of the primary goals or objectives of the project or the problem(s) being addressed by the project. It should also identify the alternative approaches to achieving those goals or objectives or solving those problem(s) that were considered during the project planning process, including the alternative of the services being provided by existing facilities.

For all alternative approaches, provide information on the level of effectiveness in goal or objective achievement or problem resolution that each alternative would be likely to achieve and the costs of each alternative. The cost analysis should go beyond development cost to consider life cycle costs of project alternatives. This narrative should clearly convey the analytical findings and reasoning that supported the project choices made. It should demonstrate why the proposed project provides the most effective goal and objective achievement or the most effective solution to the identified problem(s) for the level of cost required to implement the project, when compared to the effectiveness and cost of alternatives including the alternative of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Applicant Response:

The proposed 16 bed expansion is needed at Crescent Cities in order to increase the facility's capacity to accept patients. Because of the high need in the area, Crescent Cities consistently lacks the ability to accept patients. Adding 16 beds will enable Crescent Cities to accept more patients and thus better serve the population in its service area.

As an alternative to adding the 16 beds to the first floor Riverdale Nursing Unit, Crescent Cities considered expanding the footprint of the building and opening a new wing in the old emergency room area of the old hospital, which is also on the first floor of the building. This expansion would have been significantly more expensive than the proposed project, with an estimated cost of at least \$1.8 million.

No other alternatives were considered for this project.

10.24.01.08G(3)(d). Viability of the Proposal.

The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

INSTRUCTIONS: Please provide a complete description of the funding plan for the project, documenting the availability of equity, grant(s), or philanthropic sources of funds and demonstrating, to the extent possible, the ability of the applicant to obtain the debt financing proposed. Describe the alternative financing mechanisms considered in project planning and provide an explanation of why the proposed mix of funding sources was chosen.

- Complete applicable Revenue & Expense Tables and the Workforce and Bedside Care Staffing worksheets in the CON Table Package, as required (Tables H and I for all applicants and Table F for existing facilities and/or Table G, for new facilities, new services, and when requested by MHCC staff). Attach additional pages as necessary detailing assumptions with respect to each revenue and expense line item. Instructions are provided in the cover sheet of the CON package and on each worksheet. Explain how these tables demonstrate that the proposed project is sustainable and provide a description of the sources and methods for recruitment of needed staff resources for the proposed project, if applicable. If the projections are based on Medicare percentages above the median for the jurisdiction in which the nursing home exists or is proposed, explain why the projected Medicare percentages are reasonable.
- Audited financial statements for the past two years should be provided by all applicant entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution. If audited financial statements are not available for the entity or individuals that will provide the equity contribution, submit documentation of the financial condition of the entities and/or individuals providing the funds and the availability of such funds. Acceptable documentation is a letter signed by an independent Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.
- If debt financing is required and/or grants or fund raising is proposed, detail the experience of the entities and/or individuals involved in obtaining such financing and grants and in raising funds for similar projects. If grant funding is proposed, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant.
- Describe and document relevant community support for the proposed project.
- Identify the performance requirements applicable to the proposed project (see Part I question 15) and explain how the applicant will be able to implement the project in compliance with those performance requirements. Explain the process for completing the project design, obtaining State and local land use, environmental, and design approvals, contracting and obligating the funds within the prescribed time frame. Describe the construction process or refer to a description elsewhere in the application that demonstrates that the project can be completed within the applicable time frame(s).

Applicant Response:

Crescent Cities will partially fund the project through its cash reserves. **Exhibit 12** is an Audited Financial Statement for Crescent Cities for the period from February 1, 2019 to December 31, 2019. (Crescent Cities was acquired by the current owners on February 1, 2019, so financial audits prior to that time are not available.) The additional funds to pay for the project will be provided by the owners of Crescent Cities, who will contribute the capital necessary to fund the project. No debt financing will be required.

As the CON Application Table Package, **see Exhibit 1**, shows, Crescent Cities is financially viable and will remain so after it implements this project.

Letters of community support are attached as **Exhibit 13**.

10.24.01.08G(3)(e). Compliance with Conditions of Previous Certificates of Need.

An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

INSTRUCTIONS: List all of the Maryland Certificates of Need that have been issued to the project applicant, its parent, or its affiliates or subsidiaries over the prior 15 years, including their terms and conditions, and any changes to approved Certificates that needed to be obtained. Document that these projects were or are being implemented in compliance with all of their terms and conditions or explain why this was not the case.

Applicant Response:

This applicant has not been issued any Certificates of Need within the last fifteen years. The applicant acquired the facility in early 2019.

10.24.01.08G(3)(f). Impact on Existing Providers and the Health Care Delivery System.

An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

INSTRUCTIONS: Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payer mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

- a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;
- b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.
- c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);
- d) On costs to the health care delivery system.

If the applicant is an existing nursing home, provide a summary description of the impact of the proposed project on costs and charges of the applicant nursing home, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

REMINDER: Applicants also need to complete the CON TABLE PACKAGE FOR NURSING HOME (CCFs) APPLICATIONS.

Last Updated: 10/31/19

Applicant Response:

As this project is intended to help meet the Commission's projected need for 32 additional beds in 2022, this project should not have any negative impact on existing health care providers. Crescent Cities currently has 150 beds and is only applying to add half of the projected 32 additional needed beds. This project constitutes only an 11% increase in beds at Crescent Cities, a facility that has been operating at 95% or greater occupancy for at least six years.

As the response to COMAR 10.24.01.08G(3)(b) (Need) shows, the Prince George's County population age 65+ is projected to grow by 19.8% between 2020 and 2025 and increase by an additional 15.6% between 2025 and 2030, an increase of 38.5% between 2020 and 2030.

As Table F (R & E Facility – Uninflated) shows, see **Exhibit 1**, Crescent Cities does not anticipate any material change in payor mix as a result of this project. Hence, it will not materially impact the payor mix at other facilities.

Figure 6
Payor Mix by Patient Days
Crescent Cities
2018-2023

b. Percent of Inpatient Days						
	2018	2019	2020	2021	2022	2023
Private	3.0%	4.1%	4.4%	1.0%	1.0%	1.0%
Medicare	12.0%	9.8%	10.4%	13.0%	12.0%	11.5%
Insurance	13.0%	16.1%	16.1%	17.0%	18.0%	18.5%
Medicaid	72.0%	63.1%	64.5%	65.0%	65.0%	65.0%
Managed Medicaid		0.9%	2.0%	2.0%	2.0%	2.0%
Hospice		6.0%	2.0%	2.0%	2.0%	2.0%
Optum Skilled			0.6%	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: CON Table Packet, Table F

As the Commission has projected that more than 16 additional beds are needed, this project will improve access as the need for beds grows and will contribute to maintaining access to comprehensive care beds at a level that the MHCC has deemed appropriate. The project will not reduce the percentage of Medicaid patient days.

This project should have no material impact on the costs to the health care system. Using CON Table Packet Tables F and D, see **Exhibit 1**, the revenue/patient day in 2019 was \$343.11 (\$16,839,626/49,080) (\$360.16 in 2020). In 2023, it is projected to be \$345.86, an increase of 0.8% over 2019. Crescent Cities will constitute only approximately 5% of the beds in Prince George’s County. This small projected increase in the cost per patient day at Crescent Cities will be de minimis relative to the cost to the health care system.

In sum, this project will improve access as the need for beds grows, help maintain the level of access that the Commission has deemed appropriate in its projections, maintain access for Medicaid patients, and it will not have a materially adverse impact on costs to the health care system.

Table of Exhibits

Exhibit	Description
1.	MHCC Tables
2.	Project Drawings
3.	Ownership Organizational Chart
4.	Operating Lease
5.	Owners and Other Facilities
6.	Informational fliers
7.	Discharge Planning Policy and Comprehensive Person-Centered Care Planning Policy and Procedure
8.	Architect's FGI certification
9.	MHCC May 29, 2020 Determination on Quality
10.	Quality Assurance Policy – Crescent Cities
11.	Quality Assurance Policy – Other Facilities
12.	Financial Statement
13.	Letters of Support

Table of Figures

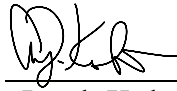
Figure	Description
Figure 1	MHCC Published Need Projections for 2022 Comprehensive Care Beds28
Figure 2:	Prince George's County CCFs29
Figure 3	Population by Age Cohort, 2010-2025 Prince George's County30
Figure 4	CCF Occupancy Rates 2014 – 2018 Prince George's County30
Figure 5	Percent Occupancy Crescent Cities Center 2014-201931
Figure 6	Payor Mix by Patient Days Crescent Cities 2018-202337

AFFIRMATIONS

I hereby declare and affirm under the penalties of perjury that the facts stated in this Application and its attachments are true and correct to the best of my knowledge, information, and belief.

January 4, 2021

Date



Jacob Kohn

Authorized Representative

Crescent Cities SNF LLC

I hereby declare and affirm under the penalties of perjury that the facts that have been contributed by the architects, and which are stated in this Application (submitted by Crescent Cities Nursing & Rehabilitation Center for a 16 bed addition and facility renovation) and its attachments, are true and correct to the best of my knowledge, information, and belief.

January 4, 2021

Date

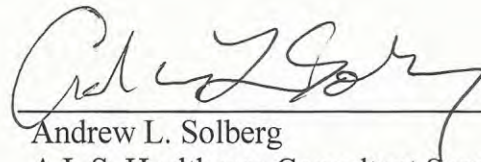


Cassandra Gottlieb
Waldon Studio Architects

I hereby declare and affirm under the penalties of perjury that the facts stated in this Application and its attachments are true and correct to the best of my knowledge, information, and belief.

January 4, 2021

Date



Andrew L. Solberg

A.L.S. Healthcare Consultant Services

EXHIBIT 1

CON TABLE PACKAGE FOR NURSING HOME (CCFs) APPLICATIONS

Name of Applicant: Crescent Cities SNF LLC d/b/a Crescent Cities Nursing & Rehabilitation Center

Date of Submission: 4-Jan-21

Applicants should follow additional instructions included at the top of each of the following worksheets. Please ensure all green fields (see above) are filled.

<u>Table</u>	<u>Table Title</u>	<u>Instructions</u>
Table A	Bed and Room Inventory	All Comprehensive Care facility applicants must complete Table A regardless of the project type and scope.
Table B	Construction and Renovation Square Footage	All applicants proposing new construction or renovation must complete Table B.
Table C	Project Budget	All applicants, regardless of project type or scope, must complete Table C.
Table D	Utilization - Entire Facility	Existing facility applicants must complete Table D. All applicants who complete this table must also complete Table F.
Table E	Utilization - New Facility or Service	Applicants who propose to: establish a new facility; a new service; or are directed by MHCC staff must complete Table E. All applicants who complete this table must also complete Table G.
Table F	Revenues & Expenses, Uninflated - Entire Facility	Existing facility applicants must complete Table F. The projected revenues and expenses in Table F should be consistent with the volume projections in Table D.
Table G	Revenues & Expenses, Uninflated - New Facility or Service	Applicants who propose to: establish a new facility; a new service and any other applicant who completes a Table D must complete Table G. The projected revenues and expenses in Table G should be consistent with the volume projections in Table E.
Table H	Workforce	All applicants, regardless of project type or scope, must complete Table H.
Table I	Bedside Care Staffing	All applicants, regardless of project type or scope, must complete Table I.
Table J	Construction Characteristics	All applicants proposing new construction or renovation must complete Table J.
Table K	Site and Offsite Costs Included and Excluded in Marshall Valuation Costs	All applicants proposing new construction or renovation must complete Table K

TABLE A. BED CAPACITY BY FLOOR AND NURSING UNIT BEFORE AND AFTER PROJECT

INSTRUCTION: Identify the location of each nursing unit (add or delete rows if necessary) and specify the room and bed count before and after the project. Applicants should add columns and recalculate formulas to address any rooms with 3 and 4 bed capacity.

Before the Project						After Project Completion				
Service Location (Floor/Wing)	Current Licensed Beds	Based on Physical Capacity				Based on Physical Capacity				
		Room Count			Physical Bed Capacity	Service Location (Floor/Wing)	Room Count			Physical Bed Capacity
		Private	Semi-Private	Total Rooms			Private	Semi-Private	Total Rooms	
COMPREHENSIVE CARE						COMPREHENSIVE CARE				
Schubert (2nd Floor)	37	1	18	19	37	Schubert (2nd Floor)	1	18	19	37
Mozart (2nd Floor)	30	2	14	16	30	Mozart (2nd Floor)	2	14	16	30
Memory (3rd Floor)	21	9	6	15	21	Memory (3rd Floor)	9	6	15	21
Melody (3rd Floor)	44	0	22	22	44	Melody (3rd Floor)	0	22	22	44
Riverdale (1st floor)	18	12	3	15	18	Riverdale (1st floor)	18	8	26	34
SUBTOTAL Comprehensive Care	150	24	63	87	150	SUBTOTAL	30	68	98	166
ASSISTED LIVING						ASSISTED LIVING				
TOTAL ASSISTED LIVING						TOTAL ASSISTED LIVING				
<i>Other (Specify/add rows as needed)</i>				0	0	<i>Other (Specify/add rows as needed)</i>			0	0
TOTAL OTHER						TOTAL OTHER				
FACILITY TOTAL	150	24	63	87	150	FACILITY TOTAL	30	68	98	166

TABLE B. PROPOSED NEW CONSTRUCTION AND RENOVATION SQUARE FOOTAGE

INSTRUCTION: Account for all existing and proposed square footage by floor. Further breakdown by nursing unit and building wing are at Applicants discretion and should be used by applicants if it adds valuable information to the description of the existing and proposed facilities. Add or delete rows if necessary.

Gross Square Footage by Floor/Nursing Unit/Wing	DEPARTMENTAL GROSS SQUARE FEET				Total After Project Completion
	Current	To be Added Thru New Construction	To Be Renovated	To Remain As Is	
					0
First Floor	23,805	0	10,940	12,865	23,805
Second Floor	25,650	0	0	25,650	25,650
Third Floor	25,090	0	0	25,090	25,090
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
Total	74,545	0	10,940	63,605	74,545

TABLE C. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application. If the project involves services other than CCF such as assisted living explain the allocation of costs between the CCF and the other service(s). NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds

	CCF Nursing Home	Other Service Areas	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building			\$0
(2) Fixed Equipment			\$0
(3) Site and Infrastructure			\$0
(4) Architect/Engineering Fees			\$0
(5) Permits (Building, Utilities, Etc.)			\$0
SUBTOTAL New Construction	\$0	\$0	\$0
b. Renovations			
(1) Building	\$900,000		\$900,000
(2) Fixed Equipment (not included in construction)	\$65,000		\$65,000
(3) Architect/Engineering Fees	\$93,000		\$93,000
(4) Permits (Building, Utilities, Etc.)	\$31,000		\$31,000
SUBTOTAL Renovations	\$1,089,000	\$0	\$1,089,000
c. Other Capital Costs			
(1) Movable Equipment	\$30,000		\$30,000
(2) Contingency Allowance	\$50,000		\$50,000
(3) Gross interest during construction period			\$0
(4) Other (Specify/add rows if needed)			\$0
SUBTOTAL Other Capital Costs	\$80,000	\$0	\$80,000
TOTAL CURRENT CAPITAL COSTS	\$1,169,000	\$0	\$1,169,000
d. Land Purchased/Donated			
e. Inflation Allowance	\$24,484	\$0	\$24,484
TOTAL CAPITAL COSTS	\$1,193,484	\$0	\$1,193,484
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			\$0
b. Bond Discount			\$0
c. CON Application Assistance			
c1. Legal Fees	\$75,000		\$75,000
c2. Other (Specify/add rows if needed)	\$25,000		\$25,000
d. Non-CON Consulting Fees			
d1. Legal Fees			\$0
d2. Other (Specify/add rows if needed)			\$0
e. Debt Service Reserve Fund			\$0
f. Other (Specify/add rows if needed)			\$0
SUBTOTAL	\$100,000	\$0	\$100,000
3. Working Capital Startup Costs			
TOTAL USES OF FUNDS	\$1,293,484	\$0	\$1,293,484
B. Sources of Funds			
1. Cash (entity cash + owner capital contribution)	\$1,293,484		\$1,293,484
2. Philanthropy (to date and expected)			\$0
3. Authorized Bonds			\$0
4. Interest Income from bond proceeds listed in #3			\$0
5. Mortgage			\$0
6. Working Capital Loans			\$0
7. Grants or Appropriations			
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Other (Specify/add rows if needed)			\$0
TOTAL SOURCES OF FUNDS	\$1,293,484	\$0	\$1,293,484
Annual Lease Costs (if applicable)			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other (Specify/add rows if needed)			\$0

* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.

TABLE C. PROJECT BUDGET - NOTES AND ASSUMPTIONS

* The inflation allowance was calculated using 2.0944%, calculated as follows:

	Months					
CON	6					
Financing	4					
Midpoint	4					
Budget Developed		2020				
Modification Date		2022				
Step 1		2021	%MOVAVG	1.6	1.016	A
Step 3		2021	CIS Proxy	1.23		B
		2022	CIS Proxy	1.24		C
		C/B			1.004866	D
		A*D			1.020944	2.09%

TABLE D. UTILIZATION PROJECTIONS - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Account for all inpatient and outpatient volume that produce or will produce revenue. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 3 & 4, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.		
	2018 (FY)**	2019 (CY)	2020 (CY)	2021 (CY)	2022 (CY)	2023 (CY)
Indicate CY or FY						
1. ADMISSIONS						
a. Comprehensive Care (public)	754	772	830	913	920	920
b. Comprehensive Care (CCRC Restricted)						
Total Comprehensive Care	797	797	830	913	920	920
c. Assisted Living						
d. Other (Specify/add rows of needed)						
TOTAL ADMISSIONS						
2. PATIENT DAYS						
a. Comprehensive Care (public)	48,439	49,080	52,560	58,166	58,166	58,166
b. Comprehensive Care (CCRC Restricted)						
Total Comprehensive Care	48,439	49,080	52,560	58,166	58,166	58,166
c. Assisted Living						
d. Other (Specify/add rows of needed)						
TOTAL PATIENT DAYS	48,439	49,080	52,560	58,166	58,166	58,166
3. NUMBER OF BEDS						
a. Comprehensive Care (public)	140	140	150	166	166	166
b. Comprehensive Care (CCRC Restricted)						
Total Comprehensive Care Beds	140	140	150	166	166	166
c. Assisted Living						
d. Other (Specify/add rows of needed)						
TOTAL BEDS	140	140	150	166	166	166
4. OCCUPANCY PERCENTAGE <i>*IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366</i>						
a. Comprehensive Care (public)	94.8%	96.0%	96.0%	96.0%	96.0%	96.0%
b. Comprehensive Care (CCRC Restricted)						
Total Comprehensive Care Beds	94.8%	96.0%	96.0%	96.0%	96.0%	96.0%
c. Assisted Living						
d. Other (Specify/add rows of needed)						
TOTAL OCCUPANCY %	94.8%	96.0%	96.0%	96.0%	96.0%	96.0%
5. OUTPATIENT (specify units used for charging and recording revenues)						
a. Adult Day Care						
b. Other (Specify/add rows of needed)						
TOTAL OUTPATIENT VISITS	0	0	0	0	0	0

TABLE D. UTILIZATION PROJECTIONS - ENTIRE FACILITY - NOTES AND ASSUMPTIONS

* The number of yearly admissions is based on the capacity increase with the 16 additional beds, as well as because Crescent Cities (with the addition of the beds), will be expanding its dialysis offerings.

* The number of patient days is based on a 96% occupancy. Crescent Cities anticipates maintaining high occupancy consistent with historical demand, as well as additional need in the community due to dialysis and other diagnoses, as well as additional private rooms.

** Data for 2018 is given in fiscal years, because the previous owner maintained records according to its fiscal year, which was February 2018 to January 2019. The applicant acquired the facility in February 2019. Data for 2019 onward is given in calendar year, which is how the applicant maintains its records.

TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. The table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table D reflecting changes in volume and with the costs of the Workforce identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projected revenue and expenses specifying all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with calculations detailed in the attachment and Contractual Allowance should not be included if it is a positive adjustment to gross revenue. Specify the sources of non-operating income.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.		
<i>Indicate CY or FY</i>	2018 (FY)	2019 (CY)**	2020 (CY)	2021 (CY)	2022(CY)	2023 (CY)
1. REVENUE						
a. Inpatient Services	\$ 16,282,375	\$ 17,153,978	\$ 19,113,036	\$ 19,929,000	\$ 20,148,219	\$ 20,371,864
b. Outpatient Services						
Gross Patient Service	\$ 16,282,375	\$ 17,153,978	\$ 19,113,036	\$ 19,929,000	\$ 20,148,219	\$ 20,371,864
c. Allowance For Bad Debt	\$ 392,314	\$ 314,352	\$ 182,840	\$ 249,113	\$ 251,853	\$ 254,648
d. Contractual Allowance						
e. Charity Care						
Net Patient Services	\$ 15,890,061	\$ 16,839,626	\$ 18,930,196	\$ 19,679,888	\$ 19,896,366	\$ 20,117,216
f. Other Operating Revenues						
NET OPERATING REVENUE	\$ 15,890,061	\$ 16,839,626	\$ 18,930,196	\$ 19,679,888	\$ 19,896,366	\$ 20,117,216
2. EXPENSES						
a. Salaries & Wages	\$ 8,058,348	\$ 7,464,784	\$ 7,812,221	\$ 8,502,565	\$ 8,672,617	\$ 8,759,343
b. Contractual Services	\$ 285,974	\$ 558,610	\$ 85,619	\$ 87,331	\$ 89,078	\$ 90,860
c. Interest on Current Debt	\$ 551,323	\$ 91,568	\$ 1,169,144	\$ 1,170,000	\$ 1,165,000	\$ 1,160,000
d. Interest on Project Debt				n/a	n/a	n/a
e. Current Depreciation	\$ 636,277	\$ 79,299	\$ 1,605,580	\$ 1,525,301	\$ 1,493,189	\$ 1,461,078
f. G&A	\$ 1,291,628	\$ 529,436	\$ 632,754	\$ 651,737	\$ 671,289	\$ 691,427
g. Insurance	\$ 425,486	\$ 205,976	\$ 169,999	\$ 170,000	\$ 173,400	\$ 176,868
j. Ancillary	\$ 1,957,254	\$ 1,851,987	\$ 1,947,595	\$ 1,986,547	\$ 2,026,278	\$ 2,066,803
k. Plant	\$ 989,823	\$ 2,189,216	\$ 1,839,984	\$ 1,858,384	\$ 1,895,552	\$ 1,933,463
l. Taxes	\$ 1,057,598	\$ 1,246,989	\$ 1,296,158	\$ 1,296,158	\$ 1,296,158	\$ 1,296,158
m. Project Depreciation				\$ 45,455	\$ 46,364	\$ 47,291
q. Supplies	434,833.00	696,663.00	\$ 601,965	\$ 708,489	\$ 722,659	\$ 737,112
TOTAL OPERATING EXPENSES	\$ 15,688,544	\$ 14,914,528	\$ 17,161,019	\$ 18,001,967	\$ 18,251,583	\$ 18,420,402
4. PATIENT MIX						
a. Percent of Total Revenue						
Private	3.0%	4.3%	4.1%	4.3%	4.3%	4.3%
Medicare	19.0%	15.4%	15.6%	15.6%	15.6%	15.6%
Insurance	17.0%	21.4%	21.9%	21.7%	21.7%	21.7%
Medicaid	58.0%	48.6%	47.2%	47.5%	47.5%	47.5%
Managed Medicaid		0.7%	2.0%	1.4%	1.4%	1.4%
Hospice		4.5%	2.0%	2.6%	2.6%	2.6%
Ancillary	0.4%	3.6%	7.0%	5.9%	5.9%	5.9%
Other	1.0%	1.1%	0.2%	0.6%	0.6%	0.6%
TOTAL	98.4%	99.6%	100.0%	99.6%	99.6%	99.6%
b. Percent of Inpatient Days						
Private	3.0%	4.1%	4.4%	1.0%	1.0%	1.0%
Medicare	12.0%	9.8%	10.4%	13.0%	12.0%	11.5%
Insurance	13.0%	16.1%	16.1%	17.0%	18.0%	18.5%
Medicaid	72.0%	63.1%	64.5%	65.0%	65.0%	65.0%
Managed Medicaid		0.9%	2.0%	2.0%	2.0%	2.0%
Hospice		6.0%	2.0%	2.0%	2.0%	2.0%
Optum Skilled			0.6%	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY - NOTES AND ASSUMPTIONS

Notes and Assumptions

Revenue Assumptions

- Medicaid Revenue PPD will remain consistent through the projected period. The components of the Medicaid rate that are affected by operations should remain consistent with current levels. Case Mix Index is expected to remain consistent. The appraisal ceiling used in rate calculations already and will continue to exceed the Medicaid ceiling and therefore not affect the Medicaid Reimbursement rate.
 - Private pay PPD revenue increases in CY 2021 and CY 2022 as a result of the designation of additional private rooms.
 - The increase in revenue is projected based on the increase in occupancy from the additional 16 beds on the first floor.
 - Average revenue growth projected to be 1% per annum.
-
- Allowance for Bad Debt projections based on 1.25% of annual revenue, as we typically see based on historical performance and writeoffs, inclusive of C/A. Our financials net out all adjustments. Projected revenue is based on our existing patient mix and reimbursement rates, plus an increase in census due to additional capacity, including additional acuity due to enhanced clinical capabilities such as dialysis.

Nursing Staffing

- During calendar year 2021-22 the provider will begin a gradual increase in census from the current 150 beds to 166. The financial impact of the increase in census will be cause a general increase in nursing staffing.
- Staffing pattern on additional beds on the Riverdale unit. Although the facility will continue to provide similar levels of care in the Riverdale Unit, the staffing mix (RN, LPN, AIDES) will increase because of the additional beds on the unit. The updated facility will allow more efficient staff utilization patterns.
- The facilities staffing will remain in accordance with State staffing minimum requirements at all periods during all periods.
- All salaries are expected to maintain the same levels with the exception of nursing, dietary, and housekeeping costs due to the minor increase in capacity.

Funding

- The project will be funded by a combination of use of current cash reserves and capital contributions by the owners.
- Depreciation Expense: Based on existing depreciation expense. Not expected to change upon completion of the project.
- Other Administrative Cost: Slight increase in other Admin. Cost. Combination of Fixed cost (Equipment rental, Service contracts) and PPD cost (supplies, etc.)
- Plant Operation Cost – Slight increase as result of reduced square footage.
- Food Cost – Contracts services – increase slightly as result of higher census.

Census Assumptions

- The current patient mix will shift towards a higher percentage of Medicaid and Medicare residents. This shift will be supported because of the more modern facility and additional private rooms.
- During calendar year 2021, the provider will begin a gradual increase in census from the current 150 beds. The financial result of the increase in census will be partially offset by a gradual increase in nursing staffing, food cost and supply cost.
- Private pay rates (revenues) will increase at the new location, supported by change to additional private rooms.

** Data for 2018 is given in fiscal years, because the previous owner maintained records according to its fiscal year, which was February 2018 to January 2019. The applicant acquired the facility in February 2019. Data for 2019 onward is given in calendar year, which is how the applicant maintains its records.

TABLE H. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G.

Job Category	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
	Current Year FTEs	Average Salary per FTE	Current Year Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table G, if submitted)	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
1. Regular Employees											
<i>Administration (List general)</i>											
Administrator	1.0	\$140,000	\$140,000							1.0	\$144,228
BOM	1.0	\$62,000	\$62,000							1.0	\$63,872
ABOM	1.0	\$40,000	\$40,000							1.0	\$41,208
Human Resources	1.0	\$64,500	\$64,500							1.0	\$66,448
Receptionist	2.0	\$27,000	\$54,000							2.0	\$55,631
Scheduler	1.0	\$50,000	\$50,000							1.0	\$51,510
Total Administration	7.00	\$383,500	\$410,500	0.0	0.0	0.0	0.0	0.0	0.0	7.0	422,897.1
<i>Direct Care Staff (List general)</i>											
DON	1.0	\$125,000	\$125,000							1.0	\$128,775
ADON	1.0	\$110,000	\$110,000							1.0	\$113,322
QA	1.0	\$0	\$0							1.0	\$0
MDS	2.0	\$46,000	\$92,000							2.0	\$94,778
RN Unit Manager	5.0	\$83,200	\$416,000							5.0	\$428,563
RN	11.0	\$35,909	\$395,000							11.0	\$406,929
LPN	15.0	\$103,719	\$1,555,790	1.0	\$103,719					16.0	\$1,709,627
CNA	37.0	\$40,926	\$1,514,262	3.0	\$122,778					40.0	\$1,686,479
Staff Development	1.0	\$90,000	\$90,000							1.0	\$92,718
Central Supply	1.0	\$33,000	\$33,000							1.0	\$33,997
DOR	1.0	\$95,000	\$95,000							1.0	\$97,869
PT	2.0	\$97,750	\$195,500							2.0	\$201,404
PTA	2.0	\$75,000	\$150,000							2.0	\$154,530
OT	2.0	\$87,500	\$175,000							2.0	\$180,285
COTA	2.0	\$75,000	\$150,000							2.0	\$154,530
ST	1.0	\$98,000	\$98,000							1.0	\$100,960
										0.0	\$0
Total Direct Care	85.0		\$5,194,552	4.0	226,497.3	0.0	0.0	0.0	0.0	89.0	\$5,584,765
<i>Support Staff (List general)</i>											
Director or Recreation	1.0	\$50,000	\$50,000							1.0	\$51,510
Activities	4.0	\$29,120	\$116,480							4.0	\$119,998
Social Services	2.0	\$68,500	\$137,000							2.0	\$141,137
Admissions	2.0	\$41,600	\$83,200							2.0	\$85,713
Dietary	13.0	\$33,280	\$432,640							13.0	\$445,706
Director of Housekeeping	1.0	\$63,500	\$63,500							1.0	\$65,418
Housekeeping & Laundry	15.0	\$24,960	\$374,400							15.0	\$385,707
Maintenance	1.0	\$65,000	\$65,000							1.0	\$66,963
			\$0							0.0	\$0
			\$0							0.0	\$0
Total Support	39.0		\$0	0.0	0.0	0.0	0.0	\$0	\$0	39.0	\$0
REGULAR EMPLOYEES TOTAL	131.0		\$6,927,272	4.0		\$0		\$0	\$0	135.0	\$7,369,813
2. Contractual Employees											
<i>Administration (List general)</i>											
Dietician	1.0	\$80,000	\$80,000							1.0	\$82,416
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
Total Administration	1.0	80,000.0	80,000.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	82,416.0
<i>Direct Care Staff (List general)</i>											
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
Total Direct Care Staff			\$0			\$0		\$0	\$0	0.0	\$0
<i>Support Staff (List general)</i>											
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
			\$0			\$0		\$0	\$0	0.0	\$0
Total Support Staff			\$0			\$0		\$0	\$0	0.0	\$0
CONTRACTUAL EMPLOYEES TOTAL			\$0			\$0		\$0	\$0	0.0	\$0
Benefits (State method of)			1,348,796.0			0.0		0.0			1,389,529.6
Percentage of Wages											
TOTAL COST	131.0		\$8,276,068	4.0		\$8,502,565	0.0	\$0	\$0	135.0	\$8,759,343

TABLE I. Scheduled Staff for Typical Work Week

INSTRUCTION: Quantify the staff that will provide bedside care that would be counted toward the current minimum staffing as required by COMAR 10.07.02.12									
Staff Category	Weekday Hours Per Day					Weekend Hours Per Day			
	Day	Evening	Night	Total		Day	Evening	Night	Total
Registered Nurses	48	32	32	112		40	24	24	88
L. P. N. s	48	40	24	112		32	40	24	96
Aides				0					0
C. N. A.s	112.5	112.5	67.5	292.5		112.5	112.5	67.5	292.5
Medicine Aides									
Total	208.5	184.5	123.5	516.5		184.5	176.5	115.5	476.5
Licensed Beds at Project Completion				166		Licensed Beds at Project Completion			166
Hours of Bedside Care per Licensed Bed per Day				3.27520609		Hours of Bedside Care per Licensed Bed Per Day			3.02155992
Staff Category	Weekday Hours Per Day					Weekend Hours Per Day			
	Day	Evening	Night	Total		Day	Evening	Night	Total
Ward Clerks (bedside care time calculated at 50%)	16								
Total Including 50% of Ward Clerks Time									
Total Hours of Bedside Care per Licensed Bed Per Day						Total Hours of Bedside Care per Licensed Bed Per Day			

EXHIBIT 2

REVISIONS		
DATE	NO.	ISSUED FOR

PROJECT NAME
**CRESCENT CITIES NURSING AND
REHABILITATION CENTER**

PROJECT ADDRESS
**4409 EAST-WEST HIGHWAY
RIVERDALE PARK, MD 20737**

PROJECT NUMBER **8A2004**

PROFESSIONAL CERTIFICATION
I hereby certify that these documents were PREPARED or APPROVED by me, and that I am a duly licensed professional architect under the laws of the State of Maryland.

SHEET TITLE
EXISTING FIRST FLOOR PLAN

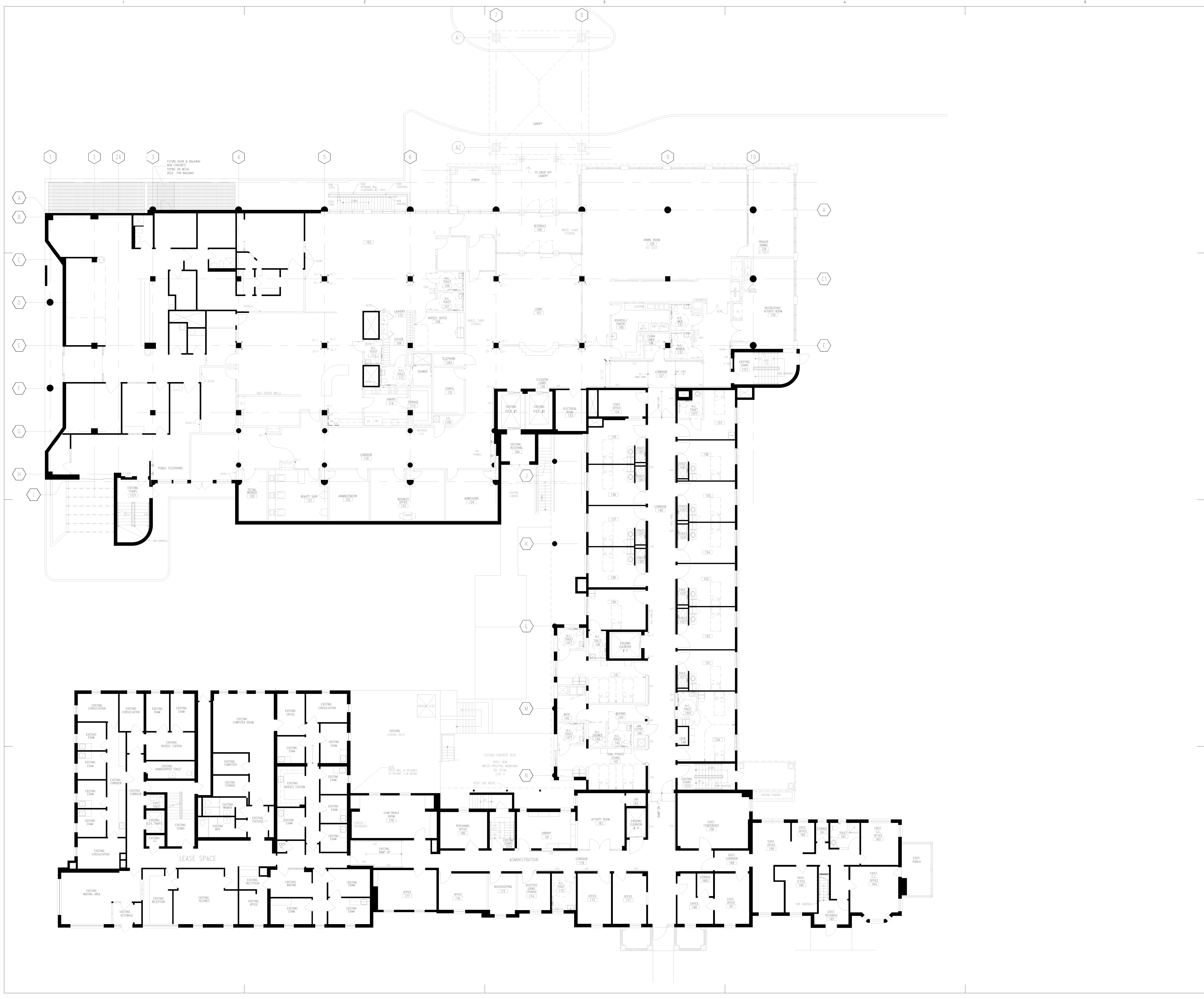
DRAWN BY
VT

CHECKED BY
CWG

SHEET NO.
A-1E

CONCEPT DESIGN

DATE
12/23/2020



AREA OF ALTERATION

SPACE NAME	AREA
AREA OF ALTERATION - 01	6,940 SF
AREA OF ALTERATION - 02	4,000 SF
	10,940 SF

UNIT TYPES AND AREAS

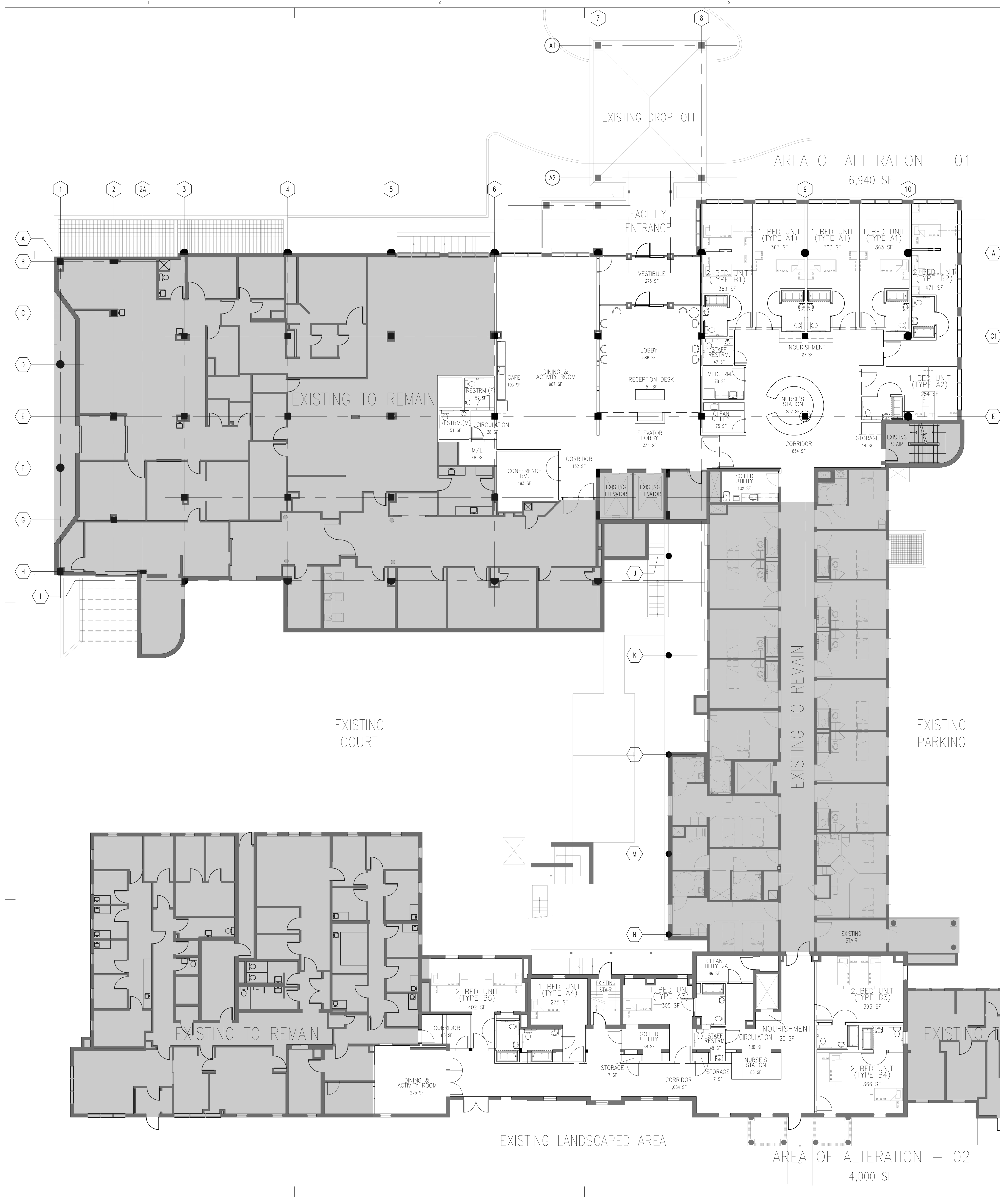
No. OF RMS.	SPACE NAME	NO. OF BEDS	AREA
3	1 BED UNIT (TYPE A1)	3	363 SF
1	1 BED UNIT (TYPE A2)	1	284 SF
1	1 BED UNIT (TYPE A3)	1	305 SF
1	1 BED UNIT (TYPE A4)	1	275 SF
1	2 BED UNIT (TYPE B1)	2	369 SF
1	2 BED UNIT (TYPE B2)	2	471 SF
1	2 BED UNIT (TYPE B3)	2	393 SF
1	2 BED UNIT (TYPE B4)	2	366 SF
1	2 BED UNIT (TYPE B5)	2	402 SF
11		16	3,954 SF

ALTERATION BUILDING PROGRAM & AREAS

No.	SPACE NAME	AREA
1	CAFE	103 SF
1	CIRCULATION	130 SF
1	CIRCULATION	38 SF
1	CLEAN UTILITY	75 SF
1	CLEAN UTILITY 2A	86 SF
1	CONFERENCE RM.	193 SF
1	CORRIDOR	854 SF
1	CORRIDOR	1,084 SF
1	CORRIDOR	132 SF
1	CORRIDOR	88 SF
1	DINING & ACTIVITY ROOM	987 SF
1	DINING & ACTIVITY ROOM	275 SF
1	ELEVATOR LOBBY	331 SF
1	LOBBY	586 SF
1	M/E	48 SF
1	MED. RM.	78 SF
1	NOURISHMENT	25 SF
1	NOURISHMENT	27 SF
1	NURSE'S STATION	252 SF
1	NURSE'S STATION	83 SF
1	RECEPTION DESK	51 SF
1	RESTRM.(F)	52 SF
1	RESTRM.(M)	51 SF
1	SOILED UTILITY	68 SF
1	SOILED UTILITY	102 SF
1	STAFF RESTRM.	47 SF
1	STAFF RESTRM.	48 SF
1	STORAGE	7 SF
1	STORAGE	7 SF
1	STORAGE	14 SF
1	VESTIBULE	275 SF
31		6,197 SF

KEY

	PROPOSED WALL
	EXISTING WALL TO REMAIN
	EXISTING AREA TO REMAIN



REVISIONS		
DATE	NO.	ISSUED FOR

PROJECT NAME
CRESCENT CITIES NURSING AND REHABILITATION CENTER

PROJECT ADDRESS
**4409 EAST-WEST HIGHWAY
RIVERDALE PARK, MD 20737**

PROJECT NUMBER
BA2004

PROFESSIONAL CERTIFICATION
I hereby certify that these documents were PREPARED or APPROVED by me, and that I am a duly licensed professional architect under the laws of the State of Maryland.

SHEET TITLE
FIRST FLOOR PLAN

DRAWN BY
VT

CHECKED BY
CWG

SHEET NO.
A-1

CONCEPT DESIGN

DATE
12/22/2020

PROJECT NAME
**CRESCENT CITIES NURSING AND
REHABILITATION CENTER**

PROJECT ADDRESS
4409 EAST-WEST HIGHWAY
RIVERDALE PARK, MD 20737

PROJECT NUMBER BA2004

SHEET TITLE
UNIT TYPES

DRAWN BY VT CHECKED BY CWG SHEET NO

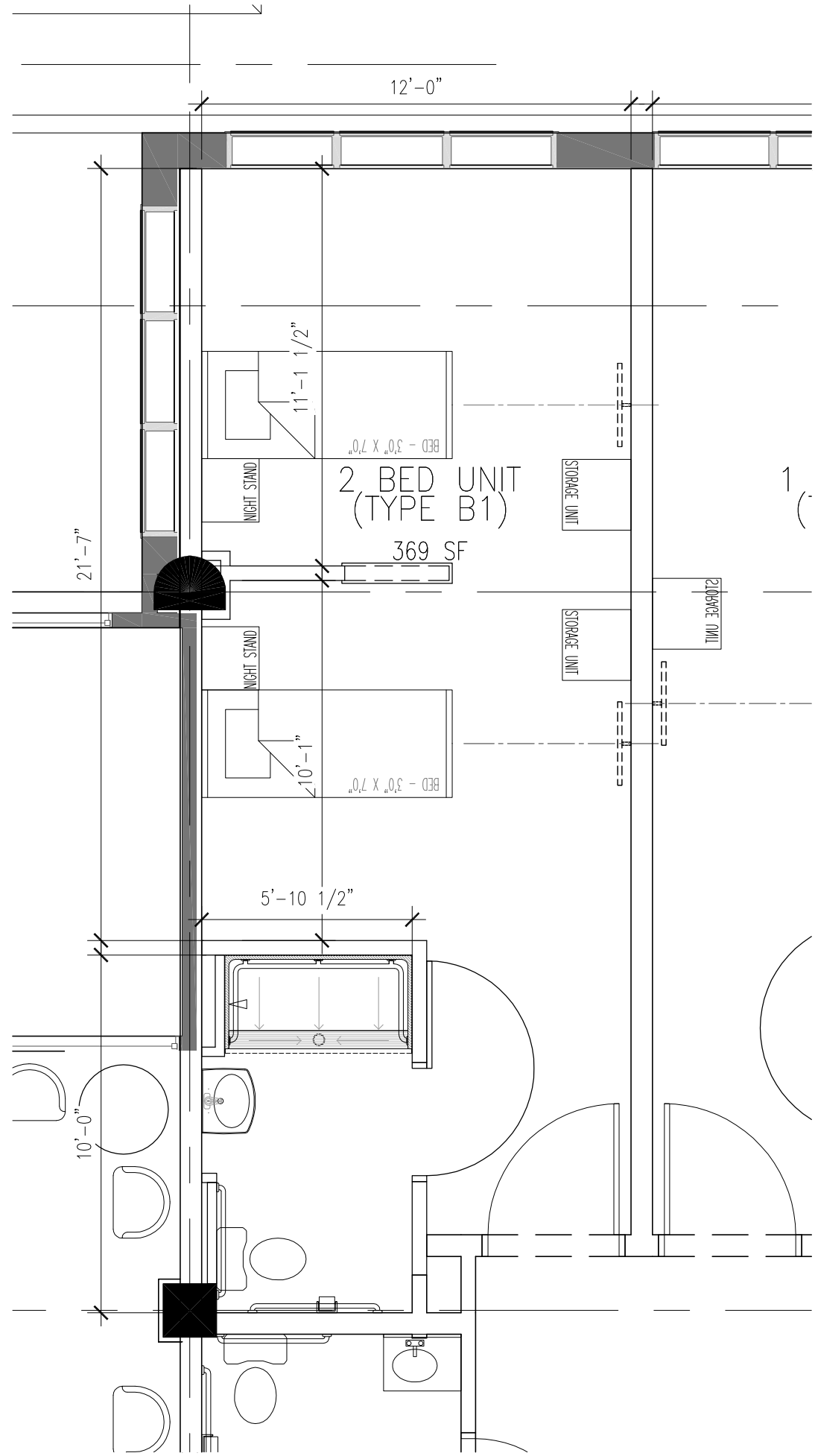
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CONCEPT DESIGN

DATE

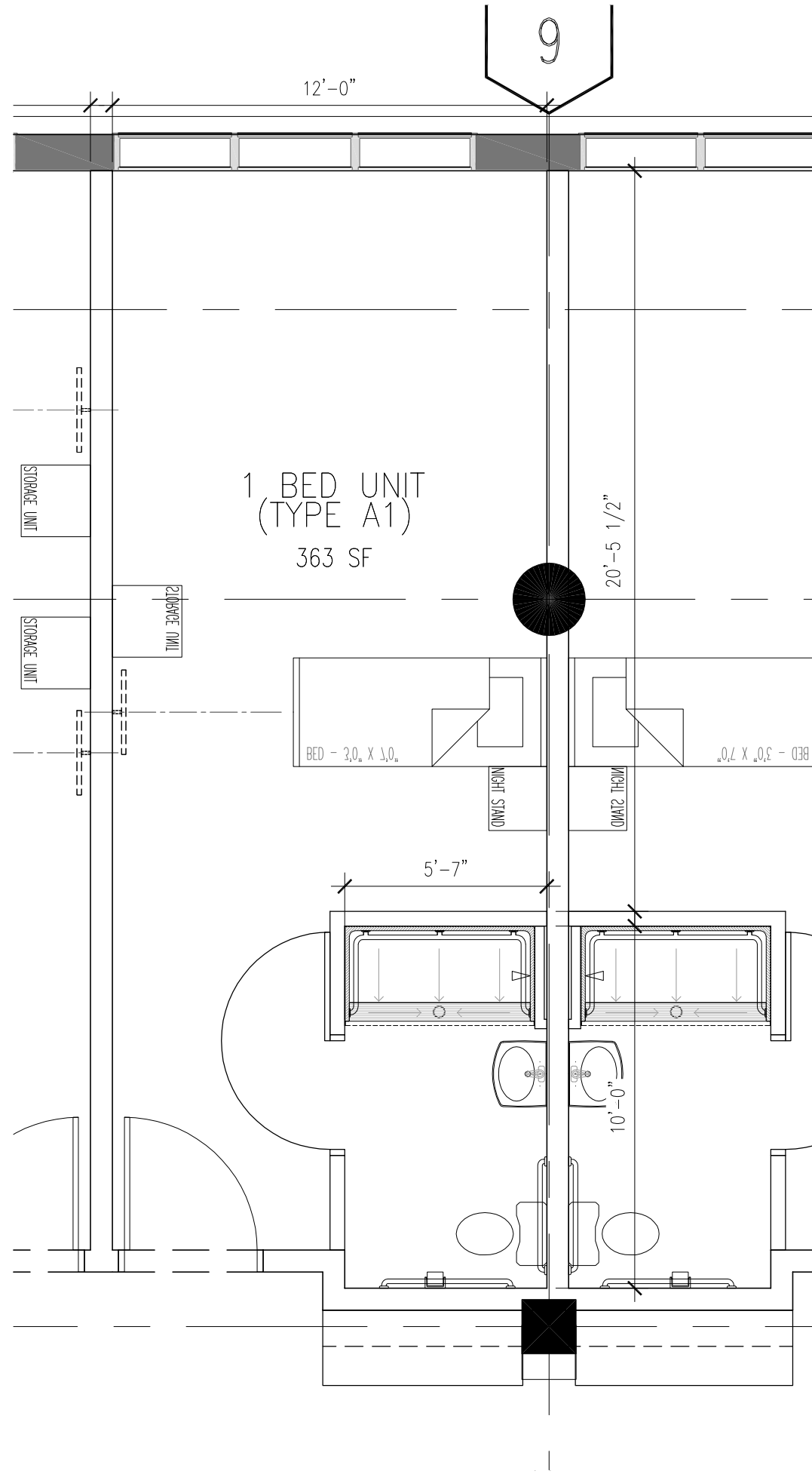
12/23/2020

A-2



UNIT TYPE B 1

SCALE : 1/4" = 1'-0"



UNIT TYPE A 1

SCALE : 1/4" = 1'-0"

CRESCENT CITIES NURSING AND REHABILITATION CENTER

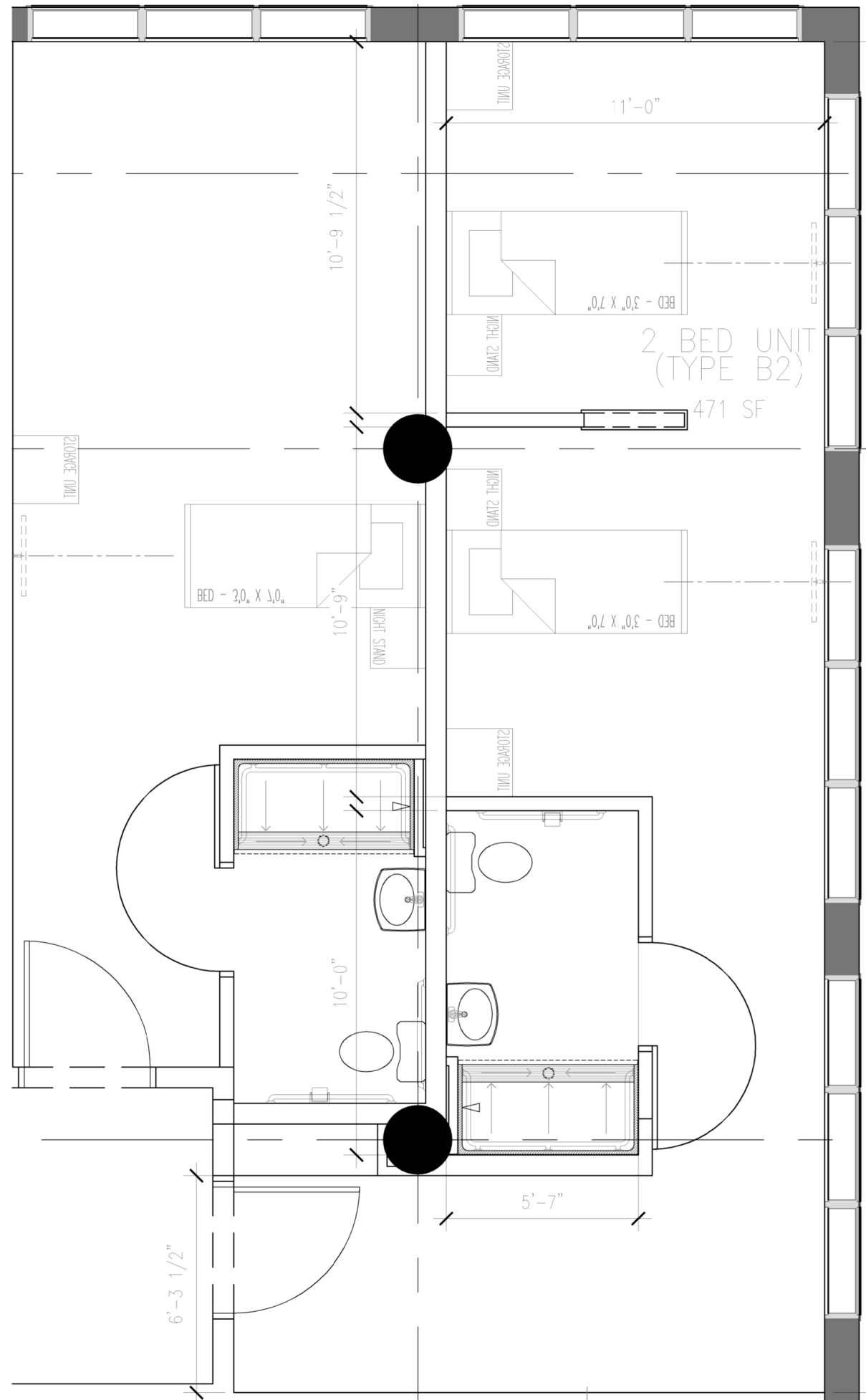
PROJECT ADDRESS
4409 EAST-WEST HIGHWAY
RIVERDALE PARK, MD 20737

PROJECT NAME

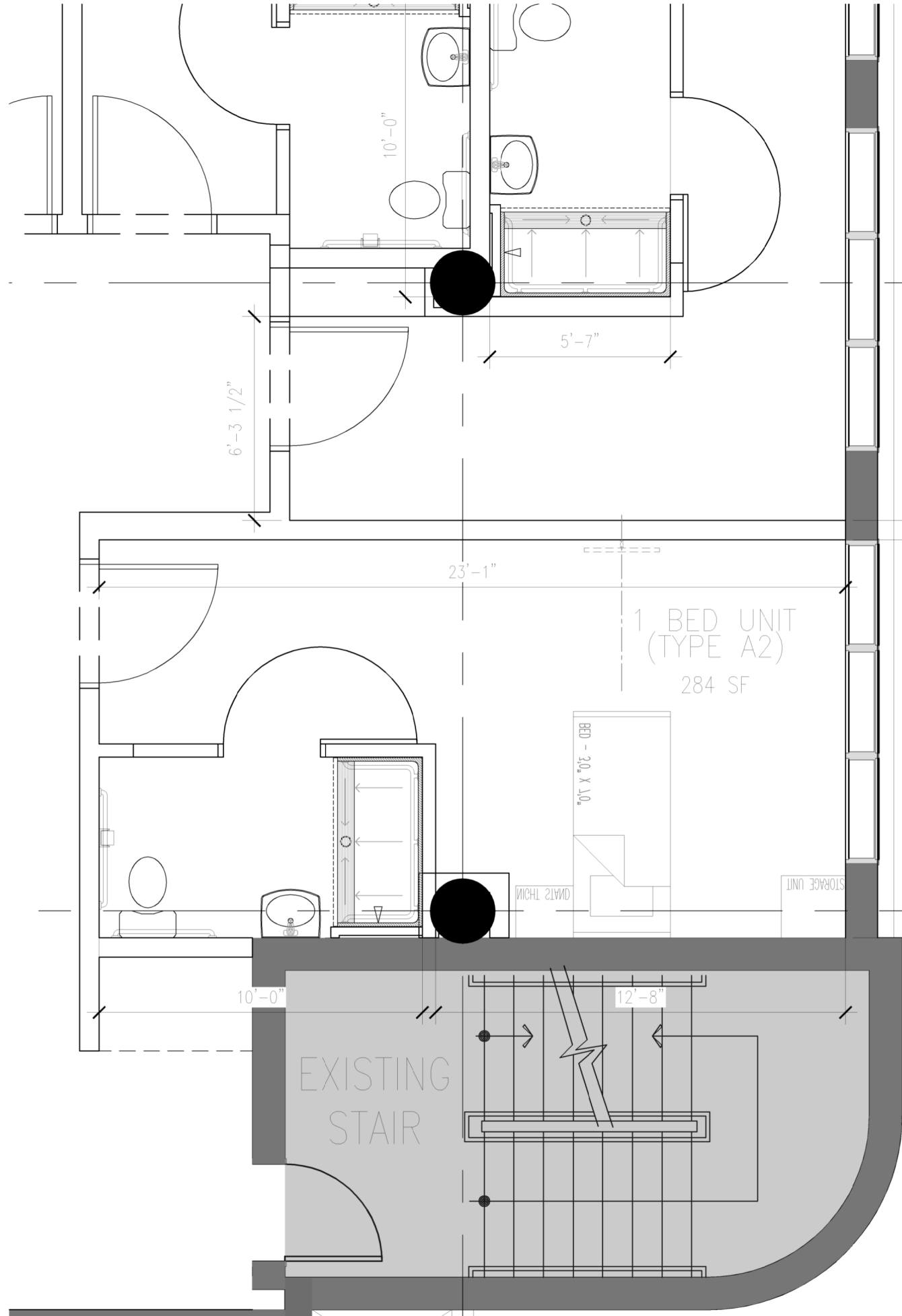
PROJECT NUMBER BA2004

SHEET TITLE
UNIT TYPES

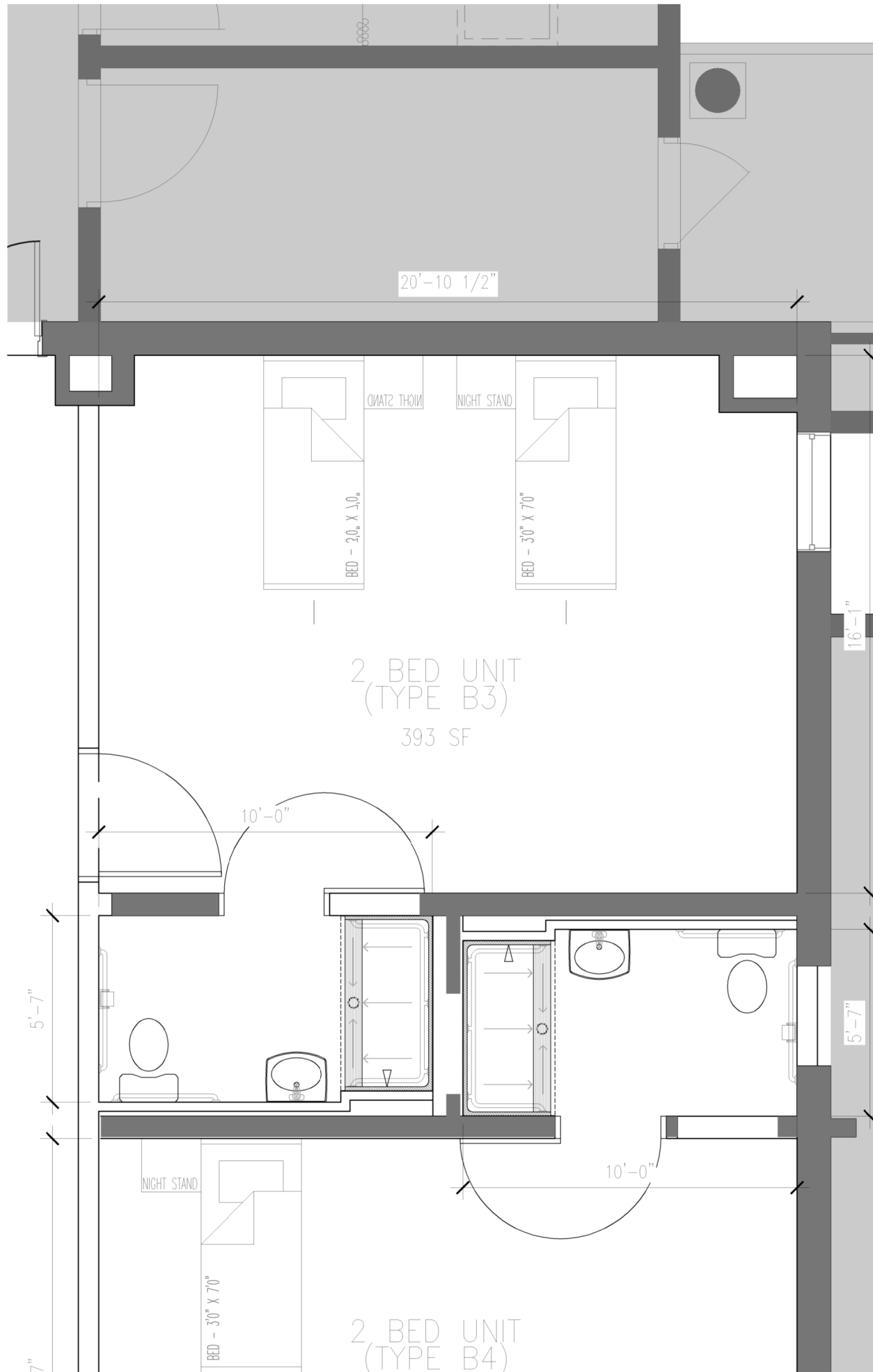
DRAWN BY VT	CHECKED BY CWG	SHEET NO A-3
SET DESCRIPTION CONCEPT DESIGN		
DATE 12/23/2020		



UNIT TYPE B2
SCALE: 1/4" = 1'-0"

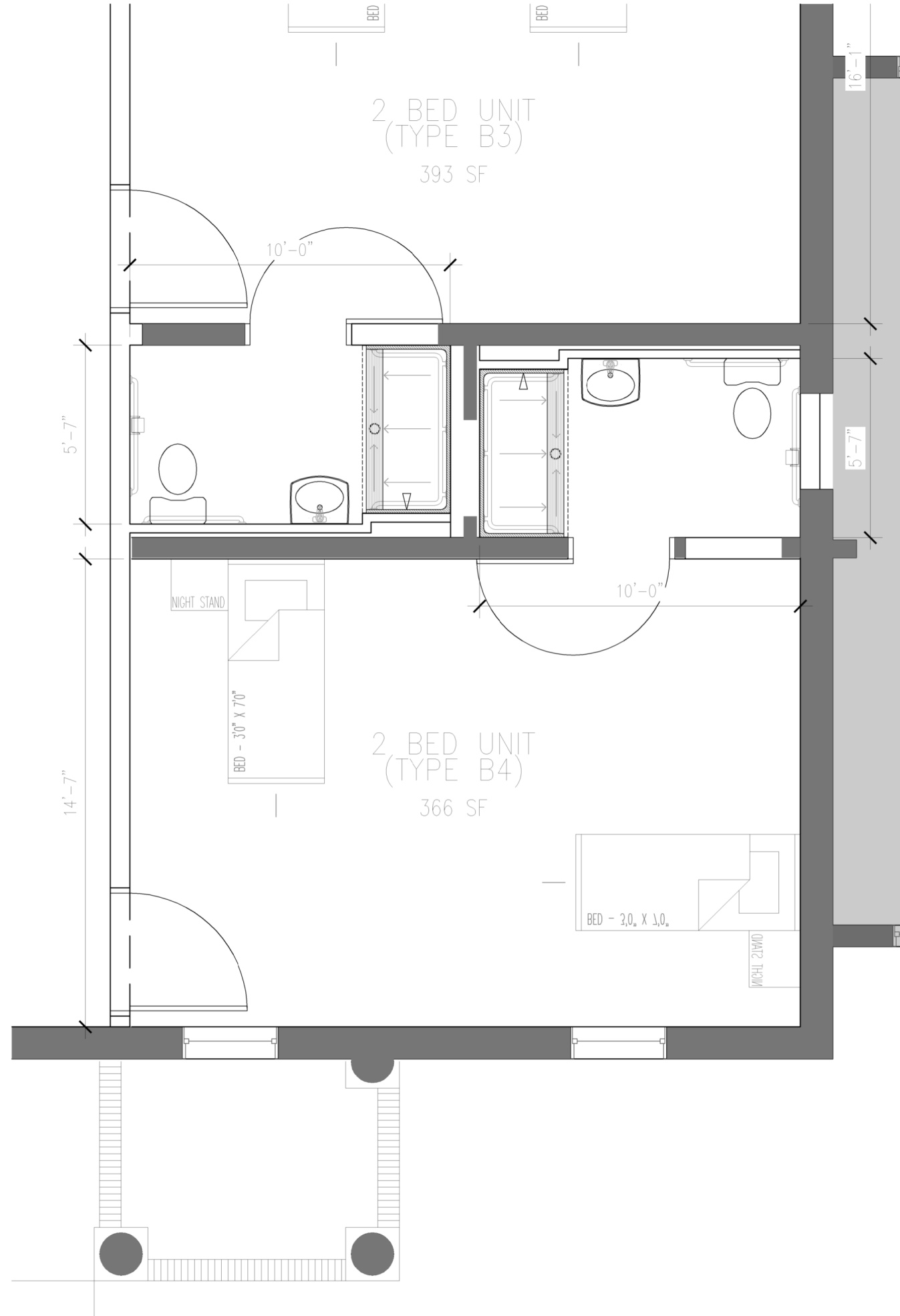


UNIT TYPE A2
SCALE: 1/4" = 1'-0"



UNIT TYPE B3

SCALE : 1/4" = 1'-0"



UNIT TYPE B4

SCALE : 1/4" = 1'-0"

CRESCENT CITIES NURSING AND REHABILITATION CENTER

PROJECT ADDRESS
4409 EAST-WEST HIGHWAY
RIVERDALE PARK, MD 20737

PROJECT NAME

PROJECT NUMBER

BA2004

SHEET TITLE

UNIT TYPES

DRAWN BY

CHECKED BY

SHEET NO

VT

CWG

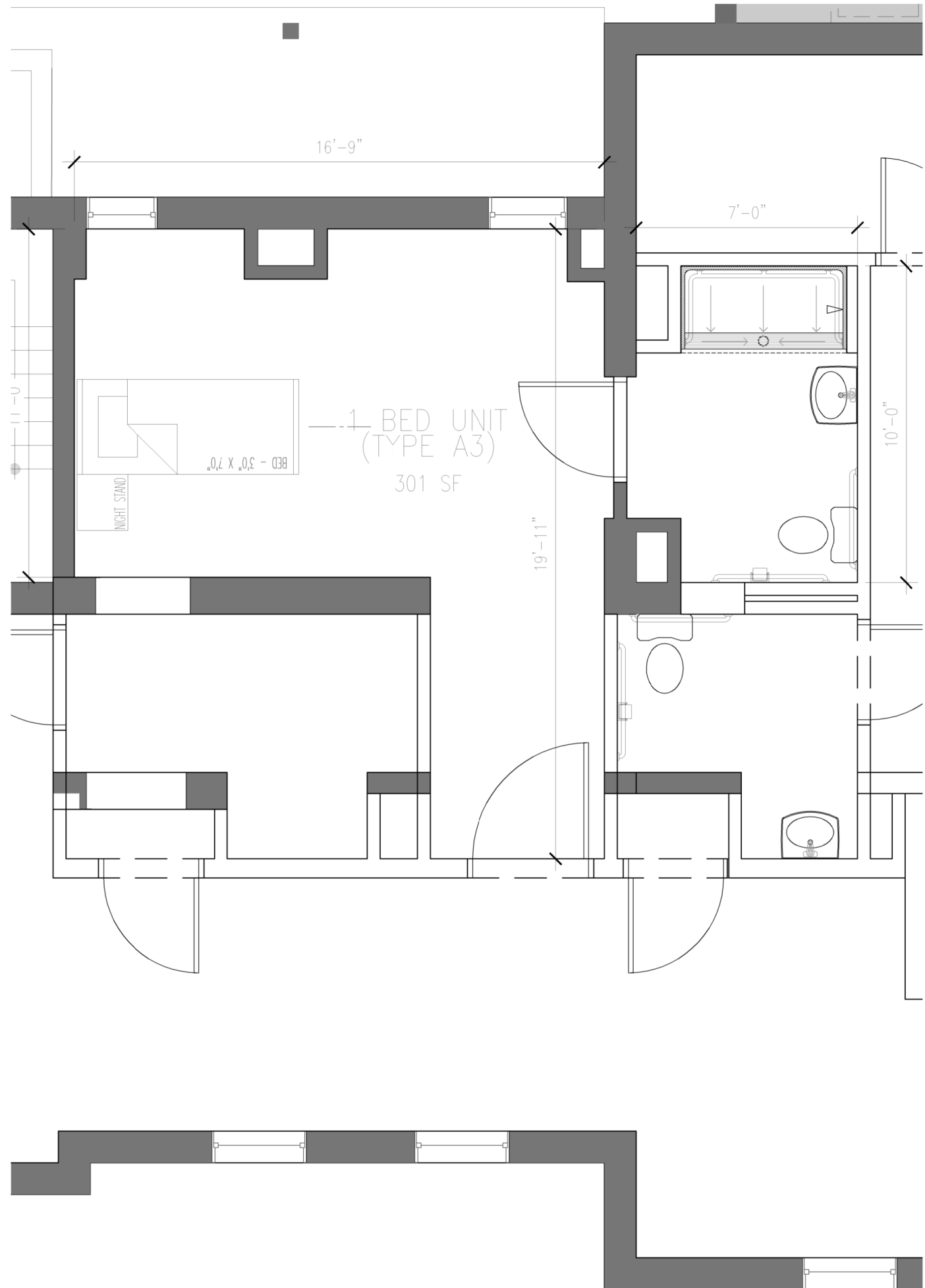
SET DESCRIPTION

CONCEPT DESIGN

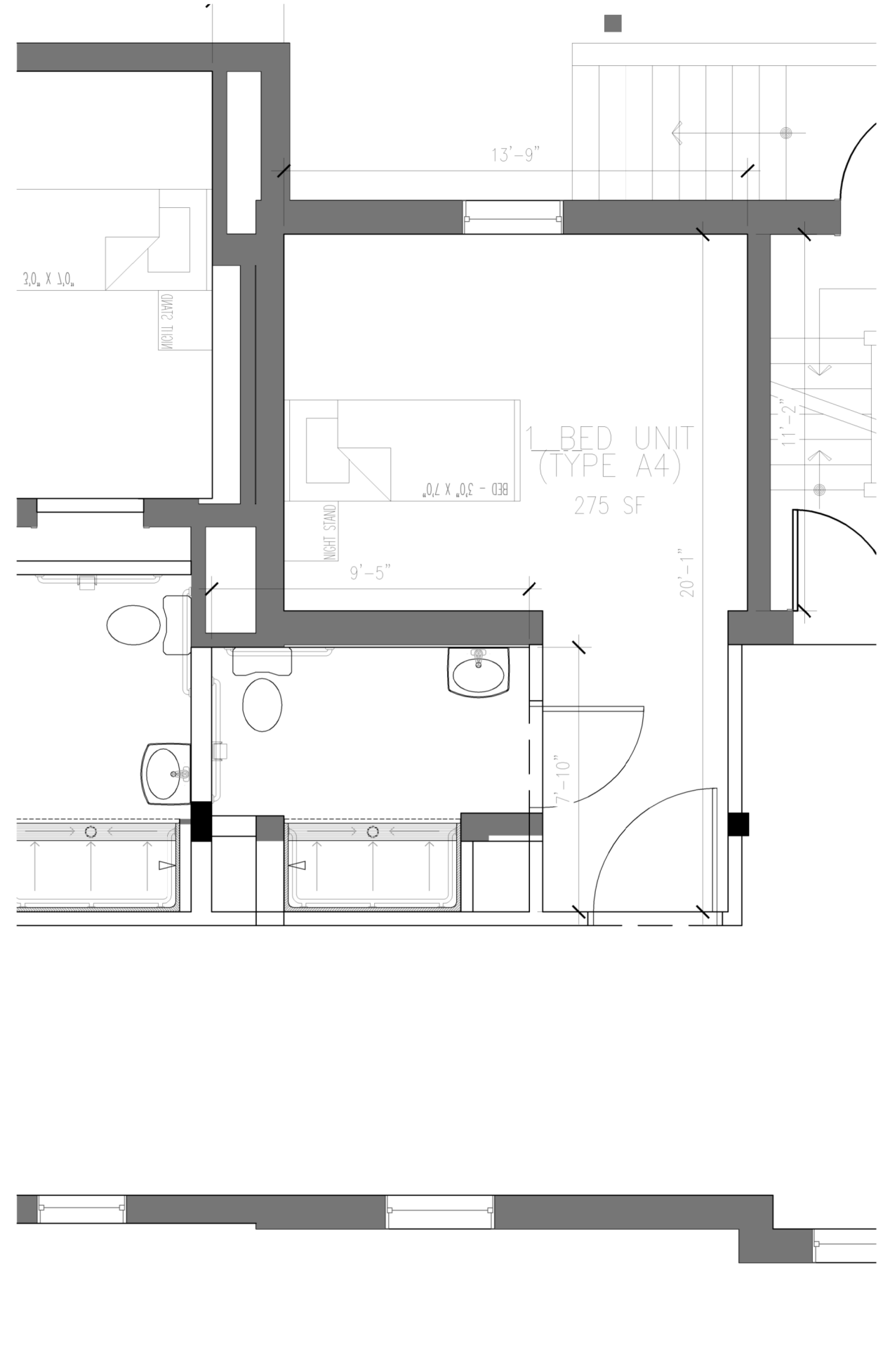
A-4

DATE

12/23/2020



UNIT TYPE A3
SCALE: 1/4" = 1'-0"



UNIT TYPE A4
SCALE: 1/4" = 1'-0"

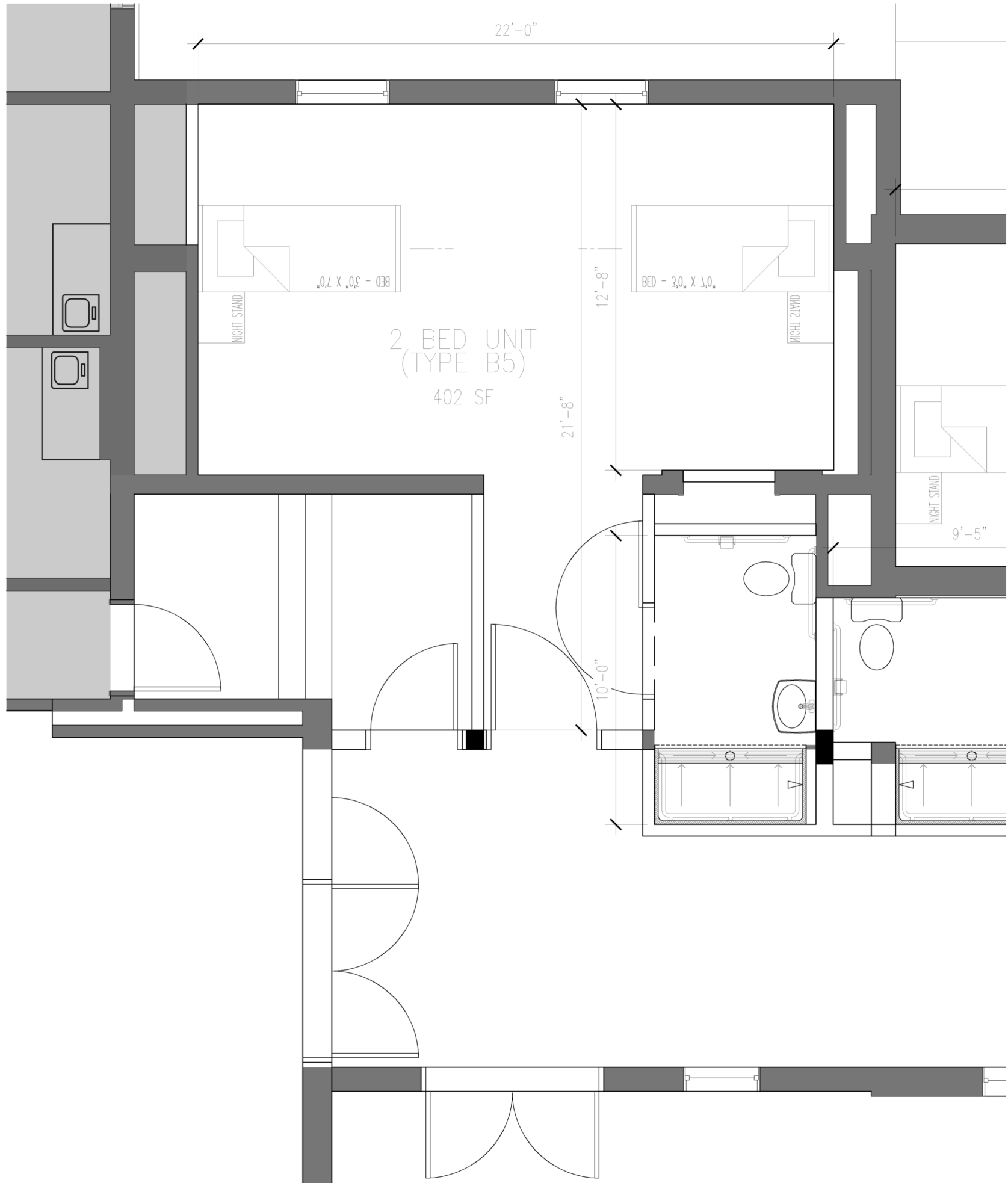
PROJECT NAME
CRESCENT CITIES NURSING AND REHABILITATION CENTER

PROJECT ADDRESS
4409 EAST-WEST HIGHWAY
RIVERDALE PARK, MD 20737

PROJECT NUMBER BA2004

SHEET TITLE
UNIT TYPES

DRAWN BY VT	CHECKED BY CWG	SHEET NO A-5
SET DESCRIPTION CONCEPT DESIGN		
DATE 12/23/2020		



UNIT TYPE B5

SCALE : 1/4" = 1'-0"

OWNER

4409 EAST WEST HIGHWAY LLC
1010 E 33RD STREET
BALTIMORE, MD 21218

PROJECT NAME
CRESCENT CITIES NURSING AND REHABILITATION CENTER

PROJECT ADDRESS
4409 EAST-WEST HIGHWAY
RIVERDALE PARK, MD 20737

PROJECT NUMBER BA2004

SHEET TITLE
UNIT TYPES

DRAWN BY VT	CHECKED BY CWG	SHEET NO A-6
SET DESCRIPTION CONCEPT DESIGN		
DATE 12/23/2020		

EXHIBIT 3

Organizational Diagram - Crescent Cities SNF LLC

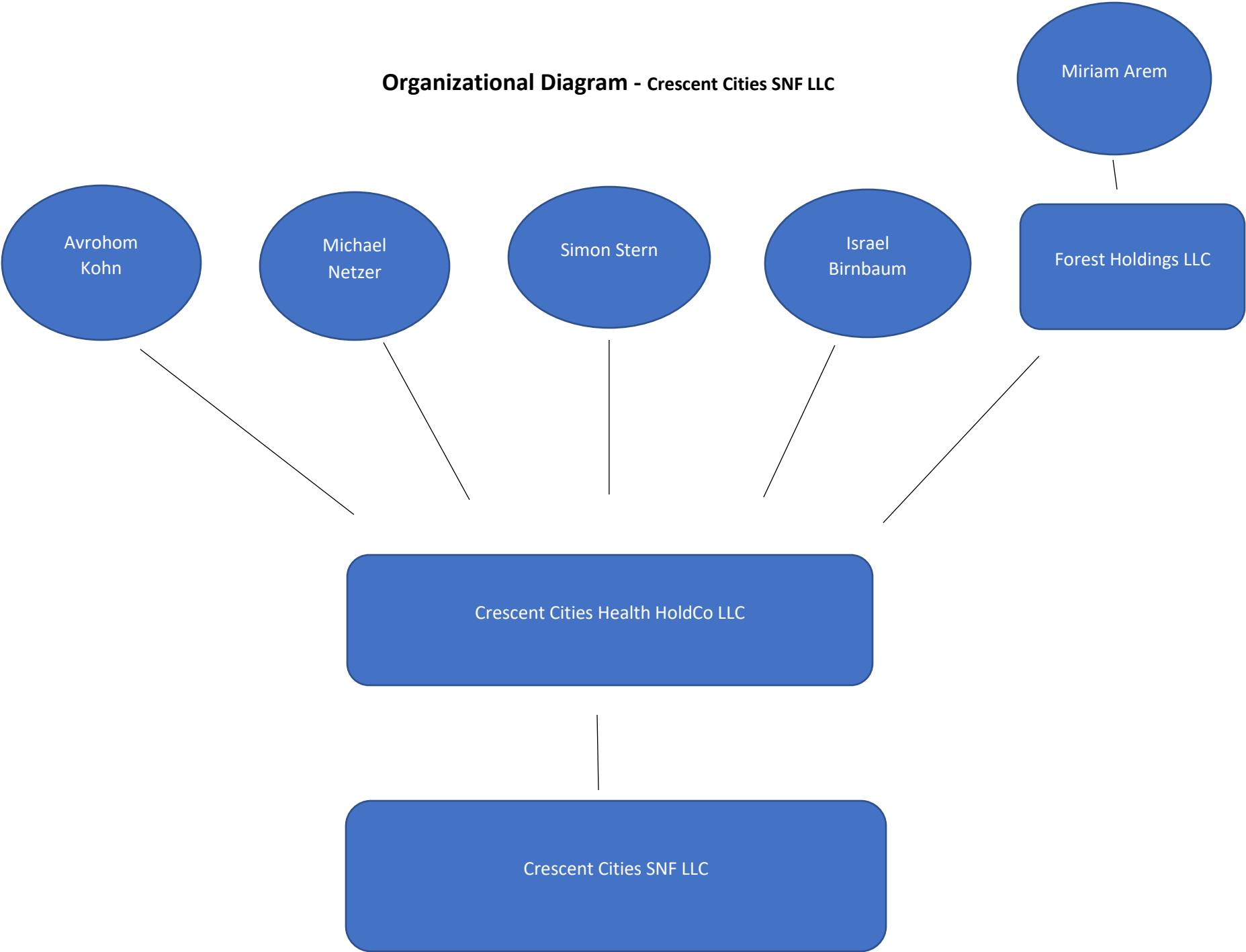


EXHIBIT 4

NURSING HOME LEASE

THIS NURSING HOME LEASE (this "Lease") made as of this 1st day of February, 2019, by and between 4409 East West Highway LLC, a Maryland limited liability company ("Landlord"), and Crescent Cities SNF LLC, a Maryland limited liability company ("Tenant").

RECITALS

WHEREAS, Landlord is, or at the commencement date hereof, will be, the owner of the real property, which is more particularly described on Exhibit A attached hereto and made a part hereof (the "Real Property"), upon which is built and there is currently operating a licensed, Medicare and Medicaid-certified, one hundred and forty (140) bed skilled nursing facility, including, without limitation, the license, nursing home bed operating rights, and certain other equipment and assets associated with the operation of the nursing facility, which is commonly known as Crescent Cities Center and located at 4409 East West Highway, Riverdale Park, Maryland 20737 (the "Facility");

WHEREAS, Crescent Cities Charities, Inc., a Maryland not-for-profit corporation ("Seller") and Landlord entered into an Asset Purchase Agreement dated as of November 6, 2018 (the "Purchase Agreement"), pursuant to which Landlord has agreed to purchase all of Seller's rights to the Facility (the "Facility Purchase");

WHEREAS, Seller is currently operating the Facility (Seller is also referred to herein as "Prior Operator").

WHEREAS, Landlord desires to lease the Leased Premises (as hereinafter defined) to Tenant upon the terms, conditions and covenants herein contained, and Tenant desires to lease the Leased Premises from Landlord upon the terms, conditions and covenants herein contained; and

WHEREAS, Tenant has entered into an Operations Transfer Agreement dated as of November 6, 2018 with Prior Operator and the other parties thereto (the "OTA").

NOW, THEREFORE, in consideration of the mutual covenants, agreement, promises, representations and warranties set forth herein and for such good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I INCORPORATION OF RECITALS

1.1 Incorporation of Recitals. The aforesaid Recitals are hereby incorporated into this Lease as if fully set forth herein. Landlord and Tenant are hereinafter collectively referred to as "Parties."

ARTICLE II
LEASED PREMISES

2.1 Leased Premises. Landlord hereby leases to Tenant, and Tenant leases from Landlord, on the terms and conditions set forth in this Lease, the following assets:

(A) The Real Property, including all buildings, structures, improvements, appurtenances, easements and fixtures, including fixed machinery and fixed equipment situated thereon or forming a part thereof.

(B) To the extent the same are transferable, or that the interest therein may be assigned to and/or assumed by a third party, all of the right, title and interest in and to any license and/or Certificate of Need or exemptions therefrom that Landlord owns, necessary to operate the Facility, including all right, title and interest in any certification to participate in any state or federal reimbursement program such as Medicare or Medicaid under Title XVIII or XIX of the “Social Security Act of 1935,” as now or hereafter amended (the “Social Security Act”) (collectively, the “Operating Rights”).

(C) All machinery, trade equipment, trade fixtures, furniture, furnishings, computers, software, accessories and supplies of all kinds used in connection with the Facility and owned by Landlord.

(D) To the extent that the same are transferable, or that the interest therein may be assigned to and/or assumed by a third party, all other licenses, permits, certificates and franchises owned by Landlord necessary to operate the Facility.

(E) All of the right, title and interest of Landlord in and to all goodwill, registered or unregistered trademarks, trade or brand names, customer lists, data bases, service marks, phone numbers, website addresses and all other intellectual or intangible property pertaining to the Facility which shall be transferred back to Landlord or its designee upon expiration of this Lease.

(All of the items listed in Sections 2.1(A) through 2.1(E) herein are hereinafter collectively referred to as the “Leased Premises.”)

2.2 Non-Assumption of Liabilities. Except as otherwise set forth on Schedule 2.2(a), Tenant shall assume no liabilities of Landlord or Prior Operator whatsoever, and the Leased Premises shall be subject to no encumbrances, conditions, restrictions, easements, charges, adverse claims, obligations or liabilities whatsoever except as set forth on Schedule 2.2(b) attached hereto and made a part hereof (the “Permitted Encumbrances”).

ARTICLE III
TERM, RENT AND HUD RESERVE

3.1 Term of Lease.

(A) Initial Term. The term of this Lease shall be for a period of ten (10) years commencing at 12:01 A.M. on February 1, 2019 (the “Commencement Date”), and ending at 11:59 P.M. on January 31, 2028 (the “Initial Term”).

(B) Renewal Term. Tenant shall have the option to renew this Lease, under the terms and conditions set forth herein and at the annual rental rates described in Section 3.2, for two (2) renewal term(s) of five (5) years each (each a “Renewal Term”) (the “Initial Term” and the “Renewal Terms” are hereinafter collectively referred to as the “Term”). Tenant shall provide notice of its intent to renew or not renew this Lease no earlier than one hundred and eighty days (180) days and no later than one hundred and twenty (120) days prior to the expiration of the then-current term.

3.2 Rent.

(A) Amount. Commencing on the Commencement Date, Tenant shall pay Landlord as base rent (the “Rent”), without deduction or setoff and without demand, the annual sum specified in the table below for the applicable period:

Period	Annual Rent	Monthly Rent
Year 1	\$1,200,000.00	\$100,000.00
Year 2	\$1,669,250.52	\$139,104.21
Year 3 – Year 10	\$1,680,477.84	\$140,039.82

Rent for any Renewal Term shall increase by two percent (2%) each year. Notwithstanding the foregoing, in the event that the sum of principal and interest payments required to be made by Landlord and Tenant, as borrowers, under the Loan Agreement (as defined in Section 7.4(A)(8) below) for any month during the Term (the “Monthly Debt Service”) exceeds the Rent amount set forth above for such month, the Rent for such month shall be increased to be equal to the Monthly Debt Service for the applicable month. The calculation of Monthly Debt Service shall not include the balloon payment due upon the maturity date of any loan pursuant to the Loan Agreement.

(B) Terms of Payment. Rent shall be considered payable in equal monthly installments during each calendar year on the first (1st) day of each calendar month. Rent for any period which is less than a calendar month, whether after the Commencement Date or after the termination of the Term, shall be prorated on a daily basis.

(C) Net Lease Provisions. Landlord and Tenant intend that the Rent herein specified shall be net to Landlord during the Term, and that all costs, expenses and obligations of every kind relating to the Leased Premises (except Landlord’s income taxes and except as otherwise specifically provided in this Lease) which may arise or become due during the Term shall be timely paid by Tenant and that Landlord shall be indemnified by Tenant against such costs, expenses and obligations.

(D) Reserves. The Rent shall be adjusted to include any additional amounts or reserves required by Landlord's lender for real estate taxes, insurance, repairs, replacements or capital expenses.

ARTICLE IV UTILITIES AND TAXES

4.1 Utilities. Tenant shall pay or cause to be paid all charges for electricity, telephone, cable, gas, oil, water, sewer and all other such services or utilities used on or related to the Leased Premises during the Term. Tenant covenants to utilize its commercial best efforts to place all utilities in Tenant's name as of the Commencement Date. In the event Landlord is billed directly by any utility company for any utilities or services supplied to Tenant during the Term, Landlord shall send Tenant the bill without any mark-up or surcharge of any kind whatsoever and Tenant shall promptly pay the same.

4.2 Taxes. Tenant shall be solely responsible for the payment at least five (5) days prior to delinquency of all general and special real estate taxes and assessments, including, without limitation, franchise fees (aka "bed taxes"), attributable to the Leased Premises from the Commencement Date through the Initial Term and any Renewal Term. Tenant shall be responsible for the payment of the full amount of any general and special real estate taxes ("Real Estate Taxes") that become due and payable during the Term, prorated for any period relating prior to the Term, as follows: On the Commencement Date and at all times during the Term, Tenant shall escrow with Landlord or its lender three (3) months of Real Estate Taxes based upon the last available tax duplicate (the "Tax Escrow"). Further, at all times during the Term, Tenant shall pay to Landlord with monthly Rent 1/12 of Landlord's estimate of the Real Estate Taxes due during the current lease year ("Monthly Tax Payments"), which Landlord shall use to pay Real Estate Taxes. To the extent that Real Estate Taxes are due and Tenant has not provided Landlord with sufficient Monthly Tax Payments to pay for such Real Estate Taxes (such deficiency being referred to herein as a "Tax Deficiency"), Landlord may use the funds from the Tax Escrow to pay for such Tax Deficiency, upon which Tenant shall immediately provide additional funds in the amount of the Tax Deficiency to Landlord to replenish the Tax Escrow. Landlord may from time to time reasonably increase the amount of the Tax Escrow and its estimate of Real Estate Taxes based upon increases in the tax bill or as Landlord's mortgage lender may require. If any governmental taxing authority acting under any present or future, ordinance or regulation, shall levy, assess or impose a tax, excise and/or assessment (other than an income or franchise tax) upon Tenant for rental payable by Tenant to Landlord, either by way of substitution for or in addition to any existing tax on land, buildings or otherwise, then Tenant shall be responsible for and shall pay such tax, excise and/or assessment or shall reimburse Landlord for the cost and expense thereof, as the case may be.

ARTICLE V MAINTENANCE AND REPAIR; IMPROVEMENTS

5.1 Maintenance and Repair. Tenant, at Tenant's sole cost and expense, shall keep the Leased Premises, including all buildings, fixtures, trade equipment, trade fixtures, furniture and other personal property leased to Tenant pursuant to this Lease, including, without limitation, roof, foundation, all outer walls, plumbing, sprinklers, electrical, heating, ventilation,

utility service, air conditioning and all other systems of the Leased Premises, in good condition and repair. Landlord shall not be responsible to make any repairs, maintenance or replacements whether occasioned by the act or negligence of Tenant and/or its agents, employees, invitees or licensees or otherwise, and Tenant shall pay for all improvements, repairs, replacements, maintenance and expenditures relating to the Leased Premises. The Leased Premises and its appurtenances shall at all times be kept in good order, condition, replacement and repair by Tenant, at Tenant's sole cost and expense, except for ordinary wear and tear (provided, however that, without limiting the generality of this Section 5.1, Tenant shall be obligated to replace any non-structural portion of the Leased Premises upon any obsolescence thereof or if proper repair is impractical). All replacements made by Tenant hereunder shall be made in a good and workmanlike manner using the same or similar quality of materials as being replaced.

5.2 Improvements, Renovations, Alterations and Additions. Tenant shall have the right during the Term to make such non-structural interior alterations, changes and improvements to the Leased Premises as may be proper and necessary for the conduct of Tenant's business, for resident comfort and safety and for the full beneficial use of the Leased Premises, so long as such Tenant improvements do not interfere with any of the purposes for which the Facility was leased or affect the roof or structure; provided, however, that Tenant shall make no structural alterations, changes, or improvements and shall make no roof penetration without express written approval in each instance by Landlord, which consent may be withheld in Landlord's reasonable discretion. Notwithstanding the foregoing, Tenant shall make such non-structural interior alterations, changes and improvements to the Leased Premises as may be required to comply with all licensure and certification with respect to the Leased Premises and all applicable laws. Tenant shall make all structural interior alterations, changes and improvements to the Leased Premises as may be required to comply with all licensure and certification with respect to the Leased Premises and all applicable laws with Landlord's prior written approval of all plans and specifications. Tenant shall notify Landlord of any such permitted alterations, changes or improvements prior to the commencement thereof. Tenant shall pay all costs and expenses of such permitted alterations, changes, and improvements, shall make the same in a good and workmanlike manner, and in accordance with all applicable laws, codes, and regulations, and shall assure Landlord, in form reasonably satisfactory to Landlord, that payment for the same will be made by Tenant. Tenant hereby completely and fully indemnifies Landlord against any mechanic's liens or other liens or claims in connection with the making of such alterations, changes, and/or improvements. Any liens arising out of such alterations, changes, and/or improvements shall be discharged of record by Tenant within fifteen (15) days after the same have been filed by payment, bonding or otherwise, as permitted by law. All capital improvements shall be the property of Landlord without compensation to Tenant.

5.3 Signage. All signs installed by Tenant shall comply with all requirements of appropriate governmental authority, and all necessary permits or licenses shall be obtained by Tenant. Tenant shall maintain all signs in good condition and repair at all times, and shall indemnify, protect, hold harmless and, at the option of Landlord, defend Landlord from injury to person or property, arising from the erection, installation and maintenance of said signs. Upon vacating the Leased Premises, Tenant shall remove all signs so installed by Tenant, but only if Landlord shall request such removal, and repair all damage caused by such removal.

5.4 Surrender. Tenant shall deliver up and surrender to Landlord (or Landlord's designee) possession of the Leased Premises, including all of Tenant's work (and all replacements thereof) and all fixtures permanently attached to the Leased Premises during the Term, upon the expiration of this Lease or its termination in any manner whatsoever, in as good condition and repair and in substantially similar form, character and manner as the same shall be on the Commencement Date, ordinary wear and tear excepted, (without compensation to Tenant) with permitted changes, improvements and additions during the Term as authorized herein, subject to no liens, encumbrances, charges, restrictions, conditions, limitations or claims whatsoever, and deliver the keys to the Leased Premises to Landlord's designee, or at the office of Landlord or Landlord's agent, as directed by Landlord. In addition, upon any such expiration or termination of this Lease, Tenant covenants and agrees to do such things and to take such action as may, from time to time, be necessary or appropriate to permanently surrender and withdraw from possession and operation of the Leased Premises, and shall thereafter be fully and permanently relieved of all powers, duties, responsibilities and obligations that are conferred or imposed upon Tenant under this Lease (except those obligations which survive the termination hereof as provided herein) and to restore and place Landlord (or Landlord's designee) in possession and operation of the Leased Premises, or any portion thereof, to the same extent as Prior Operator's possession and operation thereof as of the day immediately preceding the Commencement Date, ordinary wear and tear excepted, and Tenant covenants and agrees to execute and deliver to Landlord (or Landlord's designee) all assignments, documents and other instruments, to the reasonable satisfaction of Landlord (or Landlord's designee) in order to effectuate the provisions hereof, including, but not limited to, Tenant's execution and delivery of a transfer of operations agreement acceptable to Landlord in form and substance, which agreement addresses the surrender of the Leased Premises by Tenant and the surrender of operations issues and procedures not governed by this Lease (with representations and warranties of title and indemnification provisions consistent with the terms of this Lease) and which appropriately transfers the Facility operations back to Landlord (or Landlord's designee). Tenant hereby irrevocably appoints Landlord or its designee, as agent of Tenant for the express purpose of signing, acknowledging and/or delivering any and all agreements, documents, instruments or other writings which are or may become necessary, proper and/or advisable to cause possession and operation of the Leased Premises, or any portion thereof, to be restored and returned to Landlord (or Landlord's designee) in the manner and condition required hereunder. This power is coupled with the ownership interest of Landlord in and to the Premises, and all unilateral and incidental rights attendant thereto.

5.5 Condition of Leased Premises. Tenant has made a physical inspection of the Leased Premises and is taking the Leased Premises in their "AS IS", "WHERE IS" condition, and acceptance of possession of the Leased Premises on the Commencement Date shall be deemed an acknowledgment thereof by Tenant. Tenant acknowledges and agrees that Landlord is not making any representation, warranty or covenant whatsoever with respect to the condition of the Leased Premises, or any portion thereof, or their suitability for any particular purpose, and Tenant is relying solely on its inspection of the Leased Premises and due diligence investigations with respect thereto.

ARTICLE VI
INDEMNIFICATION; INSURANCE

6.1 Indemnification; Commercial General Liability, Malpractice and Umbrella Insurance. Tenant shall indemnify, defend and save Landlord free and harmless from and against any claims, losses, costs, damages or expenses (including reasonable attorneys' fees) for injury to or death of persons and/or loss or damage to property occasioned by, growing out of or arising from Tenant's use of the Leased Premises, Tenant's default hereunder or from any other act or omission of Tenant, its agents or employees. Throughout the Term, Tenant shall maintain with respect to the Leased Premises, comprehensive or commercial general liability, medical professional malpractice, business interruption, and umbrella policies of insurance reasonably satisfactory to Landlord; provided that such business interruption insurance coverage is sufficient to cover twelve (12) months of Tenant's operation. Such insurance may be carried with an insurance company, selected by Tenant and approved by Landlord, authorized to do business and admitted in Maryland. Tenant shall deliver to Landlord a certificate of any policy of such insurance maintained by Tenant. Such policy shall contain a provision that the same cannot be reduced in coverage, nor cancelled, without thirty (30) days' prior written notice to Landlord. Said policy of insurance shall designate Landlord, and each of Landlord's lenders of whom Tenant has notice, as an additional insured.

6.2 Special Form Property Insurance. Landlord shall keep the Leased Premises (other than Tenant's leasehold improvements), insured for its full replacement value, insuring its risk of loss by fire, casualty and other hazards, covered by "all risk" fire insurance reasonably acceptable to Landlord and Landlord's mortgage lender, if any. The cost of maintaining such insurance shall be paid by Tenant to Landlord as additional rent hereunder. The proceeds of such insurance shall be disbursed to Landlord 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; 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. Landlord's lender(s) shall be loss payee(s) on this policy and such additional loss payee coverage shall be at Tenant's expense. At all times during the Term, Tenant shall pay to Landlord with monthly Rent 1/12th of Landlord's estimate of the property insurance premium due for the current lease year which Landlord shall use to pay the insurance premium. Landlord may from time to time reasonably increase its estimate of the insurance premium based upon increases in the premium or as Landlord's mortgage lender may require.

6.3 Workers' Compensation. Tenant, at its sole cost and expense, shall at all times comply with the provisions of the workers' compensation law and shall insure its liability thereunder. Tenant acknowledges and agrees that Landlord is under no obligation to indemnify, defend or hold Tenant harmless for any change or increase in Tenant's workers' compensation or unemployment compensation rates or experience as a result of this Lease, or because Tenant is determined to be a successor employer for purposes of workers' compensation or unemployment compensation; Tenant hereby agreeing to assume all liability therefor.

6.4 Certificates of Insurance. Upon the Commencement Date of this Lease, Tenant shall furnish Landlord with appropriate certificates of insurance showing that each type of insurance required under this Article VI is in full force and effect and not cancellable or

modifiable without thirty (30) days' prior written notice to the other party. All insurance policies required hereunder shall designate Landlord, and each of Landlord's lenders, if any, as an additional insured or loss payee, as applicable. All insurance required herein shall remain in effect upon the expiration or earlier termination of this Lease.

6.5 Waiver of Subrogation. Landlord and Tenant hereby waive all rights of recovery for causes of action which either has or may have or which may arise hereafter against the other for any damage to the Leased Premises or the property or business of either of them or of anyone claiming through either of them, by way of subrogation or otherwise, caused by any of the perils coverable (whether or not covered) by a special form policy of property insurance or contents insurance (irrespective of whether or not such insurance coverage is in fact carried or obtained); or by any other insurance for damage to property carried by the party whose property was damaged; provided, however, that the foregoing waiver shall apply only if and to the extent that a waiver of subrogation for property damage is not prohibited in the State of Maryland.

6.6 Tail Insurance. If, during the Term of the Lease, Tenant is covered by professional malpractice insurance on a "claims made" basis, Tenant shall procure and maintain, at Tenant's sole cost and expense, "tail" insurance coverage, in the amount of at least One Million Dollars (\$1,000,000.00) with a deductible of no more than Ten Thousand Dollars (\$10,000.00) for medical professional malpractice claims made after the termination of this Lease, but concerning services provided during the Term of this Lease.

6.7 Loan Requirements. Notwithstanding anything in this Article VI to the contrary, Tenant shall at all times comply with all insurance requirements set forth in the Loan Agreement (as defined herein).

ARTICLE VII SECURITY

7.1 [Intentionally Omitted.]

7.2 Access to Leased Premises. Subject to applicable laws governing resident rights and the privacy of residents' health information, Tenant shall permit Landlord and its agents to enter upon the Leased Premises at all reasonable times during ordinary business hours to inspect and examine the Leased Premises, and to inspect and copy any patient records, medical records, operating manuals, procedures manuals, training manuals, and other books and records concerning unemployment, workers' compensation, insurance, tax, and any other business issues and any information necessary for audit relating to cost reimbursement, collections, general financial matters, litigation, inquiries and related activities. Landlord shall make reasonable efforts not to materially interfere with or materially disrupt Tenant's business and use and enjoyment of the Leased Premises during any such inspection or examination.

7.3 Changes in Licensure and Certification Status. Tenant shall not change the licensure or certification status of the Facility without the prior written consent of Landlord and agrees to return to Landlord upon the expiration of the Lease, the Leased Premises including but not limited to all Operating Rights leased by Landlord to Tenant. Landlord and Tenant acknowledge and agree that the Leased Premises, including the licensed nursing home beds and

the certification of such beds under Titles XVIII and XIX of the Social Security Act, was, and at all times under the terms of the Lease are, the sole and absolute property of Landlord, and Tenant shall have absolutely no right, title or claim of right whatsoever in and to the right to operate said nursing home beds; provided, however, that Landlord has permitted Tenant as a term of this Lease, to maintain licensure of the Leased Premises as the nominal licensed nursing home operator and Landlord has permitted all nursing home beds located at the Leased Premises to be in Tenant's name as licensed nursing home operator, but only during the Term and provided only as long as Tenant is not in default or otherwise in breach of this Lease. Upon any termination of this Lease or any breach or default by Tenant hereunder (which breach or default is not cured within any applicable grace period), Landlord shall have the sole, complete, unilateral, absolute and unfettered right to cause the Maryland Department of Health license to be reissued in Landlord or Landlord's designee's name upon application therefore to the Maryland Department of Health, and to further have the right to have any and all Medicare, Medicaid and any other provider and/or third party payor agreements issued in Landlord or Landlord's designee's name.

7.4 Reporting Obligations.

(A) During the Term, Tenant shall provide Landlord with the following reports, statements, and inspections:

- (1) Quarterly financial statements, which shall include A/R aging reports;
- (2) Quarterly census report;
- (3) Annual financial statements;
- (4) Copies of all surveys and inspection reports within ten (10) days of receipt;
- (5) Copy of cost reports as filed;
- (6) Copies of tax returns as filed by Tenant; and
- (7) Tenant shall immediately notify Landlord, and provide Landlord with copies, of all correspondence or notices from any governmental agency or other authority related to the licensure or certification status of the Facility, or the ability of Tenant to maintain its status as the licensed nursing home operator of the Leased Premises.
- (8) During any period when the Loan Agreement dated as of February 1, 2019 (the "Loan Agreement") by and among Israel Discount Bank of New York (the "Lender"), and Landlord and Tenant, as borrowers, is in effect, Tenant shall deliver the applicable documents described in the Loan Agreement to be delivered by borrowers directly to Lender(s) with a copy to Landlord at the time and in the manner as set forth in the Loan Agreement.

Tenant shall immediately notify Landlord in writing of any notice, action or other proceeding or inquiry of any governmental agency, bureau or other authority whether Federal, State, or local, of any kind, nature or description, which would adversely affect the license or certification status of the Facility, or the ability of Tenant to maintain its status as the licensed nursing home operator hereunder. Tenant shall immediately upon Tenant's receipt, furnish Landlord with a copy of any and all such notices and Landlord shall have, at all times during any Term, the right to intervene, attend and/or participate in its sole and absolute discretion in any such actions or proceedings. Tenant shall act diligently to correct any deficiency or deal effectively with any "adverse action" or other proceedings, inquiry or other governmental action, so as to maintain the licensure and certification status stated herein in good standing at all times. Tenant shall not agree to any settlement or other action with respect to such proceedings or inquiry which affects the use of the Leased Premises or any portion thereof as provided herein without the prior written consent of Landlord. Tenant hereby irrevocably appoints Landlord, as agent of Tenant for the express purpose of signing, acknowledging and/or delivering any and all documents, instruments or other writings that are or may become necessary, proper and/or advisable to cause any and all Maryland Department of Health licenses and/or Maryland Department of Human Resources, Title XVIII and/or Title XIX provider agreements to be obtained in the name of Landlord or Landlord's designee in the event that Landlord reasonably determines in good faith that (irrespective of any claim, dispute or other contention or challenge of Tenant) there is any breach, default or other lapse in any representation, warranty, covenant or other delegation of duty to Tenant (beyond any applicable grace period) and the issuing government agency has threatened or asserted that such license or provider agreement will terminate or has lapsed or that Tenant's license or certification status is in jeopardy. This power is coupled with the ownership interest of Landlord in and to the Facility and the right to operate nursing home beds and all collateral and incidental rights attendant to any and all of the foregoing rights; and

(B) During the Term, Tenant shall provide Landlord's current and future lender(s), banker(s), financial auditor(s) and other similar parties or entities with copies of any and all documentation and information requested by such parties, including, but not limited to, all financial statements, cost reports, reimbursement information, insurance claims, workers' compensation claims and wage reports related to the Facility or Tenant's operations therein.

7.5 Payment in the Ordinary Course. Tenant shall pay in full: (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate reserves have been established in accordance with generally accepted accounting principles) for which Tenant may be or become liable or to which any or all of Tenant's properties may be or become subject; (b) all of Tenant's wage obligations to Tenant's employees in compliance with the Fair Labor Standards Act (29 U.S.C. 206-207) or any comparable provisions; (c) all obligations owed in connection with any claim, demand or notice of any overpayment received from Medicare, Medicaid or other third party payor; and (d) all of Tenant's obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which

adequate reserves have been established in accordance with generally accepted accounting principles) before such payment becomes overdue.

ARTICLE VIII PERSONAL PROPERTY

8.1 Landlord's Personal Property. Upon the expiration or termination of this Lease, Tenant shall leave the personal property of Landlord leased to Tenant under Section 2.1(C) hereof as repaired, rebuilt, replaced, restored, altered as permitted or required by provisions of this Lease (the "Landlord's Personal Property") in or on the Leased Premises, except for ordinary wear and tear. Any and all replacements of the personal property at the Facility made by Tenant shall become Landlord's Personal Property, and any and all security interests and finance statements cleared at Landlord's expense. Upon the expiration or earlier termination of this Lease, Tenant shall deliver complete and up-to-date records for the residents of the Facility to Landlord in a commonly-readable electronic format that may be employed in readily-available nursing home management or operational software. All agreements for third-party reimbursement or payment to the Leased Premises shall name Landlord, as a contracting party, and shall be transferred and assigned to Landlord upon termination or other expiration of the Lease.

8.2 Consumables. Within five (5) business days of the expiration or termination of this Lease, Landlord shall have the option to purchase or to cause a successor tenant to purchase, at cost, a maximum of seven (7) days' worth, of Tenant's consumable goods used or maintained in connection with the Facility, including but not limited to, food, cleaning materials and medical supplies.

ARTICLE IX INDEMNIFICATION

9.1 Tenant's Indemnification. During the Term of this Lease and after the surrender of the Leased Premises in accordance with Section 5.4 of this Lease, Tenant shall protect, defend, indemnify and hold harmless Landlord from and against any claims, losses, costs, penalties, damages, charges or expenses (including reasonable attorney's fees) imposed or resulting from, or attributable in whole or in part to any violation of any law, order of governmental agency or ordinance, whether occasioned by the intentional act or negligence of Tenant or those holding under Tenant, to the extent that such occurred during the Term, and that Tenant shall at all times protect, defend, indemnify and hold harmless Landlord from and against all claims, losses, costs, charges, damages or expenses arising out of or from any accident or other occurrence on or about the Leased Premises causing injury to any person or property whomsoever or whatsoever, and shall protect, defend, indemnify and hold harmless Landlord from and against any and all claims, losses, costs, charges, damages or expenses arising out of any failure of Tenant in any respect to comply with or perform all requirements and provisions of this Lease. Further, Tenant shall indemnify and hold Landlord harmless against any and all claims from any source for repayment audit liabilities, civil money penalties, or any other charges or expenses arising out of the operation of the Leased Premises during the Term.

9.2 Landlord's Indemnification. Landlord shall protect, defend, indemnify and hold harmless Tenant from and against any claims, losses, costs, penalty, damages, charges or expenses (including reasonable attorneys' fees) imposed or resulting from any, or attributable in whole or in part to violation of any law, order of governmental agency or ordinance, whether occasioned by the intentional act or neglect of Landlord or those holding under Landlord (but excluding any violation arising from Tenant's breach of this Lease), and that Landlord shall at all times, protect, defend, indemnify and hold harmless Tenant from and against all claims, losses, costs, charges, damages or expenses arising out of or from any accident or other occurrence on or about the Leased Premises on or before the Commencement Date causing injury to any person or property wheresoever or whatsoever, and shall protect, defend, indemnify and hold harmless Tenant from and against any and all claims, losses, costs, charges, damages or expenses arising out of any failure of Landlord in any respect to comply with or perform all requirements and provisions of this Lease.

ARTICLE X USE OF LEASED PREMISES

10.1 Compliance with Laws and Regulations. Tenant shall use the Leased Premises solely as a licensed nursing home and for no other purpose. Tenant shall attempt to acquire in its own name and shall maintain all licenses, certificates, permits, provider agreements and other authorizations and approvals needed to operate the Leased Premises as a nursing home, and Landlord hereby agrees to use commercially reasonable efforts to assist Tenant in connection therewith, including, but not limited to, providing any written notices and consents required by the Maryland Department of Health ("MDH"), the Maryland Department of Human Resources ("MHR") and the Centers for Medicare and Medicaid Services ("CMS"). Tenant hereby warrants and represents to Landlord that as of the Commencement Date: (i) Tenant will be, and will continue to be, validly licensed and certified to operate a nursing home in accordance with the applicable rules and regulations of the State of Maryland and federal governmental authorities, including, but not limited to, MDH, MHR, and CMS, provided the submission of a plan of correction and subsequent acceptance in whole or in part by the MDH, MHR or CMS, or their designee will not be considered to be a breach of this paragraph; (ii) Tenant will be, and will continue to be, certified by and the holder of valid provider agreements with Medicaid and/or Medicare, as applicable, issued by MDH, MHR and/or CMS and shall remain so certified and shall remain such a holder in connection with its operation of the Leased Premises as a nursing home; (iii) Tenant will be, and will continue to be, in compliance with and shall remain in substantial compliance with all state and federal laws, rules, regulations and procedures with regard to the operation of a nursing home; (iv) Tenant will operate the Facility in a manner consistent with high quality nursing care and sound reimbursement principles under the Medicare and Medicaid programs; and (v) Tenant shall not abandon, terminate, vacate or fail to renew any certificate, license or permit which relates to the operation of the nursing home business on the Leased Premises or in any way commit any act which will cause any such certificate, license or permit to be revoked by any federal, state or local governmental authority having jurisdiction thereof.

10.2 No Waste. Tenant shall not commit or suffer to be committed any waste on the Leased Premises nor shall Tenant cause or permit any nuisance thereon.

10.3 Hazardous Materials and Hazardous Waste.

(A) Landlord has not placed or held any Hazardous Materials (hereinafter defined) on or at the Leased Premises, except as is necessary for the ordinary course of its business as a nursing home. Tenant shall not place or hold any Hazardous Materials on or at the Leased Premises, except as is necessary for the ordinary course of its business as a nursing home. If Tenant's business requires the use of any Hazardous Materials, Tenant shall notify Landlord in writing and shall comply with hazard communication and notification requirements of the Occupational Safety and Health Act and any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree which requires notification of employees, the community or any governmental agency of the hazardous properties of such Hazardous Materials. For purposes of this Lease, "Hazardous Materials" means and includes any hazardous substance defined as such in the Occupational Safety & Health Act, Comprehensive Environmental Response, Compensation, and Liability Act, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous substance or material, as now or at any time hereafter in effect.

(B) Tenant shall not cause or allow any asbestos to be incorporated into any improvements or alterations which it makes or causes to be made on or to the Leased Premises.

(C) Tenant shall not place, hold or dispose of any Hazardous Waste (hereinafter defined), on, under or at the Leased Premises except as specifically allowed in this Section 10.3. Tenant further agrees that it will not use the Leased Premises as a treatment, storage, or disposal (whether permanent or temporary) facility for Hazardous Waste. If Tenant, in the ordinary course of its business as a nursing home, generates Hazardous Waste, then Tenant shall comply with all applicable federal, state and local laws, statutes, ordinances, codes, rules, regulations, orders or decrees relating to the appropriate use, storage, transportation and disposal of Hazardous Waste. For the purposes of this Lease, "Hazardous Waste" means and includes any Hazardous Material that has entered the waste stream or any contaminant or pollutant as defined as such in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste. Tenant further agrees that it will properly dispose of all "infectious waste" such as laboratory waste, pathological waste, blood specimens or products, patient waste including, without limitation, bandages and disposable gowns, sharp waste and any material generated by the production or testing of biological agents.

(D) Tenant shall indemnify, defend and hold harmless Landlord against any claims, losses, costs, damages or expenses of any and every kind whatsoever (including reasonable attorney's fees) which at any time or from time to time may be paid, incurred or suffered by, or asserted against Landlord for, with respect to, or as a direct or indirect

result of: (a) a breach by Tenant of the foregoing covenants, or (b) to the extent caused, permitted or allowed by Tenant or any agent, employee, invitee, or licensee of Tenant, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from, onto, or into the Leased Premises, the atmosphere, or any watercourse, body of water, or groundwater, of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response Compensation and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, or any other federal, state, local or other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Material); and the provisions of and undertakings and indemnification set out in this Section shall survive the termination of this Lease, and shall continue to be the personal liability, obligation and indemnification of Tenant, binding upon Tenant, forever. Landlord hereby indemnifies Tenant in the same manner and to the same degree, against all such matters that may have occurred prior to the Commencement Date.

If Tenant or its employees, agents, or contractors shall ever violate the provisions of this Section 10.3, then, in addition to any other duty or obligation of Tenant hereunder, at law or in equity, Tenant shall clean up, remove and dispose of the material causing the violation, in compliance with all applicable environmental laws and repair any damage to the Leased Premises within such period of time as may be reasonable under the circumstances after written notice by Landlord, provided that such work shall commence not later than thirty (30) days from such notice and be diligently and continuously carried to completion by Tenant or Tenant's designated contractors. Tenant shall notify Landlord of its method, time and procedure for any clean-up or removal of material causing the violation under this provision, and Landlord shall have the right to require reasonable changes in such method, time or procedure or to require the same to be done after normal business hours.

Landlord reserves the right from time to time, but not more than once a year, except in the event of an emergency or a breach of this Lease by Tenant, during the Term hereof, at Landlord's cost and expense (except that, in the event of breach, at Tenant's sole cost and expense), to have the Leased Premises inspected by environmental engineers and/or specialists for the purpose of determining compliance by Tenant with any environmental laws, rules and regulations applicable to Tenant's operations in or about the Leased Premises and with the terms and conditions of this Lease dealing with environmental matters, including without limitation, the provisions of this Section 10.3. If the environmental assessment or report resulting from such inspection discloses any non-compliance, Tenant shall immediately following receipt of the environmental assessment take all such steps as are necessary to put the Leased Premises into compliance, including without limitation, cleaning up any spills or other emissions of hazardous and/or toxic substances or wastes.

Upon the expiration of the Term, or the earlier termination thereof, whichever shall be the first to occur, Tenant shall forthwith remove all Hazardous Materials and Hazardous Waste from any portion of the Leased Premises. Landlord shall have the right to inspect the Leased Premises with regard to the management and disposal of Hazardous Materials and Hazardous Waste at all reasonable times during the Term.

ARTICLE XI
DAMAGE OR DESTRUCTION

11.1 Damage or Destruction.

(A) If the Leased Premises shall be destroyed or so injured by any cause as to be unfit, in whole or in part, for occupancy or use, as intended herein, with the same number of beds and in substantially the same condition as just prior to the incident, Landlord, in its reasonable discretion, may decide whether to repair or reconstruct the Leased Premises with the proceeds of the property's casualty insurance carried as required hereunder. If Landlord decides to repair or reconstruct the Leased Premises, this Lease shall continue in full force and effect, Tenant shall not be entitled to surrender possession of the Leased Premises, and Tenant's liability to pay Rent and all other charges under this Lease shall not cease. It is intended that Rent and all other charges hereunder shall continue, without abatement, during the period of repair or reconstruction from the proceeds of Tenant's business interruption insurance for a period not to exceed twelve (12) months. Landlord shall repair or reconstruct the Leased Premises, with all reasonable speed, to the same or better condition as just prior to the incident and shall complete such repairs within twelve (12) months from the date of such damage or destruction, and Tenant shall not be liable for any costs of repair and shall not be required to make any repair or replacement to the Leased Premises other than with respect to replacing Tenant's trade fixtures and other personal property. If such repair or replacement is not completed in the required twelve (12) month time frame, Tenant's rent shall be abated entirely until the Facility is structurally functional so as not to impede Tenant from obtaining all required governmental permits, licenses, approvals and certifications (federal, state, local or otherwise) necessary to operate the facility for its intended purpose as a one hundred and forty (140) bed nursing facility as described herein (subject to any bed reductions permitted under Section 4.3 of this Lease). If the same is not completed within twenty-four (24) months, Tenant shall have the option to terminate this Lease, upon written notice to Landlord, at the conclusion of the twenty-four (24) month period.

(B) If Landlord decides not to repair or replace the Leased Premises, Landlord shall notify Tenant within thirty (30) days after the happening of such destruction or injury and this Lease shall terminate as of the date of such damage or destruction.

(C) Notwithstanding anything to the contrary contained in subparagraphs (A) and (B) above, Landlord may cancel this Lease with no further liability to Tenant, in the event that following destruction or injury to the Leased Premises, Landlord's lender, if any, elects to require Landlord to make advance payments to extinguish or prepay the mortgage on the Leased Premises in whole or in part.

ARTICLE XII
EMINENT DOMAIN

12.1 Eminent Domain.

(A) In the event the entire Leased Premises shall be taken by condemnation or right of eminent domain, this Lease shall terminate as of the day possession shall be taken by the taking authority, and Landlord and Tenant shall be released from any further liability hereunder thereafter accruing. In the event only a portion of the Leased Premises shall be taken by condemnation or right of eminent domain and the portion so taken does not render the balance unsuitable for the purpose of this Lease, provided the Leased Premises remain operable as an economically-viable nursing facility, this Lease shall not terminate but Landlord agrees to restore the Leased Premises with reasonable speed to an architectural unit as nearly like its condition prior to such taking as shall be practicable, and if during and/or after the work of restoration, Tenant is deprived of the use of all or a part of the Leased Premises, an appropriate reduction of Rent, depending upon the time during which and the portion of said Leased Premises of which Tenant is so deprived, shall be granted.

(B) Notwithstanding anything to the contrary contained in Section 12.1(A), Landlord may cancel this Lease with no further liability to Tenant, in the event that following a taking by condemnation or right of eminent domain, Landlord's lender, if any, elects to require Landlord to make advance payments to extinguish or repay the mortgage on the Leased Premises.

(C) Tenant shall not be entitled to any part of any award or settlement of damages representing the value of land and buildings appropriated, the value of this Lease or any estate therein, or damage to the residue of the Leased Premises or other property of Landlord; it being agreed as between Landlord and Tenant any such award shall be the sole property of Landlord. However, in any condemnation preceding, Tenant may claim and receive compensation from the condemning authorities for damages to its fixtures, for the cost of removal and damage by reason thereof, and for moving expenses, and shall be entitled to all proceeds specifically allocated by the condemning authority on account thereof. No appropriation of part or all of the Leased Premises or cancellation of this Lease pursuant to this Article XII shall be deemed an eviction of Tenant, or a breach of any covenants of Landlord hereunder.

ARTICLE XIII NOTICES

13.1 Notices. Any notice, demand or communication required, permitted or desired to be given hereunder shall be deemed effectively given when personally delivered or mailed by prepaid certified mail, return receipt requested, or when sent by electronic mail, addressed as follows:

If to Tenant:	Crescent Cities SNF, LLC c/o Radiant Healthcare Group 1 Main Street, Suite 102 Nyack, New York 10960 Attn: A. Jacob Kohn jacobkohn@radianthcg.com
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If to Landlord: 4409 East West Highway LLC
c/o Radiant Healthcare Group
1 Main Street, Suite 102
Nyack, New York 10960
Attn: A. Jacob Kohn
jacobkohn@radianthcg.com

or such other address, and to the attention of such other person as either party may designate by written notice.

ARTICLE XIV QUIET ENJOYMENT

14.1 Quiet Enjoyment. Landlord covenants, warrants and represents to Tenant that, so long as Tenant shall not be in default in the performance of any of its obligations under this Lease, Tenant shall at all times during the Term peaceably and quietly have, hold, occupy and enjoy the Leased Premises without any hindrance, interference or molestation by Landlord or by, under or through Landlord for reasons other than acts of omission of Tenant, and Landlord shall defend Tenant in such peaceful and quiet use against the lawful claims of all such persons, subject to the Lease and to all liens, mortgages and encumbrances of record as of the date of the Lease to which this Lease is subordinate.

ARTICLE XV SUBLETTING AND ASSIGNMENT

15.1 Subletting and Assignment. Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, assign this Lease or sublease all or any part of the Leased Premises. A transfer of membership interests or ownership interests of Tenant shall constitute an assignment for purposes of this Lease, requiring Landlord's consent thereof. Notwithstanding anything to the contrary set forth herein, Landlord may withhold its consent to any assignment, sublease or transfer of ownership interests in the event Landlord's lender does not consent to the same. Landlord has the right to sell the Leased Premises, subject to the terms of this Lease, upon prior notice to (but not the consent of) Tenant. Tenant shall not at any time, without the prior written consent of Landlord, which consent may be withheld or given in the reasonable discretion of Landlord, pledge, mortgage, or hypothecate the leasehold estate hereby created or any interest of Tenant therein. Nothing contained herein shall restrict Landlord from mortgaging its interest in the Leased Premises without the consent or approval of Tenant, provided, however, that the mortgagor shall issue a subordination and non-disturbance agreement in favor of Tenant. Notwithstanding anything to the contrary set forth herein, Tenant may sublease portions of the Leased Premises in the ordinary course of business in connection with the operation of the Facility, which subleases shall not require Landlord's consent.

ARTICLE XVI RESIDENT RECORDS AND TRUST FUNDS

16.1 Resident Records and Trust Funds. Landlord agrees to arrange for the transfer, by and through Prior Operator, to Tenant of any and all complete records, including all resident care

agreements, relating to the residents of the Facility. In addition, Prior Operator holds resident trust funds for and on behalf of the residents of the Facility. All of these trust fund accounts are specifically excluded from the Leased Premises; provided, however, as of the Commencement Date, Tenant shall agree to take responsibility for the trust funds of residents at the Facility on the Commencement Date, as more specifically set forth in the OTA. Landlord shall require the transfer by Prior Operator of the trust funds and records pertaining thereto to Tenant. Tenant shall indemnify, protect, defend and hold Landlord harmless from any and all claims, demands, costs, charges, damages and expenses associated with Tenant's acceptance, possession and administration of the trust funds and the records.

ARTICLE XVII
MEMORANDUM OF LEASE

17.1 Memorandum of Lease. This Lease shall not be recorded, but either party may record a memorandum of lease in which shall be described the Leased Premises, the Term, and other matters mutually acceptable to the parties. The party requesting that the memorandum of lease be recorded shall prepare and pay all costs of recording the memorandum of lease, and the other party agrees to execute at any and all times such instruments as may be reasonably required for such recording.

ARTICLE XVIII
DEFAULT

18.1 Default by Tenant and Remedies of Landlord.

(A) If (i) Tenant fails to pay any installment of Rent or fails to pay any other charges, costs or expenses payable by Tenant within five (5) business days after the same becomes due; or (ii) defaults in the prompt and full performance of any other of Tenant's covenants, obligations or agreements hereunder, and fails to correct such failure within thirty (30) days of receipt of written notice from Landlord of such default (unless such default cannot reasonably be cured within thirty (30) days, in which event such period shall be extended for an additional thirty (30) days, provided Tenant shall have commenced in good faith to cure such default within the first such thirty (30) day period and shall proceed with all due diligence to correct such default thereafter); or (iii) if the leasehold interest of Tenant 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 Tenant receives notice of it; or (iv) Tenant makes an assignment for the benefit of creditors or Tenant becomes insolvent or files for protection under any bankruptcy statute; or (v) a receiver be appointed for Tenant or any property of Tenant; or (vi) Tenant abandons the Leased Premises, then and in any such event, Landlord may, if Landlord so elects, without notice of such election and without any demand whatsoever, forthwith terminate this Lease and Tenant's right to possession of the Leased Premises. Landlord, in addition to all other remedies given to Landlord at law or in equity, may by written notice to Tenant, terminate Tenant's right to possession pursuant to this Lease, without terminating this Lease, and reenter the Leased Premises by summary proceedings or otherwise. In any event, Landlord may dispossess Tenant, it being the understanding that under no

circumstances is this Lease to be an asset for Tenant's creditors by operation of law or otherwise.

(B) Except as provided in this Lease to the contrary, Rent and other sums not paid when due or within any applicable grace period shall bear interest from the date when the same are first payable under the terms of this Lease until the same shall be paid at an annual rate of interest equal to the prime rate announced from time to time by the Wall Street Journal, plus four percent (4%), unless such rate shall not be permitted by law, in which event the maximum rate permitted by law shall be charged (hereinafter referred to as the "Leased Interest Rate"). Tenant further acknowledges that its late payment of any Base Rent or other sums will cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which is extremely difficult or impracticable to fix. Such costs and expenses will include, without limitation, loss of use of money, administrative and collection costs and processing and accounting expenses. Therefore, if any installment of monthly Base Rent is not received by Landlord when due or within any applicable grace period, except as provided in this Lease to the contrary, or any other sum due herein is not paid when due, Tenant shall immediately pay to Landlord a late charge equal to four percent (4%) of the unpaid amount. Such late charge is in addition to any interest due pursuant to the first sentence of this Section 18.1(B). Landlord and Tenant agree that the late charge represents a reasonable estimate of costs and expenses incurred by Landlord from, and is fair compensation to Landlord for, any loss suffered by such non-payment by Tenant. Acceptance of the late charge shall not constitute a waiver of Tenant's default with respect to such non-payment by Tenant or prevent Landlord from exercising any other rights and remedies available to Landlord under this Lease.

(C) Upon the filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor and as debtor-in-possession, and any trustee who may be appointed shall (1) timely perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (2) pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Leased Premises an amount equal to the Rent and other charges otherwise due pursuant to this Lease; and (3) reject or assume this Lease within sixty (60) days after the filing of such petition under the Bankruptcy Code or within such time period as the Bankruptcy Code may allow. Tenant, as debtor and as debtor-in-possession, and any trustee shall be deemed to have rejected this Lease in the event of the failure to comply with any of the above. Included within and in addition to any other conditions or obligations imposed upon Tenant or its successor in the event of assumption and/or assignment is the prior written consent of any mortgagee to which this Lease has been assigned as collateral security.

(D) In the event of termination of this Lease by reason of any default or breach by Tenant, or upon the expiration of the Term, then, and in any of such events, Tenant, upon Landlord's written request, shall to the greatest extent permitted by law, transfer to Landlord or its assigns, the following: (i) all federal, state or municipal certificates, licenses and permits which relate to the operation of the Facility; and (ii) the name of the Facility as then known to the general public. In the event Tenant fails or refuses to

transfer any such certificate, license, permit or trade name, then this provision shall constitute an act of assignment by Tenant to Landlord or its assigns without the necessity of any further written instrument.

(E) Landlord shall have the option of taking over (or having its designee take over) the operation of the Facility in the event of a termination of this Lease for any reason, without assuming any of Tenant's liabilities or obligations. Landlord shall give Tenant written notice of Landlord's intent to exercise the right set forth above, in which event Tenant shall immediately turn over possession and control of the Facility without any further action having to be taken on the part of Landlord. Further, in the event of default hereunder and upon Landlord's taking over the operation of the Facility hereinabove set forth, after Landlord's election to take over the operation of the Facility as hereinabove set forth, Tenant hereby appoints Landlord or Landlord's designee its true and lawful attorney by this instrument, said appointment being coupled with an interest, to execute on behalf of Tenant a letter of consent enabling Landlord to file an application to operate a long term care facility with the MDH and with every regulatory agency now or hereafter claiming jurisdiction and to operate the Facility during the pendency of such application. This provision shall be enforceable in a court of law and shall be effective by operation of law.

(F) No failure of Landlord to enforce any rights or remedies upon default of Tenant shall prejudice or affect the rights of Landlord upon any subsequent or similar default.

(G) In the event of a default by Tenant of any of the terms, covenants, conditions or provisions of this Lease, which default is not cured within any applicable grace period, Landlord shall have the right to invoke any remedy permitted to Landlord in law or in equity. All remedies available to Landlord are declared to be cumulative and concurrent and the exercise of one shall not preclude or waive the right to exercise any other. No termination of this Lease and no taking or recovering of possession of the Leased Premises shall deprive Landlord of any of its remedies or actions against Tenant and Tenant shall remain liable for all past or future Rent, including all taxes, insurance premiums and all other charges and Rent payable by Tenant under this Lease, during and for the balance of the Term hereof. The bringing of any action for Rent or other default shall not be construed as a waiver of the right to obtain possession of the Premises.

(H) If suit shall be brought for recovery of possession of the Leased Premises, for the recovery of Rent, or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of Tenant to be kept or performed, and breach shall be established, Tenant shall pay to Landlord all out-of-pocket expenses, including reasonable attorney fees, incurred therefor.

18.2 Further Rights of Landlord Upon Default. Upon a default by Tenant, Landlord, in addition to all other remedies given to Landlord at law or in equity, may by written notice to Tenant, without terminating this Lease, install a manager and/or management consultant and/or a receiver of its choice, at Tenant's sole cost and expense or reenter the Leased Premises by summary proceedings or otherwise. Landlord, and its successors and assigns, including

Landlord's mortgage lender, if any, to whom Landlord may assign this Lease and the right to exercise Landlord's remedies hereunder, shall expressly have the right to have a receiver and/or manager appointed to operate the Facility utilizing Tenant's cash, receivables, licenses, permits, provider agreements, deposit accounts and accounts receivable so as to preserve the nursing and/or long term care operations at the Leased Premises as a licensed and Medicare/Medicaid certified going concern, and to execute in the name of Tenant or Tenant such documentation as may be required to assign Tenants' licenses, permits provider agreements and operations to Landlord or its designee(s), or if such rights are exercised by Landlord's mortgage lender, to Landlord's mortgage lender's designee(s). In any event, upon a default by Tenant, Landlord may require Tenant and any subTenant to consent to a so-called "Change of Ownership" and Landlord may dispossess Tenant upon approval of the Change of Ownership by the applicable state agency, it being the understanding that under no circumstance is this Lease or any sublease to be an asset for Tenant's or any subTenant's creditors by operation of law or otherwise. In the event of such reentry, Landlord may relet the Leased Premises without being obligated to do so, and in the event of a reletting may apply the Rent therefrom first to the payment of Landlord's cost and expenses, including consultant and/or expert and attorneys' fees incurred by reason of such default, and the cost and expense of reletting including, but not limited to, repairs, renovation, or alteration of the Leased Premises and then in the amount of Rent and all other sums due from or payable by Tenant hereunder, Tenant remaining liable for all other sums due from or payable by Tenant hereunder and for any deficiency. Tenant shall also be liable for and indemnify, protect, defend and hold Landlord harmless against all amounts owed to Medicare, Medicaid, all applicable third-party payor programs, third party payors, or residents, including, but not limited to, any overpayments received by Tenant, relating to the Term. Any and all such deficiencies shall constitute additional Rent hereunder and shall be payable by Tenant monthly on the date herein provided for the payment of Rent. Tenant acknowledges that all rights of Landlord hereunder may be assigned by Landlord to Landlord's mortgage lender and that if the Lease is so assigned, Landlord's mortgage lender shall have the right and authority to exercise Landlord's remedies hereunder, in Landlord's mortgage lender's sole and exclusive direction.

ARTICLE XIX
ENTRY AND REIMBURSEMENT RIGHTS OF LANDLORD

19.1 Entry and Reimbursement Rights of Landlord. Landlord reserves the right at all reasonable times during business hours to go upon and inspect the Facility and every part thereof. If Landlord shall make any payments or perform any repairs on behalf of Tenant which are Tenant's obligation and which Tenant is in default thereof, following notice and opportunity to cure as provided herein, then any amounts so paid by Landlord are agreed and declared to be additional Rent, and shall be due and payable to Landlord by Tenant upon submission to Tenant of an invoice, bill, or statement therefor, together with interest charged at the Leased Interest Rate from five (5) days after the date of such invoice, bill, or statement.

ARTICLE XX
REPRESENTATIONS, WARRANTIES AND COVENANTS

20.1 Tenant's Representation, Warranties and Covenants. Tenant represents, warrants and covenants to Landlord as follows:

(A) Tenant is, or as of the Commencement Date, will be, a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and qualified to do business in the State of Maryland.

(B) No Breach of Statute or Contract. The execution, delivery and performance of this Lease by Tenant will not breach any statute or regulation of any governmental authority, and will not as of the Commencement Date conflict with or result in a breach of or default under any of the terms, conditions or provisions of Tenant's Articles of Organization or Operating Agreement (as the case may be) or any order, writ, injunction, decree, agreement or instrument to which Tenant is a party, or by which it or its property, may be bound. There is no legal prohibition from Tenant leasing or operating a nursing facility, and Tenant has not been debarred or otherwise prohibited from participating in any federal or state health care program.

(C) The execution, delivery and performance of this Lease have been duly authorized by all necessary individual, company, or member action of Tenant and this Lease constitutes the valid and binding obligation of Tenant, enforceable in accordance with its terms.

(D) If the License Transfer does not occur on or prior to the Commencement Date, Tenant shall arrange to use Prior Operator's licenses and/or certifications, to the extent permitted by applicable law, and Tenant shall receive and retain all funds from services provided to patients with respect to the Facility following the Commencement Date. In such event, Tenant covenants and agrees to indemnify, hold harmless and, at the option of Landlord, to defend Landlord from any and all claims, damages, losses, expenses, liabilities or obligations of Tenant or Tenant's employees or agents, arising or in connection with Tenant's use and assumption of Prior Operator's licenses and/or certifications.

(E) There is no suit, claim, action or legal, administrative, arbitration, or other proceeding or governmental investigation pending or threatened, by or against Tenant, and no event or condition of any character, to Tenant's actual knowledge, which could prevent the consummation of the transactions contemplated by this Lease or materially adversely affect Tenant's performance of the terms and conditions hereunder.

(F) Subject to the express provisions herein, at all times during the Term, Tenant shall (i) use its best efforts, exercised in good faith, to operate the Leased Premises and otherwise conduct its business there at only in the ordinary course, and in compliance with all statutory and regulatory requirements of any federal, state or local authority, (ii) continue to operate the Leased Premises and will maintain them in substantially their condition as of the Commencement Date, reasonable wear and tear excepted, including, but not limited to repairs and replacements permitted under this Lease, and in a lawful manner, (iii) not encumber all or any portion of the Leased Premises and will not enter into any contracts with respect to the Leased Premises (except in the ordinary course of business and in accordance with the permitted uses of the Leased Premises hereunder), (iv) use its best efforts, exercised in good faith, to preserve the goodwill of the Facility, (v) not take any action from an accounting perspective which

would intentionally materially adversely affect the reimbursement formula or tax benefits with respect to the Leased Premises or any portion thereof, (vi) not make any material change in its present nursing home business or engage in any activities apart from its present nursing home business, (vii) not dissolve, merge or consolidate with or into any other person or entity, or otherwise change its identity or company or capital structure in a material manner, and (viii) not change its name.

(G) At all times during the Term, Tenant shall cause to be done all things needed to preserve its rights and franchises and comply with all laws applicable to it, and to continue to conduct its business in the ordinary course.

(H) At all times during the Term, Tenant shall promptly pay all of its obligations, indebtedness, taxes, charges and impositions, whether or not relating to the Leased Premises or this Lease, as they become due unless contested in good faith and diligently pursued.

(I) At all times during the Term, Tenant shall comply in all material respects, with all statutes, laws, ordinances and governmental rules, regulations and ordinances to which it is subject or which are applicable to the Leased Premises and to Tenant's business, properties or assets.

20.2 Landlord's Representation, Warranties and Covenants. Landlord hereby represents, warrants and covenants to Tenant, all of which shall survive the delivery and execution of this Lease, the following:

(A) Landlord is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(B) The execution, delivery, and performance of this Lease will not violate any provision of law, any order of any court or other agency of federal or state government or any provision of any indenture, agreement, or other instrument to which Landlord is a party or by which it or any of its properties or assets are bound; conflict with, result in a breach of, or constitute (with passage of time or delivery of notice, or both), a default under any such indenture, agreements or other instrument; or result in the creation or imposition of any lien or other encumbrance of any nature whatsoever upon any of the properties or assets of Landlord.

(C) This Lease has been duly executed and is a valid and binding obligation of Landlord, fully enforceable in accordance with its terms.

(D) There is no action, suit, examination, review, or proceeding by or before any governmental instrumentality or agency now pending or, to the knowledge of Landlord, threatened against Landlord, which, if adversely determined, would materially impair the right of Landlord to carry on the business as contemplated under this Lease.

(E) Landlord is not in default in the performance, observation, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or

instrument to which it is a party, which default materially adversely affects the Leased Premises.

(F) The execution, delivery, and performance of this Lease have been authorized by all requisite action of Landlord.

(G) The execution, delivery, and performance of this Lease will not violate any provision of the Certificate of Formation or Limited Liability Company Agreement of Landlord.

ARTICLE XXI MISCELLANEOUS

21.1 Governing Law. This Lease has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of Maryland. All duties and obligations of the Parties created hereunder are performable in Maryland, which shall be the sole and exclusive venue for any litigation, special proceeding, or other proceeding between the Parties that may be brought, arise out of or in connection with or by reason of this Lease.

21.2 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Lease shall not operate as, or be construed to be a waiver of, any subsequent breach of the same or other provision hereof.

21.3 Gender and Number. Whenever the context hereof requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all shall include the singular and plural.

21.4 Force Majeure. Neither party shall be liable nor deemed to be in default for any delay or failure in performance under this Lease or other interruption of service or employment deemed resulting, directly or indirectly, from acts of God, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by either Parties' employees, or any similar or dissimilar cause beyond the reasonable control of either party, provided, however, that the provisions of this Section 21.4 shall not operate to excuse Tenant, nor shall Tenant in any event be excused, from prompt payment of Rent.

21.5 Severability. In the event any provision of this Lease is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Lease, which shall remain in full force and effect and enforceable in accordance with its terms.

21.6 Entire Agreement; Amendments. This instrument contains the entire agreement between the Parties hereto with respect to the subject matter hereof. All representations, promises and prior or contemporaneous undertakings between such Parties are merged into and expressed in this instrument, and any and all prior agreements between such Parties are hereby canceled. The agreements contained in this instrument shall not be amended, modified, or supplemented except by a written agreement duly executed by both Landlord and Tenant.

21.7 Counterpart Execution; Facsimile Execution. This Lease may be executed in any number of counterparts with the same effect as if the Parties hereto had signed the same document. All counterparts will be construed together and shall constitute one lease. Signatures transmitted by facsimile shall have the same effect as original signatures.

21.8 Survival of Representations and Warranties. Except as specifically provided otherwise in this Lease, all representations and warranties herein shall survive the termination of this Lease for a period of one (1) year.

21.9 Use of Brokers. Landlord and Tenant each represent and warrant to the other that no broker, finder or other person has been involved in regard to this Lease and Landlord and Tenant shall each hold the other harmless from all damages (including reasonable attorneys' fees) resulting from any claims that may be asserted by any broker, finder or other person with whom Landlord or Tenant, as the case may be, has or purportedly has dealt.

21.10 No Partnership. By virtue of entering into this Lease, Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of Tenant's business or otherwise, or joint venturer, or a member of a joint enterprise with Tenant. By virtue of entering into this Lease, Tenant does not, in any way or for any purpose, become a partner of Landlord in the conduct of Landlord's business or otherwise, or joint venturer, or a member of a joint enterprise with Landlord.

21.11 Estoppel Certificates. Tenant shall, without charge, at any time and from time to time, within ten (10) days after written request by Landlord, deliver a written instrument to Landlord or any other person specified by Landlord, duly executed and acknowledged, certifying the following and such other matters as may be reasonably required by Landlord, including without limitation, current financial information relating to Tenant:

- (A) That Tenant has accepted and is in possession of the Leased Premises.
- (B) That this Lease is unmodified and in full force and effect or, if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification.
- (C) Whether or not there are then existing any setoffs or defenses in favor of Tenant against the enforcement of any of the terms, covenants, and conditions of this Lease by Landlord and, if so, specifying the same, and also whether or not Landlord has observed and performed all of the terms, covenants, and conditions on the part of Landlord to be observed and performed and, if not, specifying same.
- (D) The dates to which Rent and all other charges hereunder have been paid. Upon request of Tenant, Landlord shall provide similar confirmation.
- (E) The amount of annual and monthly rent and the amount of the security deposit, if any.

It is expressly understood and agreed that any such statement may be relied upon by Landlord or any prospective encumbrancer of all or any portion of the Leased Premises.

Tenant's failure to deliver such statement within such time shall constitute a default under this Lease. All financial information relating to Tenant shall be held in confidence and shall not be distributed beyond the persons specified in Landlord's request for such information.

21.12 Confidentiality.

(A) Landlord and Tenant agree to keep all aspects of (but not the existence of) this Lease confidential, and shall not disclose to any person other than the directors, officers, employees, agents, advisors, affiliates, brokers, lenders, attorneys or accountants (collectively the "Representatives") of the Parties hereto on a need-to-know basis, any confidential or proprietary information, knowledge or data concerning the business, affairs, operations, secrets, dealings or finances of the other party furnished directly or indirectly by such other party (collectively referred to as the "Confidential Information"). As used in this Lease, the term "Confidential Information" does not include any information which: (i) at the time of disclosure is generally available to and known by the public (other than as a result of a disclosure directly or indirectly by either party or their Representatives); (ii) was available to either party on a non-confidential basis from a source other than a party to this Lease or its Representatives, provided that such source is not and was not bound by a confidentiality agreement with the party hereto; (iii) has been independently acquired or developed by either party or their Representatives without violating any of the obligations hereunder; or (iv) is required by law to be disclosed.

(B) In the event that either party or any of the Representatives receives notice of a legal request for disclosure of any of the Confidential Information (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process), the party receiving such notice ("Receiving Party") shall promptly notify the other party ("Notified Party") so that the Notified Party may seek a protective order or other appropriate remedy if it chooses to do so. Failure by the Notified Party to take action to seek a protective order or other remedy and to notify the Receiving Party of such action prior to the required disclosure date, shall be deemed a waiver of the provisions of this section. In the event that a protective order or other remedy is not obtained or that the Notified Party waives compliance with the provisions hereof, the Receiving Party shall exercise its best efforts to obtain a confidentiality agreement or protective order concerning the Confidential Information, and in the absence thereof, shall disclose only that portion of the Confidential Information which it is advised by written opinion of counsel is legally required to be disclosed, or which is compelled by court order.

(C) In the event of any breach or threatened breach hereof, Landlord or Tenant, as the case may be, shall be entitled to equitable relief, including a temporary preliminary and permanent injunction and specific performance, in addition to all other remedies available to them at law or in equity. Landlord and Tenant shall each indemnify, defend (upon request) and hold harmless the other from any damage, loss, cost or liability (including legal fees and costs of enforcing this indemnity) arising out of or resulting from any unauthorized use by such party or its representatives of the Confidential Information or other action or conduct not permitted hereunder.

21.13 Holdover. If, at the expiration of the Term, Tenant continues to occupy the Leased Premises, with Landlord's written consent, such holding over shall not constitute a renewal of this Lease, but Tenant shall be a Tenant from month-to-month at 125% of the most recent Rent payable by Tenant hereunder, at Landlord's sufferance, and under the same terms and conditions as were in force and effect at the expiration of the Term (except only as to the Term), and except that in the event Tenant shall continue to occupy the Leased Premises after the expiration of the Term, without a duly executed extension agreement in writing having been entered into by and between Landlord and Tenant, then if Landlord shall suffer any damage, loss, cost or expense as a result of such holdover, then Tenant, in addition to such Rent, shall pay the amount thereof to Landlord immediately on demand.

21.14 Waiver For Physical Injury.

(A) Except in the case of negligence or fraudulent conduct by Landlord or its agents, Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in, about, or upon the Leased Premises during the Term.

(B) Such waiver shall include but not be limited to claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair or any other capital improvement, replacement, repair or maintenance; (ii) injury done or occasioned by wind; (iii) any defect in or failure of plumbing, heating, or air conditioning equipment, electric wiring, gas, water and steam pipes, stairs, rail or walks; (iv) broken glass; (v) the backing up of any sewer pipe or washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about the Leased Premises; (vi) the escape of steam or hot water; (vii) water, snow or ice being upon or coming through the roof, skylight, trap door, stairs, walks or any other place upon or near the Leased Premises; (viii) the falling of any fixture, plaster, drywall or stucco; and (ix) any act, omission or negligence of trespassers.

21.15 Priority.

(A) Landlord reserves the right to demand and obtain from Tenant a waiver of priority of Tenant's rights arising by virtue of the within leasehold estate, thereby subordinating Tenant's rights in favor of any mortgage loan, any mortgage lien, or any refinancing or replacing of a mortgage loan that Landlord may determine necessary or desirable from time to time; provided, however, that the lender shall recognize Tenant's rights in and under this Lease and confirm its right to quiet enjoyment in a non-disturbance agreement, provided that Tenant is at all times during the term of such mortgage in compliance with all conditions of this Lease. Tenant, upon demand by Landlord for the same, agrees to execute at any and all times such instruments as may be reasonably required by any lending institution or prospective first mortgagee in order to effectuate such waiver of priority and subordination of Tenant's lien. If Tenant, within ten (10) days after submission of such instrument, fails to execute the same, Landlord is hereby authorized to execute the same as attorney-in-fact for Tenant. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust, Tenant shall attorn to the purchaser in any such

foreclosure or sale and recognize such purchaser as Landlord under this Lease. Tenant agrees, upon request of Landlord and/or Landlord's lender, to execute and deliver to Landlord and/or Landlord's lender a subordination, non-disturbance and attornment agreement.

(B) If the holder of a mortgage lien upon the Leased Premises shall succeed to the rights of Landlord under this Lease, whether through possession, foreclosure action, or delivery of a new deed, then at the request of such party so succeeding to Landlord's rights ("Successor-Landlord") and upon such Successor-Landlord's written agreement to accept Tenant's attornment, Tenant shall attorn to and recognize Successor-Landlord as Tenant's Landlord under this Lease, and shall promptly execute and deliver any instrument that Successor-Landlord may reasonably request to evidence such attornment. Tenant hereby irrevocably appoints Landlord or Successor-Landlord attorney-in-fact of Tenant to execute and deliver such instrument on behalf of Tenant, should Tenant refuse or fail to do so within seven (7) days after request therefor. Upon such attornment, this Lease shall continue in full force and effect as, or as if it were, a direct lease between Successor-Landlord and Tenant upon all of the terms, conditions, and covenants as are set forth in this Lease and shall be applicable after such attornment.

21.16 Liens. Tenant shall not do or suffer anything to be done whereby the Leased Premises, or any portion thereof, or any interest therein, may be encumbered by any liens of mechanics, laborers, or materialmen, chattel mortgages or any other liens. Tenant shall, whenever and as often as any such liens are filed against the Leased Premises, or any portion thereof, purporting to be for labor or material furnished or to be furnished to Tenant, discharge the same of record within thirty (30) days after the date of filing by payment, bonding or otherwise, as provided by law. Tenant, upon reasonable notice and request in writing from Landlord, shall also defend for Landlord, at Tenant's sole cost and expense, any action, suit or proceeding which may be brought on or for the enforcement of any such lien, Tenant shall pay, satisfy and discharge any judgments entered in such action, suit or proceeding and save harmless Landlord from any liability, claim or damage resulting therefrom. In the event of the default of Tenant in procuring the discharge, as aforesaid, of any such lien, Landlord may, with ten (10) days prior notice, procure such discharge and the expenses incurred by Landlord in obtaining such discharge shall be paid by Tenant as additional Rent within ten (10) days after notice from Landlord of the amount thereof.

21.17 Liability of Landlord. Notwithstanding anything herein stated to the contrary, the liability of Landlord for the failure of Landlord to perform any covenant, term or condition of this Lease on Landlord's part to be performed shall be limited solely to Landlord's interests in the Leased Premises, and neither Landlord nor its partners, general or limited, or its shareholders, as the case may be, shall have any personal liability for damages suffered by Tenant or anyone claiming through Tenant as a result of Landlord's default, Tenant hereby agreeing to look solely and exclusively to Landlord's interest in the Leased Premises as satisfaction of such damages.


21.18 Future Lender. The Parties hereby acknowledge that Landlord may obtain mortgage loan financing of the Facility at a future date. Tenant agrees to cooperate with Landlord in obtaining such financing, including, without limitation, providing financial and operating information, executing commercially reasonable documents requested by the mortgage

lender, and complying with commercially reasonable requirements of the mortgage lender (compared to other nursing home facility mortgage financing) with respect to the use and operation of the Facility.

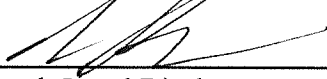
[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have executed or caused the execution of this Lease by their respective officers duly authorized as of the day and year first above written.

LANDLORD:
4409 EAST WEST HIGHWAY LLC, a Maryland limited liability company

By: 
Printed: Israel Birnbaum
Its: Chief Executive Officer

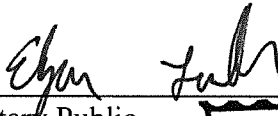
TENANT:
CRESCENT CITIES SNF LLC, a Maryland limited liability company

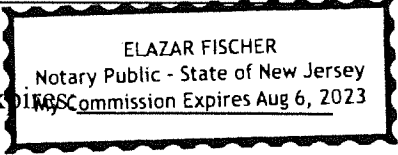
By: 
Printed: Israel Birnbaum
Its: Chief Executive Officer

STATE OF New Jersey)
)
COUNTY Ocean)

ss.

The foregoing instrument was acknowledged before me this 24th day of January, 2019, by Israel Birnbaum, the Chief Executive Officer of 4409 East West Highway LLC, a Maryland limited liability company who did respectively acknowledge that the same was his free act and deed on behalf of said company.

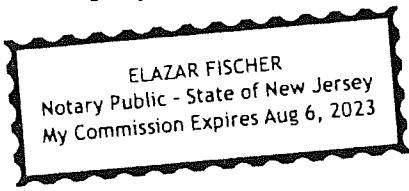

Notary Public
My commission expires Aug 6, 2023



STATE OF New Jersey)
)
COUNTY OF Ocean)

ss.

The foregoing instrument was acknowledged before me this 24th day of January, 2019, by Israel Birnbaum, the Chief Executive Officer of Crescent Cities SNF LLC, a Maryland limited liability company, who did acknowledge that the same was his free act and deed on behalf of the company.



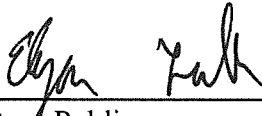

Notary Public

EXHIBIT AND SCHEDULE LIST

Exhibit A	Legal Description
Schedule 2.2(a)	Assumed Liabilities
Schedule 2.2(b)	Permitted Encumbrances

EXHIBIT A

LEGAL DESCRIPTION OF THE REAL PROPERTY

Parcel 1:

All of Lots numbered Four (4), Five (5) and Six (6), in Block numbered Six (6), in the subdivision known as "WEST RIVERDALE", as per plat recorded among Prince George's County, Maryland Land Records, in Plat Book BDS 1 at Plat No. 31.

Parcel 2:

Being part of the land conveyed by Medical Group Foundation, Incorporated, to Leland Memorial Hospital, Inc., by deed dated April 10, 1981 and recorded among the Land Records of Prince George's County, Maryland, in Liber 5436 at Folio 841, said lands being Lots 1 thru 6, Block 4 as shown on a plat of subdivision entitled "West Riverdale", recorded among the aforesaid Land Records in Plat Book BDS 1 at Plat No. 31, part of Lot 18, Block 4, as shown on a plat of subdivision entitled "Resubdivision Lots 13, 14, 15, Block 4, West Riverdale", recorded among the aforesaid Land Records in Plat Book BDS at Plat No. 23, said Lots 11 thru 19 and part of Parcel 1, Block 2 as shown on a plat of subdivision entitled "Dr. R. A. Bennett's Residue, Riverdale, recorded among the aforesaid Land Records in Plat Book SDH 4 at Plat No. 88, and being more particularly described as follows:

Beginning for the same at a point at the southwesterly corner of said Lot 3, Block 4, said point being the intersection of the easterly right-of-way line of 44th Avenue, 50 feet wide and the northerly right-of-way line of Queensbury Road, 50 feet wide and running thence with the said easterly right-of-way line of 44th Avenue and the westerly line of said Lots 3 thru 7, Block 4

1. North 10 degrees 10 minutes 39 seconds East, 300.00 feet to the line of division between Lots 6 and 7, Block 4; thence with said line
2. South 79 degrees 49 minutes 21 seconds East, 135.00 feet to the common rear corner of said Lots 6 and 7, Block 4; thence with the westerly line of said Lots 12 and 11, Block 2 and part of said Parcel 1, Block 2
3. North 10 degrees 10 minutes 39 seconds East, 310.00 feet to the southeasterly corner of said Lot 18, Block 4; thence with the southerly line of said Lot 18, Block 4
4. North 79 degrees 49 minutes 21 seconds West, 50.00 feet to the common rear corner of said Lot 18 and Lot 16, Block 4; thence with the divisional line of said Lots 18 and 16, Block 4
5. North 10 degrees 10 minutes 39 seconds East, 49.28 feet to a point on the southerly right-of-way line of East-West Highway, Maryland Route No. 410 as shown on Maryland State Highway Administration Right-of-Way Plat No. 35604; thence with said southerly right-of-way line
6. 242.97 feet along the arc of a curve, deflecting to the left, having a radius of 5,737.60 feet and a chord bearing South 64 degrees 50 minutes 04 seconds East, 242.95 feet to a point, distant 42.00 feet right of and radial to Baseline of Construction Station 119+37 as shown on the aforesaid Right-of Way Plat No. 35604; thence with said southerly right-of-way line
7. South 23 degrees 44 minutes 56 seconds East, 27.28 feet to a point on the westerly right-of-way line of 44th Place, 50 feet wide, as shown on the aforesaid plat recorded in Plat Book SDH 4 at Plat No. 88; thence with said westerly right-of-way line and the easterly line of said Parcel 1 and Lots 11 thru 16, Block 2, the following three (3) courses

8. South 26 degrees 16 minutes 39 seconds West, 55.79 feet to a point of curvature;
9. 103.53 feet along the arc of a curve, deflecting to the left, having a radius of 368.45 feet and a chord bearing South 18 degrees 13 minutes 39 seconds West, 103.19 feet to a point of tangency; and
10. South 10 degrees 10 minutes 39 seconds West, 418.03 feet to the southeasterly corner of Lot 16, Block 2, said point also being on the aforesaid northerly right-of-way line of Queensbury Road, 50 feet wide; thence with said northerly right-of-way line and the southerly line of said Lots 16 thru 19, Block 2 and Lots 1 thru 3, Block 4
11. North 79 degrees 49 minutes 21 seconds West 305.00 feet to the place of beginning.

Together with a Parking Easement and an Access Easement as set forth in a Declaration of Easements and Covenants between Crescent Cities Jaycees Foundation, Inc. and Crescent Cities Charities, Inc. dated February 4, 1998, and recorded among the Land Records of Prince George's County in Liber 11945, folio 417.

For informational purposes only:

Tax Account Nos.:

19-2134732

19-2150316

19-2150290

19-2137073

19-2150340

19-2150308

SCHEDULE 2.2(A)
Assumed Liabilities

1. “Assumed Facility Agreements” as defined in the OTA.
2. Any liabilities Tenant explicitly agrees to assume as set forth in the OTA.
3. One-twelfth (1/12) of the real estate taxes which Landlord’s mortgage lender declares as being the most current real estate tax amount owed, to be paid monthly in accordance with the Lease.
4. One-twelfth (1/12) of the property and hazard liability insurance premiums as required by Landlord’s mortgage lender to satisfy all HUD and FHA requirements, if applicable, to be paid monthly in accordance with the Lease.

SCHEDULE 2.2(B)

Permitted Encumbrances

1. Taxes not yet due and payable.
2. Resident rights in possession.
3. Those items set forth on title commitment number RAMD-32005 issued by Riverside Abstract, LLC, as agent for Stewart Title Guaranty Company, dated December 21, 2018

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EXHIBIT 5

OWNERS AND FACILITIES

Jacob Kohn

Federal Provider Number	Date Acquired	End Date	Provider Name	Provider State
215269	Nov 2019		Elkton Nursing and Rehabilitation Center	MD
215323	Feb 2019		Crescent Cities Center	MD
215164	Aug 2018		Shady Gove Nursing and Rehabilitation Center	MD
215168	Aug 2018		Layhill Nursing and Rehabilitation Center	MD
395084	June 2018	July 2019	Somerton Nursing and Rehabilitation Center	PA
395077	June 2018	July 2019	Garden Spring Nursing and Rehabilitation Center	PA
395370	Feb 2016		Luther Woods Nursing and Rehabilitation Center	PA
395878	June 2018	July 2019	Orwigsburg Nursing and Rehabilitation Center	PA
396063	July 2017	July 2019	Seton Manor Nursing and Rehabilitation Center	PA
	June 2015	Nov 2017	Elizabethtown Nursing and Rehabilitation Center	PA
395917	June 2018	July 2019	Brinton Manor Nursing and Rehabilitation Center	PA

Israel Birnbaum

Federal Provider Number	Date Acquired	End Date	Provider Name	Provider State
215269	Nov 2019		Elkton Nursing and Rehabilitation Center	MD
215026	Jan 2019		Potomac Valley Nursing and Wellness	MD
215323	Feb 2019		Crescent Cities Center	MD
215164	Aug 2018		Shady Grove Nursing and Rehabilitation Center	MD
215168	Aug 2018		Layhill Nursing and Rehabilitation Center	MD
215356	Aug 2017		The Nursing and Rehab Center at Stadium Place	MD
335377	May 2014	Jan 2020	Diamond Hill Nursing and Rehabilitation Center	NY
395400	June 2015		Susquehanna Valley Nursing and Rehabilitation Center	PA
395084	June 2018	July 2019	Somerton Nursing and Rehabilitation Center	PA
395077	June 2018	July 2019	Garden Spring Nursing and Rehabilitation Center	PA
395370	Feb 2016		Luther Woods Nursing and Rehabilitation Center	PA
395878	June 2018	July 2019	Orwigsburg Nursing and Rehabilitation Center	PA
396063	July 2017	July 2019	Seton Manor Nursing and Rehabilitation Center	PA
	June 2015	Nov 2017	Elizabethtown Nursing and Rehabilitation Center	PA
395917	June 2018	July 2019	Brinton Manor Nursing and Rehabilitation Center	PA

Michael Netzer

Federal Provider Number	Date Acquired	End Date	Provider Name	Provider State
215269	Nov 2019		Elkton Nursing and Rehabilitation Center	MD
215026	Jan 2019		Potomac Valley Nursing and Wellness	MD
215323	Feb 2019		Crescent Cities Center	MD
215164	Aug 2018		Shady Grove Nursing and Rehabilitation Center	MD
215168	Aug 2018		Layhill Nursing and Rehabilitation Center	MD
215356	Aug 2017		The Nursing and Rehab Center at Stadium Place	MD
335377	May 2014	Jan 2020	Diamond Hill Nursing and Rehabilitation Center	NY
395400	June 2015		Susquehanna Valley Nursing and Rehabilitation Center	PA
395084	June 2018	July 2019	Somerton Nursing and Rehabilitation Center	PA
395077	June 2018	July 2019	Garden Spring Nursing and Rehabilitation Center	PA
395370	Feb 2016		Luther Woods Nursing and Rehabilitation Center	PA
395878	June 2018	July 2019	Orwigsburg Nursing and Rehabilitation Center	PA
396063	July 2017	July 2019	Seton Manor Nursing and Rehabilitation Center	PA
	June 2015	Nov 2017	Elizabethtown Nursing and Rehabilitation Center	PA
395917	June 2018	July 2019	Brinton Manor Nursing and Rehabilitation Center	PA

Miriam Arem

Federal Provider Number	Date Acquired	End Date	Provider Name	Provider State
215269	Nov 2019		Elkton Nursing and Rehabilitation Center	MD
215026	Jan 2019		Potomac Valley Nursing and Wellness	MD
215323	Feb 2019		Crescent Cities Center	MD
215164	Aug 2018		Shady Grove Nursing and Rehabilitation Center	MD
215168	Aug 2018		Layhill Nursing and Rehabilitation Center	MD
215064	Feb 2020		Adelphi Nursing and Rehabilitation Center <i>(formerly Manor Care Health Services—Adelphi)</i>	MD
215024	Feb 2020		Hyattsville Nursing and Rehabilitation Center <i>(formerly Manor Care Health Services—Hyattsville)</i>	MD
215331	Feb 2020		Largo Nursing and Rehabilitation Center <i>(formerly Manor Care Health Services—Largo)</i>	MD

Simon Stern

Federal Provider Number	Date Acquired	End Date	Provider Name	Provider State
215269	Nov 2019		Elkton Nursing and Rehabilitation Center	MD
215026	Jan 2019		Potomac Valley Nursing and Wellness	MD
215323	Feb 2019		Crescent Cities Center	MD
215164	Aug 2018		Shady Grove Nursing and Rehabilitation Center	MD
215168	Aug 2018		Layhill Nursing and Rehabilitation Center	MD
215356	Aug 2017		The Nursing and Rehab Center at Stadium Place	MD
215064	Feb 2020		Adelphi Nursing and Rehabilitation Center <i>(formerly Manor Care Health Services—Adelphi)</i>	MD
215024	Feb 2020		Hyattsville Nursing and Rehabilitation Center <i>(formerly Manor Care Health Services—Hyattsville)</i>	MD
215331	Feb 2020		Largo Nursing and Rehabilitation Center <i>(formerly Manor Care Health Services—Largo)</i>	MD
	Sept 2020		Solomons Nursing Center	MD
395084	June 2018	July 2019	Somerton Nursing and Rehabilitation Center	PA
395077	June 2018	July 2019	Garden Spring Nursing and Rehabilitation Center	PA
395878	June 2018	July 2019	Orwigsburg Nursing and Rehabilitation Center	PA
396063	July 2017	July 2019	Seton Manor Nursing and Rehabilitation Center	PA
395917	June 2018	July 2019	Brinton Manor Nursing and Rehabilitation Center	PA

EXHIBIT 6

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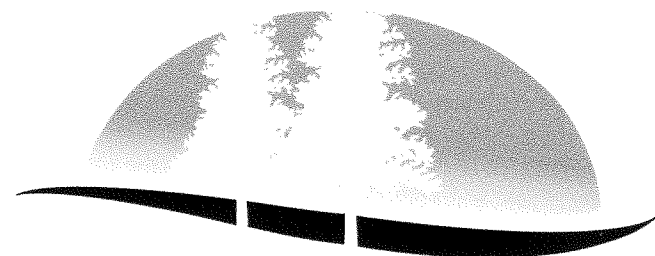
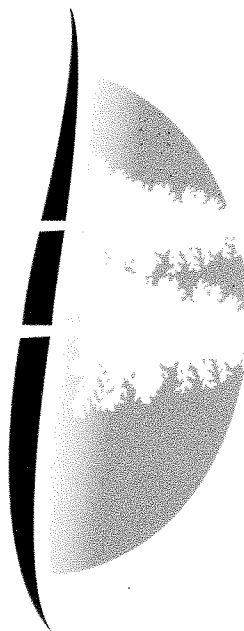
Mon-Fri 8:30am - 4:00pm

4703 Old Soper Rd, Suite R-1
Camp Springs, MD 20746

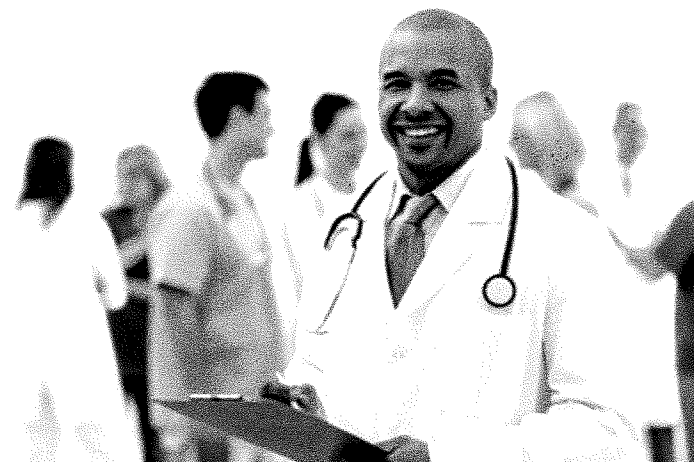
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Fax: 240-427-9999

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Home Care Services has been delivering health care services to our community for over 40 years. We are a member of Adventist HealthCare, a non-profit network providing the continuum of care through Shady Grove Hospital, Washington Adventist Hospital, and Adventist Rehabilitation Hospital of Maryland, along with visiting physicians and other specialized services.

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www.angelshearhome.com



Angels Heart

Assisted Living Home, LLC

Marshall Hall

Nicholas

Pinefield

Stone

Tadcaster

Lailani Carlos, RN, BSN, MHA

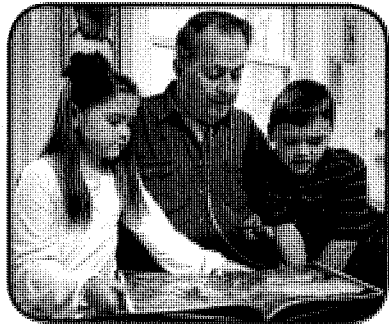
- Owner / DN

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**Community
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EXHIBIT 7

Crescent Cities

Resident Transfer and Discharge Policy and Procedure

PURPOSE

To ensure that residents being transferred or discharged are subject to a standardized process which ensures regulatory compliance and ethics as well as maintenance of the resident's quality of care.

POLICY

Crescent Cities will maintain a transfer and discharge process that complies with regulatory requirements and maintains the resident's quality of care.

PROCEDURE

- I. Residents may be transferred or discharged as a result of any of the following:
 - A. The transfer or discharge is necessary for the resident's welfare and the resident's needs cannot be met in the facility;
 - B. The transfer or discharge is appropriate because the resident's health has improved sufficiently so the resident no longer needs the services provided by the facility;
 - C. The safety of individuals in the facility is endangered due to the clinical or behavioral status of the resident;
 - D. The health of individuals in the facility would otherwise be endangered;
 - E. The resident has failed, after reasonable and appropriate notice, to pay for a stay at the facility. Non-payment applies if the resident does not submit the necessary paperwork for third party payment or after the third party, including Medicare or Medicaid, denies the claim and the resident refuses to pay for his or her stay. For a resident who becomes eligible for Medicaid after admission to the Facility, the Facility shall charge a resident only allowable charges under Medicaid; or
 - F. The facility ceases to operate.
- II. The Facility shall not transfer or discharge a resident while an appeal is pending if the resident exercises his or her right to appeal a transfer or discharge notice from the Facility, unless the failure to discharge or transfer would endanger the health or safety of the resident or other

individuals in the Facility. The Facility shall document the danger that failure to transfer or discharge would pose.

- III. All transfers or discharges must be documented in the medical record and appropriate information is communicated to the receiving health care institution or provider.
 - A. Documentation in the resident's medical record must include:
 - a. The basis for the transfer per section I of this policy.
 - b. The specific resident need(s) that cannot be met under section I.A. of this policy, Facility attempts to meet the resident needs, and the service available at the receiving facility to meet the need(s).
 - B. The documentation must be made by:
 - a. The resident's physician when transfer or discharge is necessary under section I.A or B. of this policy; and
 - b. A physician when transfer or discharge is necessary under Section I.C or D of this policy.
 - C. Information provided to the receiving provider shall include a minimum of the following:
 - a. Contact information of the practitioner responsible for the care of the resident;
 - b. Resident representative information including contact information.
 - c. Advance Directive information;
 - d. All special instructions or precautions for ongoing care, as appropriate;
 - e. Comprehensive care plan goals;
 - f. All other necessary information, including a copy of the resident's discharge summary, as applicable, and any other documentation, as applicable, to ensure a safe and effective transition of care.
- IV. Notice before transfer.
 - A. Before the Facility transfers or discharges a resident, the Facility shall, in a written notice:
 - a. Notify the resident and the resident's representative(s) of the transfer or discharge and the reasons for the move in writing and in a language and manner they understand. The Facility must send a copy of the notice to a representative of the Office of the State Long-Term Care Ombudsman.

- b. Record the reasons for the transfer or discharge in the resident's medical record in accordance with this policy and procedure.
- B. Contents of the notice.
- a. The written notice shall include the following:
 - i. The reason for transfer or discharge
 - ii. The effective date of transfer or discharge;
 - iii. The location to which the resident is transferred or discharged;
 - iv. A statement of the resident's appeal rights, including the name, address (mailing and email), and telephone number of the entity which receives such requests; and information on how to obtain an appeal form and assistance in completing the form and submitting the appeal hearing request;
 - v. The name, address (mailing and email) and telephone number of the Office of the State Long-Term Care Ombudsman;
 - vi. For Facility residents with intellectual and developmental disabilities or related disabilities, the mailing and email address and telephone number of the agency responsible for the protection and advocacy of individuals with developmental disabilities established under Part C of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (402 Pub. L. 106-402, codified at 42 U.S.C. 15001 et seq.); and
 - vii. For Facility residents with a mental disorder or related disabilities, the mailing and email address and telephone number of the agency responsible for the protection and advocacy of individuals with a mental disorder established under the Protection and Advocacy for Mentally Ill Individuals Act.
- C. Timing of the notice.
- a. Except as specified in section IV.C.b. below and except in cases of facility closure, the notice of transfer or discharge required shall be made by the Facility at least 30 days before the resident is transferred or discharged.
 - b. Notice must be made as soon as practicable before transfer or discharge when:

- i. The safety of individuals in the Facility would be endangered;
 - ii. The health of individuals in the facility would be endangered;
 - iii. The resident's health improves sufficiently to allow a more immediate transfer or discharge;
 - iv. An immediate transfer or discharge is required by the resident's urgent medical needs; or
 - v. A resident has not resided in the facility for 30 days.
- V. Changes to the notice. If the information in the notice under Section IV changes prior to effecting the transfer or discharge, the Facility shall update the recipients of the notice as soon as practicable once the updated information becomes available.
- VI. Orientation for transfer or discharge. The Facility shall provide and document sufficient preparation and orientation to residents to ensure safe and orderly transfer or discharge from the Facility. This orientation must be provided in a form and manner that the resident can understand.
- VII. Notice in advance of facility closure. In the case of the Facility's closure, the individual who is the administrator of the Facility shall provide written notification prior to the impending closure to the State Survey Agency, the Office of the State Long-Term Care Ombudsman, residents of the Facility, and the resident representatives, as well as the plan for the transfer and adequate relocation of the residents, as required by applicable regulations.
- VIII. Room changes in a composite distinct part. Room changes in a facility that is a composite distinct part are subject to the requirements of 42 § 483.10(e)(7) and must be limited to moves within the particular building in which the resident resides, unless the resident voluntarily agrees to move to another of the composite distinct part's locations.

Crescent Cities Comprehensive Person-Centered Care Planning Policy and Procedure

PURPOSE

To ensure that Crescent Cities (the "Facility") and any and all owners, directors, officers, clinical staff, employees, independent contractors, consultants, and others working for the Facility ("Associates") provide each and every resident with the right to a dignified existence, self-determination, and communication with and access to persons and services inside and outside the Facility that is consistent with the resident's comprehensive assessment and baseline plan of care.

POLICY

The Facility and its Associates shall provide the necessary care and services to its residents to ensure that residents' abilities related to their activities of daily living do not diminish, unless the particular circumstances demonstrate that such diminution was unavoidable. Each resident shall be treated with respect, dignity, and care and in a manner and environment that promotes maintenance or enhancement of quality of life, recognizing each resident's individuality. The Facility will protect and promote the rights of each resident and will provide equal access to quality care regardless of diagnosis, severity of condition, or payment source.

PROCEDURE

- I. Baseline care plans.
 - A. The facility shall develop and implement a baseline care plan for each resident that includes the instructions needed to provide effective and person-centered care of the resident that meet professional standards of quality care. The baseline care plan shall:
 - a. Be developed within 48 hours of a resident's admission.
 - b. Include the minimum healthcare information necessary to properly care for a resident including, but not limited to:
 - i. Initial goals based on admission orders.
 - ii. Physician orders.
 - iii. Dietary orders.
 - iv. Therapy services.
 - v. Social services.
 - vi. PASARR recommendation, if applicable.

- c. The facility shall provide the resident and their representative with a summary of the baseline care plan that includes but is not limited to:
 - i. The initial goals of the resident.
 - ii. A summary of the resident's medications and dietary instructions.
 - iii. Any services and treatments to be administered by the facility and personnel acting on behalf of the facility.
 - iv. Any updated information based on the details of the comprehensive care plan, as necessary.
- II. Comprehensive Care Plans.
- A. The facility shall develop and implement a comprehensive person-centered care plan for each resident, consistent with the resident rights set forth under the law (see CCG 00517 Section II) that includes measurable objectives and timeframes to meet each resident's medical, nursing, and mental and psychosocial needs that are identified in the comprehensive assessment. The comprehensive care plan shall describe the following:
 - a. The services that are to be furnished to attain or maintain the resident's highest practicable physical, mental, and psychosocial well-being as required under law; and
 - b. Any services that would otherwise be required under law or regulation but are not provided due to the resident's exercise of rights, including the resident's right to refuse treatment.
 - c. Any specialized services or specialized rehabilitative services the nursing facility will provide as a result of PASARR recommendations.
 - i. If the Facility disagrees with the findings of the PASARR, it shall indicate its rationale in the resident's medical record.
 - d. In consultation with the resident and the resident's representative(s):
 - i. The resident's goals for admission and desired outcomes.
 - ii. The resident's preference and potential for future discharge. The Facility shall document whether the resident's desire to return to the community was assessed and any referrals to local contact agencies and/or other appropriate entities, for this purpose.

iii. Discharge plans in the comprehensive care plan, as appropriate, in accordance with the requirements set forth below in this policy.

B. The comprehensive care plan shall be:

a. Developed within 7 days after completion of the comprehensive assessment.

b. Prepared by an interdisciplinary team, that includes but is not limited to:

i. The attending physician.

ii. A registered nurse with responsibility for the resident.

iii. A nurse aide with responsibility for the resident.

iv. A member of food and nutrition services staff.

v. To the extent practicable, the participation of the resident and the resident's representative(s).

1. An explanation must be included in a resident's medical record if the participation of the resident and their resident representative is determined not practicable for the development of the resident's care plan.

vi. Other appropriate staff or professionals in disciplines as determined by the resident's needs or as requested by the resident.

c. Reviewed and revised by the interdisciplinary team after each assessment, including both the comprehensive and quarterly review assessments.

C. The services provided or arranged by the Facility, as outlined by the comprehensive care plan, shall:

a. Meet professional standards of quality;

b. Be provided by qualified persons in accordance with each resident's written plan of care; and

c. Be culturally-competent and trauma-informed.

III. Discharge planning

A. Discharge planning process. The facility shall developed a discharge plan of admission with residents' reassessment and plan validation at six months intervals for the first 24 months. The Facility shall develop and implement an effective discharge planning process that focuses on the resident's discharge goals, the preparation of residents to be active partners and effectively transition them to post-discharge care, and the reduction of factors leading to preventable readmissions. The Facility's discharge planning process must be consistent with the discharge rights as required by law (see CCG 00510) as applicable and:

- a. Ensure that the discharge needs of each resident are identified and result in the development of a discharge plan for each resident.
- b. Include regular re-evaluation of residents to identify changes that require modification of the discharge plan. The discharge plan must be updated, as needed, to reflect these changes.
- c. Involve the interdisciplinary team in the ongoing process of developing the discharge plan.
- d. Consider caregiver/support person availability and the resident's or caregiver's/support person(s) capacity and capability to perform required care, as part of the identification of discharge needs.
- e. Involve the resident and resident representative in the development of the discharge plan and inform the resident and resident representative of the final plan.
- f. Address the resident's goals of care and treatment preferences.
- g. Document that a resident has been asked about their interest in receiving information regarding returning to the community.
 - i. If the resident indicates an interest in returning to the community, the facility must document any referrals to local contact agencies or other appropriate entities made for this purpose.
 - ii. The Facility shall update a resident's comprehensive care plan and discharge plan, as appropriate, in response to information received from referrals to local contact agencies or other appropriate entities.
 - iii. If discharge to the community is determined to not be feasible, the facility must document who made the determination and why.
- h. For residents who are transferred to another SNF or who are discharged to a HHA, IRF, or LTCH, assist residents and their resident representatives in selecting a post-acute care provider by using data that includes, but is not limited to SNF, HHA, IRF, or LTCH standardized patient assessment data, data on quality measures, and data on resource use to the extent the data is available. The facility must ensure that the post-acute care standardized patient assessment data, data on quality measures, and data on resource use

is relevant and applicable to the resident's goals of care and treatment preferences.

- i. Document, complete on a timely basis based on the resident's needs, and include in the clinical record, the evaluation of the resident's discharge needs and discharge plan. The results of the evaluation shall be discussed with the resident or resident's representative. All relevant resident information shall be incorporated into the discharge plan to facilitate its implementation and to avoid unnecessary delays in the resident's discharge or transfer.
- B. Discharge summary. When the Facility anticipates a discharge, it shall create a discharge summary that includes, but is not limited to, the following:
- a. A recapitulation of the resident's stay that includes, but is not limited to, diagnoses, course of illness/treatment or therapy, and pertinent lab, radiology, and consultation results.
 - b. A final summary of the resident's status to include items included in the resident's comprehensive assessment, at the time of the discharge that is available for release to authorized persons and agencies, with the consent of the resident or resident's representative.
 - c. Reconciliation of all pre-discharge medications with the resident's post-discharge medications (both prescribed and over-the-counter).
 - d. A post-discharge plan of care that is developed with the participation of the resident and, with the resident's consent, the resident representative(s), which will assist the resident to adjust to his or her new living environment. The post-discharge plan of care shall indicate where the individual plans to reside, any arrangements that have been made for the resident's follow up care and any post-discharge medical and non-medical services.

EXHIBIT 8

December 23, 2020

Jacob Kohn
Authorized Representative
Crescent Cities SNF LLC
4409 East-West Highway
Riverdale Park, MD 20737

**Re: Crescent Cities Nursing & Rehabilitation Center
16 bed addition and facility renovation**

Dear Mr. Kohn:

The above-referenced comprehensive care facility bed addition and renovation project includes a 16-bed addition to the first floor of the facility.


To the best of our knowledge, information, and belief the design for the project complies with the 2018 Design Guide for Long Term Care Homes (the FGI Guidelines), with one exception: the FGI Guidelines regarding design of resident room bathrooms conflict with the American with Disabilities Act Accessibility Guidelines (“ADAAG”), ***and this project design complies with the ADAAG rather than the FGI.*** Specifically, the ADAAG mandates that the centerline of a wheelchair-accessible toilet must be no more than 18 inches from the sidewall that is equipped with a 42-inch long grab bar (604.2). However, the FGI Guidelines require that clearance *“be provided on both sides of the toilet to enable physical access and maneuvering by staff members assisting the resident with wheelchair-to-toilet transfers and returns”* (3.1-2.2.2.6(2)(b)). The 18-inch maximum distance mandated by ADAAG does not provide adequate space *“to enable physical access and maneuvering by staff members.”*

Since the United States Department of Justice publishes and enforces the ADAAG, and since long-term care facilities are required by the Federal Government to comply with ADAAG, the clearance on the sidewall side of the toilet in the resident room bathrooms will be in compliance with ADAAG and not with the FGI Guidelines. The rest of the bathroom design will comply with the FGI Guidelines.

If you have any questions or concerns, please feel free to contact me directly.

Sincerely,

WALDON STUDIO ARCHITECTS



Cass Gottlieb
Principal

EXHIBIT 9

Hannah L. Perng

From: Jeanne-Marie Gawel -MDH- <jeanne-marie.gawel@maryland.gov>
Sent: Friday, May 29, 2020 5:22 PM
To: Tom Dame
Cc: Suellen Wideman -MDH-; Kevin R. McDonald -MDH-; Hannah L. Perng
Subject: [EXTERNAL] Crescent Cities Response from MHCC

Dear Mr. Dame:

I am writing in response to your email regarding Crescent Cities Nursing & Rehabilitation Center (“Crescent Cities”), to which the applicant submitted a Letter of Intent on March 6, 2020 to file a CON for the addition of 32 comprehensive care beds to its facility in Prince George’s County. Your specific question was related to compliance with COMAR 10.24.20.05A(8) on Quality Rating.

The regulation states:

(a) An applicant shall demonstrate, at the time of letter of intent submission, that at least 70 percent of all the comprehensive care facilities owned or operated by the applicant or a related or affiliated entity for three years or more had an average overall CMS star rating of three or more stars in CMS’s most recent five quarterly refreshes for which CMS data is reported.

(i) If the applicant or a related or affiliated entity owns or operates one or more comprehensive care facilities in Maryland, the CMS star ratings for Maryland facilities shall be used.

(ii) If the applicant or a related or affiliated entity does not own or operate comprehensive care facilities in Maryland, CMS star ratings for such facilities in the states in which it operates shall be used.

(b) An applicant that is an existing Maryland comprehensive care facility shall document, at the time of letter of intent submission, that it had an average overall star rating of three or more stars in CMS’s most recent five quarterly refreshes for which CMS data is reported, unless the facility has been owned or operated by the applicant for fewer than three years

In the chart below which was included in your correspondence to the Commission, it shows that the individuals with ownership of Crescent Cities own several comprehensive care facilities in Maryland, including Crescent Cities and eight other nursing homes. Each of the facilities has been owned for less than three years (from letter of intent) as evidenced by the acquisition dates you provided.

Provider Name	Provider Address	Provider City	Provider State	Number of Beds	Provider County Name	Acquisition Date	DOC Date
CRESCENT CITIES NURSING & REHABILITATION CENTER	4409 EAST WEST HIGHWAY	RIVERDALE	MD	140	Prince Georges	2/1/2019	12/4/18
ELKTON NURSING AND REHABILITATION CENTER	ONE PRICE DRIVE	ELKTON	MD	177	Cecil	11/1/2018	11/13/19
LAYHILL NURSING AND REHABILITATION CENTER	3227 BEL PRE ROAD	SILVER SPRING	MD	129	Montgomery	8/1/2019	5/25/18
MANOR CARE HEALTH SERVICES - ADELPHI	1801 METZEROTT ROAD	ADELPHI	MD	170	Prince Georges	2/1/2020	2/13/20

MANOR CARE HEALTH SERVICES - HYATTSVILLE	6500 RIGGS ROAD	HYATTSVILLE	MD	160	Prince Georges	2/1/2020	2/13/20
MANOR CARE HEALTH SERVICES - LARGO	600 LARGO ROAD	GLENARDEN	MD	130	Prince Georges	2/1/2020	2/13/20
POTOMAC VALLEY REHABILITATION AND HEALTHCARE	1235 POTOMAC VALLEY ROAD	ROCKVILLE	MD	175	Montgomery	1/1/2019	12/27/18
SHADY GROVE NURSING AND REHABILITATION CENTER	9701 MEDICAL CENTER DRIVE	ROCKVILLE	MD	134	Montgomery	8/1/2019	5/25/18
THE NURSING AND REHAB CENTER AT STADIUM PLACE	1010 EAST 33RD STREET	BALTIMORE	MD	49	Baltimore City	8/1/2017	8/28/17

Since the individuals with ownership of Crescent Cities have owned all of the above listed Maryland facilities for less than three years, you have interpreted, and staff agrees that the standard does not call for the applicant to present CMS star data for the other facilities per subpart 8 (a). Staff also agrees that subparts (i) and (ii) together show that because the individuals with ownership of Crescent Cities own facilities in Maryland, only the Maryland data should be used. Therefore, the data from the facilities in Pennsylvania does not need to be included with the application. I have also accessed the CMS Star-Ratings website and found that Crescent Cities which is the only facility where the quality rating is applicable (for purposes on the CON) per the Quality Rating standard has an overall Quality Ranking of 3 stars. A rating of 3 stars or higher meets the standard.

Thank you for your communication, please reach out with any other questions you may have.

Jeanne Marie Amaral Gawel

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EXHIBIT 10

Crescent Cities

Quality Assurance and Performance Improvement (QAPI) Policy and Procedure

PURPOSE

To provide continuous evaluation of Crescent Cities's (the "Facility") systems with the objectives of keeping systems functioning satisfactorily; preventing deviation from care processes; discerning issues and concerns; providing points of accountability for ensuring quality of care and quality of life; allowing the Facility to deal with quality deficiencies in a confidential manner; and correcting inappropriate care processes.

Quality Assurance and Performance Improvement (QAPI) is a management process that must be ongoing, multi-level, and facility-wide. QAPI encompasses all the Facility's managerial, administrative, clinical, and environmental services, as well as the performance of outside (contracted) providers and suppliers of care and services.

POLICY

It is the policy of the Facility to maintain a Quality Assurance and Performance Improvement (QAPI) program. The program will be ongoing and comprehensive and will address the full range of care and services provided by the facility. The program will

- a. Address all systems of care and management practices;
- b. Include clinical care, quality of life and resident choice;
- c. Utilize the best available evidence to define and measure indicators of quality and facility goals that reflect processes of care and facility operations that have been shown to be predictive of desired outcomes
- d. Reflect the complexities, unique care, and services provided.

PROCEDURE

1. The facility will develop a QAPI program with the following components
 - a. Program Feedback, data systems and monitoring, including
 - i. Facility maintenance of effective systems to obtain and use of feedback and input from staff, residents and representatives,
 - ii. Facility maintenance of effective systems to identify, collect and use data and information from all departments.
 - iii. Facility development, monitoring and evaluation of

performance indicators, including the methodology and frequency for such development, monitoring and evaluation.

iv. Facility adverse event monitoring, including the methods by which the facility will systematically identify, report, track, investigate, analyze and use data and information relating to adverse events in the facility and how the facility will use the data to develop activities to prevent adverse events.

1. An adverse event is defined as an untoward, undesirable, and usually unanticipated event that causes death or serious injury, or the risk thereof.

b. Program systematic analysis and system action

i. The facility will take actions aimed at performance improvement. It will measure the success of these actions and track performance to ensure that improvements are realized and sustained.

ii. The QAPI program will include policies addressing

1. The use of a systematic approach to determine underlying causes of problems impacting larger systems

2. The development of corrective actions

3. Monitoring the effectiveness of its performance improvement activities.

c. Program activities

i. The facility will set priorities for its performance improvement activities that focus on high-risk, high-volume, or problem-prone areas.

ii. The activities will track medical errors and adverse resident events, analyze their causes, and implement preventive actions and mechanisms that include feedback and learning throughout the facility.

iii. The facility will conduct distinct performance improvement activities.

2. Governance and leadership

a. The governing body and/or executive leadership is responsible and accountable to ensure that the QAPI program is

i. Defined, implemented and maintained

ii. Addresses identified priorities

iii. Sustained during transitions in leadership and staffing

iv. Adequately resourced

v. Identifies and prioritizes problems and opportunities

vi. Implementing effective corrective action plans

vii. Maintaining clear expectations regarding safety, quality,

rights, choice and respect.

3. Committee

- a. The Facility shall designate a specific employee to coordinate and manage the Facility's QAPI program. The designated individual is: _____.
- b. The QAPI program must maintain a quality assessment and assurance committee consisting of a minimum
 - i. The administrator;
 - ii. The director of nursing;
 - iii. The medical director;
 - iv. A social worker;
 - v. A licensed dietitian;
 - vi. A geriatric nursing assistant; and
 - vii. The infection control and prevention officer.

(Federal Guidelines)

- i. The director of nursing services,
 - ii. The Medical Director or his/her designee,
 - iii. At least three other members of the facility's staff, at least one of which must be the administrator, owner, a board member or other individual in a leadership role, and
 - iv. The infection control and prevention officer.
- b. The Committee shall:
 - i. Meet at least monthly;
 - ii. Review and approve annually the quality assurance plan for the Facility.
 - iii. Maintain records of all quality assurance activities;
 - iv. Keep records of committee meetings that shall be available to the Department of Health during any on-site visit; and
 - v. Prepare monthly reports that shall be presented to the ombudsman, the residents' council, and the family council.
- c. The committee will report to the facility's governing body or designated person functioning as a governing body regarding its activities.
- d. The committee must develop and implement appropriate plans of action to correct identified quality deficiencies.
- e. The committee must regularly review and analyze data, including data collected under the QAPI program and data resulting from drug regimen reviews. It must act on available data to make improvements.
- f. The Committee shall establish a written quality assurance plan ("plan") that:
 - i. Includes procedures for concurrent review for all residents;
 - ii. Provides criteria that routinely monitors nursing care including medication administration, prevention of

- decubitus ulcers, dehydration and malnutrition, nutritional status and weight loss or gain, accidents and injuries, unexpected deaths, changes in mental or psychological status, and any other data necessary to monitor quality of care;
- iii. Includes methods to identify and correct problems; and
 - iv. Is readily available to residents and their families, guardians, or surrogate decision makers.
- g. The plan shall be submitted to the Department of Health every 2 years.
 - h. The administrator shall take appropriate remedial actions based on the recommendations of the Facility's Committee.

EXHIBIT 1 1



Quality Assurance and Performance Improvement (QAPI) Plan

Policy Statement

This facility shall develop, implement, and maintain an ongoing, facility-wide QAPI Plan designed to monitor and evaluate the quality and safety of resident care, pursue methods to improve care quality, and resolve identified problems.

Policy Interpretation and Implementation

The objectives of the QAPI Plan are to:

1. Provide a means to identify and resolve present and potential negative outcomes related to resident care and services;
2. Reinforce and build upon effective systems and processes related to the delivery of quality care and services;
3. Provide structure and processes to correct identified quality and/or safety deficiencies;
4. Establish and implement plans to correct deficiencies, and to monitor the effects of these action plans on resident outcome;
5. Help departments, consultants, and ancillary services that provide direct or indirect care to residents to communicate effectively, and to delineate lines of authority, responsibility, and accountability;
6. Provide a means to centralize and coordinate comprehensive QAPI activities in order to meet the needs of the residents and the facility; and
7. Establish systems and processes to maintain documentation relative to the QAPI Program, as a basis for demonstrating that there is an effective ongoing program.

Authority

1. The owner and/or governing board (body) of our facility shall be ultimately responsible for the QAPI Program.
2. The Administrator is responsible for assuring that this facility's QAPI Program complies with federal, state, and local regulatory agency requirements.

Implementation

1. The QAPI Committee shall oversee implementation of our QAPI Plan. A QAPI Coordinator shall coordinate QAPI Committee activities, including documentation.
2. This committee shall meet monthly to review reports, evaluate the significance of data, and monitor quality-related activities of all departments, services, or committees.
3. The QAPI Committee shall oversee and authorize QAPI activities, including data-collection tools, monitoring tools, and the basis for and appropriateness and effectiveness of QAPI activities.



4. The committee shall approve any corrective actions, including changes in policies and/or procedures, employment practices, standards of care, etc., and shall also monitor all corrective activities for appropriateness and/or the need for alternative measures.
5. The committee may recommend ways to reinforce and expand identified positive approaches and outcomes to various departments or services.
6. Individual departments or services shall develop quality indicators for programs and services in which they are involved and which affect their function.
7. Information regarding QAPI activities is confidential and may be disclosed only in accordance with applicable laws and regulations.
8. Departments, services, and committees shall submit their reports to the QAPI Committee as directed by the committee.

Evaluation

1. The facility shall evaluate the effectiveness of its QAPI Program at least annually and shall present their conclusions to the owner/governing board for review.
2. The QAPI Committee, Administrator, and the governing board shall review and approve a summary of problems and corrective measures.

Coordinator

1. The QAPI Coordinator shall attend and/or review minutes of meetings of other committees or departments as needed.
2. The QAPI Coordinator will help other committees, individuals, departments, and/or services develop quality indicators, monitoring tools, criteria, and assessment methodologies, and help them identify and evaluate concerns impacting resident care and safety.
3. The QAPI Coordinator will act as a liaison among committees, individuals, services, and/or departments regarding QAPI activities.

References	
OBRA Regulatory Reference Numbers	§483.75(a) Quality assurance and performance improvement (QAPI) program.; §483.75(b) Program design and scope.; §483.75(f) Governance and leadership. §483.75(h) Disclosure of information.; §483.75(i) Sanctions.
Survey Tag Numbers	F865
Other References	
Related Documents	Quality Assurance and Performance Improvement (QAPI) Program
Version	1.1 (H5MAPL0698)

EXHIBIT 12

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

FOR THE PERIOD FROM
FEBRUARY 1, 2019 (COMMENCEMENT OF OPERATIONS)
TO DECEMBER 31, 2019



**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

**FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
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REPORT OF INDEPENDENT AUDITORS

To the Members of
Crescent Cities SNF LLC and
4409 East West Highway LLC

We have audited the accompanying combined financial statements of Crescent Cities SNF LLC and 4409 East West Highway LLC (Maryland limited liability companies), which comprise the combined balance sheet as of December 31, 2019, and the related combined statements of operations, changes in members' deficit, and cash flows for the period from February 1, 2019 (commencement of operations) to December 31, 2019, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Crescent Cities SNF LLC and 4409 East West Highway LLC as of December 31, 2019, and the results of their operations and their cash flows for the period from February 1, 2019 (commencement of operations) to December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Pease & Associates, LLC

Cleveland, Ohio
May 26, 2020

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINED BALANCE SHEET

DECEMBER 31, 2019

ASSETS

CURRENT ASSETS

Cash	\$ 101,107
Restricted cash - resident funds held in trust	71,044
Accounts receivable	3,503,248
Other receivables	87,054
Prepaid expenses	<u>296,100</u>

TOTAL CURRENT ASSETS 4,058,553

PROPERTY AND EQUIPMENT, NET 15,688,536

OTHER ASSETS

Certificates of need	2,000,000
Escrow deposits	104,930
Deposits	17,433
Advances receivable - affiliates	<u>26,915</u>

TOTAL OTHER ASSETS 2,149,278

\$ 21,896,367

See notes to combined financial statements.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINED BALANCE SHEET

DECEMBER 31, 2019

LIABILITIES AND MEMBERS' DEFICIT

CURRENT LIABILITIES

Line of credit	\$ 1,545,697
Current portion of mortgage payable	457,500
Resident funds and deposits payable	71,044
Accounts payable	956,868
Accrued expenses	<u>725,813</u>

TOTAL CURRENT LIABILITIES 3,756,922

LONG-TERM LIABILITIES

Mortgage payable, net of current portion	16,543,389
Notes payable - members	1,987,972
Lease deposits payable	3,629
Advances payable - affiliates	<u>16,072</u>

TOTAL LONG-TERM LIABILITIES 18,551,062

TOTAL LIABILITIES 22,307,984

MEMBERS' DEFICIT

(411,617)

\$ 21,896,367

See notes to combined financial statements.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINED STATEMENT OF OPERATIONS

**FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
OPERATIONS) TO DECEMBER 31, 2019**

REVENUES

Net patient service revenues	\$ 15,492,281
Rental income	59,612
	<hr/>

TOTAL REVENUES 15,551,893

OPERATING EXPENSES

Nursing	5,319,149
General and administrative	4,015,644
Ancillary services	1,103,090
Pharmacy	569,235
Facility maintenance	807,925
Dietary	841,844
Housekeeping	387,064
Activities	184,191
Social services	171,120
Admissions	92,501
	<hr/>

TOTAL OPERATING EXPENSES 13,491,763

INCOME FROM OPERATIONS 2,060,130

OTHER EXPENSE

Gain on collection of acquired receivables	485,319
Interest expense	(1,106,711)
Other expense	(355)
	<hr/>

NET INCOME \$ 1,438,383

See notes to combined financial statements.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

**COMBINED STATEMENT OF CHANGES IN MEMBERS' DEFICIT
FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
OPERATIONS) TO DECEMBER 31, 2019**

MEMBERS' EQUITY, FEBRUARY 1, 2019	\$ -
Net income	1,438,383
Member distributions	<u>(1,850,000)</u>
MEMBERS' DEFICIT, DECEMBER 31, 2019	<u><u>\$ (411,617)</u></u>

See notes to combined financial statements.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINED STATEMENT OF CASH FLOWS

**FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
OPERATIONS) TO DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 1,438,383
Adjustments to reconcile net income to net cash and restricted cash provided by operating activities:	
Depreciation and amortization	956,773
Amortization of debt issuance costs	169,601
Gain on collection of acquired receivables	(485,319)
Changes in operating assets and liabilities:	
Accounts receivable	(2,017,929)
Other receivables	(87,054)
Prepaid expenses	(296,100)
Resident funds and deposits payable	71,044
Accounts payable	956,868
Accrued expenses	366,643

**NET CASH AND RESTRICTED CASH PROVIDED BY
OPERATING ACTIVITIES** 1,072,910

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(445,309)
Increase in deposits	(17,433)
Repayments of advances made to affiliates	56,002

**NET CASH AND RESTRICTED CASH USED IN
INVESTING ACTIVITIES** (406,740)

CASH FLOWS FROM FINANCING ACTIVITIES

Net borrowings on line of credit	1,545,697
Payment of debt issuance costs	(17,941)
Repayments of advances from affiliates	(66,845)
Distributions to members	(1,850,000)

**NET CASH AND RESTRICTED CASH USED IN
FINANCING ACTIVITIES** (389,089)

NET INCREASE IN CASH AND RESTRICTED CASH 277,081

Cash and restricted cash at beginning of period -

CASH AND RESTRICTED CASH AT END OF PERIOD \$ 277,081

See notes to combined financial statements.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

NOTES TO COMBINED FINANCIAL STATEMENTS

**FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF OPERATIONS)
TO DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of entities: Crescent Cities SNF LLC and 4409 East West Highway LLC (collectively, the “Company” or “Companies”) are Maryland limited liability companies formed in 2019 to own and operate Crescent Cities Nursing & Rehabilitation Center, a 140 bed skilled nursing facility in Riverdale Park, Maryland.

Acquisition and transfer of operations: As discussed further in Note 2, the facility was acquired and the related operations were transferred in February 2019.

Principles of combination: The accompanying combined financial statements include the accounts of Crescent Cities SNF LLC and 4409 East West Highway LLC. All intercompany balances and transactions have been eliminated.

Basis of presentation: The combined financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Limited liability companies: As limited liability companies, no member, director, manager, agent or employee of the Companies are personally liable for the debts, obligations, or liabilities of the Companies whether arising in contract, tort, or otherwise, or for the acts or omissions of any other member, director, manager, agent, or employee of the Companies, unless the individual has signed a specific personal guarantee.

Concentrations of credit risk: Financial instruments that potentially subject the Company to credit risk consist of cash deposits and accounts receivable. Cash deposits are maintained with high quality financial institutions, and the composition and maturities are regularly monitored by management. The Company controls credit risk associated with accounts receivable through its monitoring procedures and by establishing an allowance for doubtful accounts when considered necessary.

Cash and cash equivalents: The Company considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. As of December 31, 2019, there were no cash equivalents held. Cash, which consists of checking and savings accounts at a financial institution, may exceed the federal insurance limit from time to time; however, management does not believe that the Company is exposed to any substantial risk.

Resident trust funds: Resident trust funds consist of cash funds held in trust for residents’ personal needs. These funds are maintained in cash accounts separate from the Companies’ operating cash accounts and a corresponding liability is recorded in current liabilities in the accompanying combined balance sheet.

Escrow deposits: The Company's escrow deposits consist of a debt service reserve account held by the bank that is required under the mortgage loan agreement.

The following table provides a reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown on the statement of cash flows.

Cash	\$	101,107
Resident funds held in trust		71,044
Escrow deposits		<u>104,930</u>
Total cash and restricted cash shown in the statement of cash flows	\$	<u>277,081</u>

Accounts receivable: Accounts receivable represents amounts due from payors for amounts billed for resident services provided. If necessary, the Company provides an allowance for doubtful accounts that is estimated utilizing current accounts receivable aging reports, historical collections data, and other factors. Management monitors all of these factors and determines the estimated provision for doubtful accounts. Historically, bad debts have generally resulted from uncollectible private balances, some uncollectible coinsurance and deductibles and other factors. Receivables that are deemed to be uncollectible are written-off. The allowance for doubtful accounts balance is assessed by management, with changes in estimated losses being recorded in the combined statement of operations in the period identified. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change in the near term. At December 31 2019, management has determined that no allowance for doubtful accounts was necessary. Refer to Note 3, "Revenue Recognition and Receivables" for additional information.

Net resident service revenues: Net resident service revenues and the corresponding accounts receivable, are reported on an accrual basis as services are performed at their estimated net realizable amounts from residents, third-party payors, and others for services rendered.

The Company records revenues for inpatient services and the related receivables in the accounting records at the Company's established billing rates in the period the related services are rendered. The provision for contractual adjustments, which represents the difference between the established billing rates and predetermined reimbursement rates, is deducted from gross revenues to determine net revenues. These predetermined reimbursement rates may be based on a center's actual costs subject to program ceilings and other limitations or on established rates based on acuity and services provided as determined by the federal and state-funded programs. Services provided to Medicare beneficiaries are based on clinical, diagnostic, and other factors. Services provided to Medicaid beneficiaries are paid at determined rates per day. The Company is exposed to the risk of changes in Medicare and Medicaid reimbursement rates.

Amounts earned under federal and state programs with respect to nursing home patients are subject to review by the third-party payors which may result in retroactive adjustments. In the opinion of management, adequate provision has been made for any adjustments that may result from such reviews. Retroactive adjustments, if any, are recorded when objectively determinable, generally within three years of the close of a reimbursement year depending upon the timing of appeals and third-party settlement reviews or audits, and final settlements are reported in operations in the year of settlement.

The Company records revenues for rehabilitation services and other ancillary services and the related receivables at the time services or products are provided or delivered to the customer. Upon delivery of services or products, the Company has no additional performance obligation to the customer.

Property and equipment: Maintenance and repairs are expensed, while expenditures for renewals which prolong the lives of the assets are capitalized. Property and equipment owned by the Company is stated at cost. For financial reporting purposes, depreciation and amortization of property and equipment is provided for by using the straight-line method based on the estimated service lives of the assets as follows:

Building	40 years
Leasehold improvements	15 - 27 years
Computers and software	3 years
Furniture and equipment	3-10 years

Debt issuance costs: Debt issuance costs represent costs incurred in obtaining the mortgage note payable described in Note 6. Debt issuance costs are presented as a direct deduction of the related debt liability in the long-term liabilities section of the accompanying combined balance sheet. Amortization is computed using the straight-line method over the term of the debt, which approximates the effective interest method. Amortization charged to interest expense for the period from February 1, 2019 (commencement of operations) to December 31, 2019 totaled \$169,601.

Intangible assets: Intangible assets with indefinite lives are not amortized but instead assessed annually for impairment using fair value measurement techniques. The Company's indefinite-lived intangible assets consist of values assigned to certificates of need obtained through acquisition of the facility. The Company evaluates the carrying value of the certificates of need each year. An impairment charge would be recorded if the carrying value of the assets exceeds their fair value. The Company's evaluation of the certificates of need completed during 2019 identified no impairment losses.

Asset impairment: The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company assesses the fair value of the assets based on the undiscounted future cash flow that the assets are expected to generate and recognizes an impairment loss when estimated undiscounted future cash flow expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying amount of the asset. When the Company identifies an impairment, it reduces the carrying amount of the asset to its estimated fair value based on a discounted cash flow approach or, when available and appropriate, to comparable market values. Based on the Company's evaluation there is no impairment of these assets at December 31, 2019.

Compensated absences: Employees of the Company are entitled to paid vacation days depending on job classification, length of service, and hours worked. At December 31, 2019, the total amount accrued for compensated absences was \$254,093, and is included in accrued expenses in the accompanying combined balance sheet.

Advertising costs: The Company expenses advertising costs in the period in which they are incurred. Advertising expenses totaled \$2,312 for the period from February 1, 2019 (commencement of operations) to December 31, 2019.

Income taxes: The Company is not a taxpaying entity for federal or state income tax purposes. Consequently, federal and state income taxes are not payable, or provided for, by the Company. The members are taxed individually on the Company's earnings. Local income taxes are accrued at statutory rates, as applicable.

Member distributions: In accordance with the Companies' operating agreements, the Companies generally make distributions to fund the members' respective income tax liabilities resulting from the taxable income from the Companies. Other discretionary distributions may also be made.

Recording of insured claims: The Company records anticipated insurance liabilities and related insurance recoveries for medical malpractice claims and similar contingent liabilities in the accompanying balance sheet on a gross basis. Any estimated insurance recovery provided under the existing policy is reflected as a receivable on the same basis as the liability, subject to the need for a valuation allowance for uncollectible accounts. At December 31, 2019 there were no such receivables or liabilities.

Statement of cash flows: Noncash investing and financing activities for the period from February 1, 2019 (commencement of operations) to December 31, 2019 include, as described in Note 2, the purchase of property and equipment totaling \$16,200,000; resident accounts receivable valued at \$1,000,000; certificates of need totaling \$2,000,000; the payment of debt issuance costs totaling \$803,371; and the assumption of liabilities totaling \$362,799, the aggregate net amount of which was financed by \$1,987,972 of member notes payable and \$17,652,600 of mortgage notes payable.

Interest paid for the period from February 1, 2019 (commencement of operations) to December 31, 2019 totaled \$860,389.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The most significant estimates relate to the allowance for uncollectible accounts receivable, depreciation, asset valuations and useful lives. These estimates may be adjusted as more current information becomes available, and any adjustments could be significant.

Recently adopted accounting pronouncements: In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, ("*Revenue from Contracts with Customers*") (Topic 606), which outlines a single comprehensive model for recognizing revenue and supersedes most existing revenue recognition guidance, including guidance specific to the healthcare industry. For nonpublic companies, Topic 606 is effective for annual and interim reporting periods beginning after December 15, 2018. The Company adopted the requirements of this standard effective February 1, 2019. See Note 3, "Revenue Recognition and Receivables", for a discussion regarding revenue recognition under the new standard.

In November 2016, the FASB issued ASU 2016-18, “*Statement of Cash Flows (Topic 230): Restricted Cash*”, which provides guidance on the cash flow presentation of restricted cash. The update requires that a statement of cash flows explain the changes during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling beginning-of-the-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this ASU do not provide a definition of restricted cash or restricted cash equivalents. The standard became effective for the Company beginning in 2019. The Company adopted the standard effective February 1, 2019.

In October 2018, the FASB issued ASU 2018-17, “*Consolidation (Topic 810) – Targeted Improvements to Related Party Guidance for Variable Interest Entities*” (VIEs). The amendments in this update require reporting entities to consider indirect interests held through related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety. The new guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The standard should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to members’ equity at the beginning of the period of adoption. The Company adopted the requirements of this standard effective February 1, 2019. The adoption of this standard had no impact on the Company’s financial statements.

New accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*”. ASU 2016-02 requires lessees to include most leases on their balance sheet by recognizing a liability to make lease payments and an asset representing their right to use the asset during the lease term. Lessee recognition, measurement, and presentation of expenses and cash flows will not change significantly from existing guidance. Lessor accounting is also largely unchanged from existing guidance. ASU 2016-02 requires qualitative and quantitative disclosures that provide information about the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for the Company beginning in 2021. Early adoption is permitted. The Company has not yet determined the effect that this standard will have on its financial statements.

In June 2016, the FASB issued ASU 2016-13, “*Measurement of Credit Losses on Financial Instruments*”, to replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to recognize credit loss estimates. For trade and other receivables, loans, and other financial instruments, the Company will be required to use a forward-looking expected loss model rather than the incurred loss model for recognizing credit losses which reflects losses that are probable. The new standard will be effective for the Company beginning in 2023, with early adoption permitted beginning in 2019. Application of the amendment is through a cumulative-effect adjustment to retained earnings as of the effective date. The Company has not yet evaluated the impact of this standard on its financial statements.

Subsequent events: In preparing these combined financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 26, 2020, the date the combined financial statements were available to be issued.

NOTE 2 – ACQUISITION AND TRANSFER OF OPERATIONS

On February 1, 2019, the Company purchased the assets of Crescent Cities Charities, Inc. for a total purchase price of \$19,200,000. The assets and liabilities of the acquired business are included in the Company's combined balance sheet based upon estimated fair values on the date of acquisition as determined in the purchase price allocation, using available information and making assumptions management believes are reasonable. The Company's preliminary allocation of purchase price for this acquisition is included in the table below, which summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition.

Fair value of identifiable assets acquired:

Accounts receivable - residents	\$	1,000,000
Land		1,254,100
Buildings		11,286,900
Furniture and equipment		3,659,000
Certificates of need		<u>2,000,000</u>
Total assets acquired		19,200,000
Liabilities assumed		<u>(362,799)</u>
	\$	<u>18,837,201</u>

The acquisition was financed with \$1,987,972 of member notes payable and \$17,652,600 of mortgage notes payable (see Note 6), which provided funding for the \$19,200,000 purchase price (less assumption of \$362,799 of liabilities) and \$803,371 of debt issuance costs.

On February 1, 2019, based on the preliminary purchase price allocation, 4409 East West Highway LLC transferred the \$1,000,000 of receivables acquired in the acquisition to Crescent Cities SNF LLC through related party advances receivable and payable accounts on the respective entities' books. During the one-year measurement period subsequent to acquisition, Crescent Cities SNF LLC collected \$1,485,319 of these receivables, resulting in a gain on collection of acquired receivables of \$485,319 (bargain purchase gain).

The acquisition has been accounted for as a business combination under the guidance of FASB ASC 805.

The Company recorded the purchase of the business based upon net tangible assets acquired. Transaction costs are expensed as incurred as part of a business combination. In making estimates of fair value for purposes of recording the purchase, the Company utilized a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. The Company also considered information obtained about the property as a result of the Company's pre-acquisition due diligence, marketing, and leasing activities as well as other critical valuation metrics such as current capitalization rates and discount rates used to estimate the fair value of the tangible assets acquired (Level 3).

- Accounts receivable represents an estimate of the collectability of resident receivables that existed on the date of purchase that the prior owner turned over to the Company.
- Land is determined based on third party appraisals which typically include market comparables.
- Buildings are valued based on third party appraisals which typically use a combination of discounted cash flow projections that assume certain future revenues and costs and consider capitalization and discount rates using current market conditions as well as replacement cost analysis.
- Furniture and equipment is determined based on third party appraisals, which typically utilize a replacement cost approach.
- Certificates of need are valued based on the average sales price realized in recent transactions in the state of Maryland.

As a result of the acquisition described above, the Company assumed the facility operating licenses, Medicare and Medicaid provider numbers and agreements, and certain other facility contracts from Crescent Cities Charities, Inc. No value was assigned to these intangible assets. The Company, at its sole discretion, hired the existing employees as of the date of transfer, commencing operations on February 1, 2019.

NOTE 3 – REVENUE RECOGNITION AND RECEIVABLES

On February 1, 2019, the Company adopted Accounting Standards Codification ("ASC") 606 for all contracts as of the date of adoption. The adoption of ASC 606 represents a change in accounting principle that more closely aligns revenue recognition with the delivery of the Company's services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these services. ASC 606 requires companies to exercise more judgment and recognize revenue in accordance with the standard's core principle by applying the following five steps:

Step 1: Identify the contract with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Performance obligations are promises made in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company has concluded that the contracts with patients and residents represent a bundle of distinct services that are substantially the same, with the same pattern of transfer to the customer. Accordingly, the promise to provide quality care is accounted for as a single performance obligation.

The Company performed analyses using the application of the portfolio approach as a practical expedient to group patient contracts with similar characteristics, such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. These analyses incorporated consideration of reimbursements at varying rates from Medicaid, Medicare, Managed Care, Private Pay, Assisted Living, Hospice, and Veterans for services provided. It was determined that the contracts are not materially different within the following groups: Medicaid, Medicare, Managed Care, and Private Pay and other (Assisted Living, Hospice and Veterans).

In order to determine the transaction price, the Company estimates the amount of variable consideration at the beginning of the contract using the expected value method. The estimates consider (i) payor type, (ii) historical payment trends, (iii) the maturity of the portfolio, and (iv) geographic payment trends throughout a class of similar payors. The Company typically enters into agreements with third-party payors that provide for payments at amounts different from the established billing charges. These arrangement terms provide for subsequent settlement and cash flows that may occur well after the service is provided. The Company adjusts the estimates of variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur throughout the life of the contract. Changes in the Company's expectation of the amount it will receive from the patient or third-party payors will be recorded in revenue unless there is a specific event that suggests the patient or third-party payor no longer has the ability and intent to pay the amount due and, therefore, the changes in its estimate of variable consideration better represent an impairment, or bad debt. These estimates are re-assessed each reporting period, and any amounts allocated to a satisfied performance obligation are recognized as revenue or a reduction of revenue in the period in which the transaction price changes. The Company satisfies its performance obligation by providing quality of care services to its patients and residents on a daily basis until termination of the contract. The performance obligation is recognized on a daily basis, for which the services are provided. For these contracts, the Company has the right to consideration from the customer in an amount that directly corresponds with the value to the customer of the Company's performance to date. Therefore, the Company recognizes revenue based on the amount billable to the customer in accordance with the practical expedient in ASC 606-10-55-18. Additionally, because the Company applied ASC 606 using certain practical expedients, the Company elected not to disclose the aggregate amount of the transaction price for unsatisfied, or partially unsatisfied, performance obligations for all contracts with an original expected length of one year or less.

Disaggregation of Revenues and Accounts Receivable

The Company disaggregates revenue from contracts with customers by payor type. The Company notes that disaggregation of revenue into these categories achieves the disclosure objectives to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The payment terms and conditions within the Company's revenue-generating contracts vary by contract type and payor source. Payments are generally received within 30 to 90 days after billing.

The following table summarizes net resident service revenues with customers by payor source for the period from February 1, 2019 (commencement of operations) to December 31, 2019:

Medicaid	\$	7,650,650	49.4%
Medicare		2,577,808	16.6%
Commercial		3,499,892	22.6%
Private		858,079	5.5%
Hospice		661,642	4.3%
Other		244,210	1.6%
		<hr/>	
Total	\$	15,492,281	100.0%
		<hr/>	

The Company grants credit, without collateral, to its patients, most of whom are local residents and insured under third-party payor agreements. The mix of receivables from residents and third-party payors at December 31, 2019 are summarized in the following table:

Medicaid	\$	2,026,075	57.8%
Medicare		258,367	7.4%
Commercial		752,574	21.5%
Private		369,371	10.6%
Hospice		<u>96,861</u>	<u>2.7%</u>
Total	\$	<u>3,503,248</u>	<u>100.0%</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2019 consists of the following:

Land	\$	1,254,100
Buildings and improvements		11,286,900
Leasehold improvements		296,057
Computers and software		47,977
Furniture and equipment		<u>3,760,275</u>
		16,645,309
Less: accumulated depreciation and amortization		<u>956,773</u>
		<u>\$ 15,688,536</u>

Depreciation and amortization expense totaled \$956,773 for the period from February 1, 2019 (commencement of operations) to December 31, 2019.

NOTE 5 – LINE OF CREDIT

The Company has a revolving line of credit with a maximum credit limit of \$2,000,000. The line of credit is subject to certain borrowing limitations. Borrowings under the line bear interest at the prime rate, which is payable monthly. The interest rate at December 31, 2019 was 4.75%. The line of credit matured on January 31, 2020 and was paid in full in February 2020 when the Company refinanced its term debt as more fully discussed in Note 12. The line of credit agreement was terminated at that time. The agreement with the bank contained certain restrictions and financial covenants with which the Company was in compliance as of December 31, 2019. The outstanding balance on the line of credit at December 31, 2019 was \$1,545,697.

NOTE 6 – NOTES PAYABLE

Notes payable at December 31, 2019 consist of the following:

Mortgage notes payable	\$ 17,652,600
Notes payable – members	<u>1,987,972</u>
	19,640,572
Less: unamortized debt issuance costs	<u>651,711</u>
Notes payable, net of debt issuance costs	<u>\$ 18,988,861</u>

Mortgage notes payable: In February 2019, 4409 East West Highway LLC entered into mortgage note agreements in the aggregate amount of \$17,652,600 with a financial institution. The notes are comprised of a Senior Loan in the amount of \$15,675,000, and a Second Loan in the amount of \$1,977,600. Interest accrues on the notes at the LIBOR Rate, as adjusted monthly, plus (b) the Applicable Margin rate of 2.60% per annum for the Senior Loan, and 5.25% per annum on the Second Loan. The rates at December 31, 2019 were 4.143% for the Senior Loan and 6.793% for the Second Loan. Interest only is payable monthly commencing March 1, 2019 on the Senior Loan until March 1, 2020, at which time monthly principal payments will commence in the amount of \$28,400 based on a 25-year monthly principal payment schedule until maturity. Interest only is payable monthly commencing March 1, 2019 on the Second Loan until March 1, 2020, at which time monthly principal payments will commence in the amount of \$14,990 based on a 11-year straight-line amortization schedule until maturity. The agreement also contains certain restrictions and financial covenants with which the Company was in compliance as of December 31, 2019. The aggregate balance outstanding on the notes at December 31, 2019 totaled \$17,652,600. As more fully described in Note 12, in February 2020, the Company refinanced the mortgage notes described above and the balance of the Senior Loan and Second Loan were repaid in full at that time.

Notes payable – members: In connection with the acquisition described in Note 2, 4409 East West Highway LLC entered into note agreements with its members in the aggregate amount of \$1,987,972. The notes are non-interest bearing and were repaid in full in connection with the refinancing of the mortgage term debt described above.

NOTE 7 – EMPLOYEE BENEFIT PLAN

401(k) profit-sharing plan: The Company sponsors a 401(k) profit-sharing plan covering substantially all employees of the Company with 1,000 or more hours of service. Participants may elect to defer a portion of their annual compensation by contributing to the 401(k) plan, subject to plan provisions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. In accordance with the plan agreement, the Company does not contribute to the plan.

NOTE 8 – RELATED PARTY TRANSACTIONS

Notes payable: As described in Note 6, 4409 East West Highway LLC has notes payable to its members totaling \$1,987,972 at December 31, 2019.

Advances receivable - affiliates: The Company has made cash advances to various entities related to the Company through common ownership in order to accommodate certain cash flow needs of those entities. The advances are non-interest bearing and due on demand and totaled \$26,915 at December 31, 2019. These amounts are included in advances receivable - affiliates in the accompanying combined balance sheet. Management does not expect collection of these amounts in 2020; therefore, the amounts have been classified as noncurrent in the accompanying combined balance sheet.

Advances payable - affiliates: The Company has received cash advances from various entities related to the Company through common ownership, in order to accommodate certain cash flow needs of the Company. The advances are non-interest bearing and due on demand and totaled \$16,072 at December 31, 2019. These amounts are included in advances payable - affiliates in the accompanying combined balance sheet. Management does not expect repayment of these amounts in 2020; therefore, the amounts have been classified as noncurrent in the accompanying combined balance sheet.

Management fees: The Company has an agreement to purchase management and contracted services from an entity related through common ownership. The agreement expires in 2024 and has two five-year renewal options, after which, the agreement will be renewed annually until terminated by one of the parties. Under the terms of the agreement, the Company is generally required to pay 5% of revenues in exchange for the management services and to reimburse the management company for the actual cost of certain contracted services and other managerial costs. Management fees incurred and reimbursed costs under this agreement totaled \$938,022 for the period from February 1, 2019 (commencement of operations) to December 31, 2019.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Facility lease: Crescent Cities SNF LLC leases the skilled nursing facility from 4409 East West Highway LLC. The lease is accounted for as an operating lease and expires on July 31, 2028. The lease agreement includes two five-year renewal options.

The following disclosure is for informational purposes only, as all effects of the lease are eliminated in the combination of the Companies' financial statements. Monthly base rent payments are equal to \$100,000 through January 2020; \$139,104 for the period from February 2020 through January 2021; and \$140,040 for the period from February 2021 through January 2029. The lease is on a triple net basis; therefore, Crescent Cities SNF LLC records and recognize all expenses related to the real estate taxes and insurance incurred on the property. Crescent Cities SNF LLC is also responsible for all utilities and repairs and maintenance of the property.

For financial reporting purposes, the rent is recorded on a straight-line basis considering total rent over the initial lease term including scheduled rent increases, an amount which differs from the actual rent payments. As of December 31, 2019, rent income and rent expense for financial reporting purposes exceed required monthly rent payments by \$531,307, which is recorded as a deferred rent asset by 4409 East West Highway LLC and a deferred rent liability by Crescent Cities SNF LLC. These amounts are eliminated in the combination of the Companies' financial statements.

Rent income and related rent expense totaled \$1,631,307 for the period from February 1, 2019 (commencement of operations) to December 31, 2019, and are eliminated in the combination of the Companies' financial statements. In addition, related rent receivable and rent payable totaling \$1,100,000 were eliminated in the combination of the Companies' financial statements.

Legal actions and claims: The Company may, from time to time, be party to various legal actions and claims arising in the ordinary course of its business. The Company's management believes that the ultimate disposition of any legal matters will not have a material adverse effect on the Company's financial position or results of operations.

Professional liability insurance: The Company has a general and professional liability insurance policy ("GL/PL"), which provides coverage on a claims-made basis. The GL/PL coverage has a limit of \$1,000,000 per occurrence and a \$3,000,000 annual aggregate. This policy expires November 1, 2020. There were no material claims reported and, based on management's estimates and judgements, material claims incurred but not reported, at December 31, 2019.

Self-insured health care plan: The Company self-insures its employer provided health care insurance. The Company has entered into an agreement with an unrelated third party broker to administer its self-insured plan. Monthly premiums paid per employee, as determined by the broker, are based on historical data and are expected to cover all claims both incurred and reported during a typical year and claims incurred but not yet reported, in addition to all costs associated with administering the Plan. The Company records an estimated accrual, when appropriate, if the Company has determined that claims incurred will exceed the amount of premiums paid, or reflects a prepaid health insurance premium asset when premiums paid are determined to exceed the total estimate of claims for the year. The administrator of the plan then adjusts the subsequent year per employee premium taking into account any estimated over or underpayment into the insurance claims fund. At December 31, 2019, the Company estimated the premiums paid were underpaid by \$44,137 and accordingly, reflected an accrual for these amounts, which is included in accrued expenses in the accompanying combined balance sheet.

NOTE 10 – CONCENTRATIONS

Medicare and Medicaid: Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. All of the Company's 140 beds are designated for care of patients in Maryland's Medicaid program.

The Company's future profitable operation is largely dependent on the laws and regulations governing the Medicare and Medicaid programs. The Company does not expect any changes in the near term in the laws and regulations governing the Medicare and Medicaid programs that could unfavorably impact the Company's results of operations. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegation of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Medicare Reimbursement

Prior to October 1, 2019, Medicare skilled nursing facility (“SNF”) services were reimbursed on the basis of a prospective payment system (“PPS”). The PPS payment rates were adjusted for case mix and geographic variation in wages and cover all costs of providing covered SNF services (routine, ancillary, and capital-related costs). Effective October 1, 2019, Medicare SNF services reimbursement was replaced with the Patient Driven Payment Model (“PDPM”), which is a new case-mix classification system for classifying SNF patients in a Medicare Part A covered stay into payment groups under the SNF PPS. PDPM will replace the case-mix classification systems of the Resource Utilization Group, Version IV (RUG-IV) model.

Maryland Medicaid Reimbursement

The Maryland Department of Health pays nursing facilities a prospective daily rate for medical assistance residents. The daily rate is based on the most recently reviewed cost report and average acuity of the residents for nursing services. The rate is comprised of four cost center components (administrative and routine, other resident care, capital, and nursing services). The administrative and routine costs and other resident care costs are adjusted annually based on annual regional prices on a State fiscal year basis. Facility specific capital rates are set based on real estate taxes and fair rental value. Typically, the daily rate paid to the nursing facility is considered payment in full with no end-of-year settlements.

Skilled nursing facilities pay a quarterly Quality Assessment (provider tax) to the State of Maryland. The rate is updated each year and at December 31, 2019 was \$25.83 per non-Medicare patient day. Provider tax expense is included in general and administrative expenses and totaled \$926,622 for the period from February 1, 2019 (commencement of operations) to December 31, 2019.

Vendors: The Company is dependent on third-party service providers, manufacturers, distributors, and dealers for a substantial portion of its rehabilitation services, and for all its food, pharmaceutical and healthcare services and supplies. During the year ended December 31, 2019, purchases from its largest vendor accounted for approximately 20% of the total for such services and supplies. Amounts owed to this vendor represented approximately 20% of outstanding accounts payable at December 31, 2019. Management believes no significant risk is present due to other service providers and suppliers being readily available.

NOTE 11 – MEMBERS’ EQUITY

The Companies have one class of membership units for which the respective rights, preferences, and privileges are defined in the operating agreements.

NOTE 12 – SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after December 31, 2019 through the financial statement issuance date.

In February 2020, the Company's mortgage notes payable and line of credit were repaid in full through proceeds from a refinancing with another bank. The new debt includes term loans in the amounts of \$50,107,500 and \$18,392,500 with co-borrowers which include five other entities related to the Company through common ownership. Under the terms of the new debt agreement, interest only payments are due monthly at LIBOR plus an applicable margin rate of 3.10%. Beginning on March 1, 2021, principal payments will be required on the loans based on a 25-year amortization schedule at an assumed interest rate of 5% until the notes maturity in February 2023, at which time all outstanding principal and interest will become due and payable. In addition to the above, the Company is party to a \$6,000,000 shared line of credit agreement including co-borrowers which will bear interest at LIBOR plus an applicable margin rate of 3.10%. The new line of credit also matures in February 2023. The new term loans and line of credit are secured by all the assets of the Company and the co-borrowers and are guaranteed by certain members of the Company and co-borrowers. The new term loans and line of credit also include certain financial covenants and restrictions.

Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements.



Pease & Associates, LLC
peasecpa.com

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

To the Members of
Crescent Cities SNF LLC and
4409 East West Highway LLC

We have audited the combined financial statements of Crescent Cities SNF LLC and 4409 East West Highway LLC as of December 31, 2019 and for the period from February 1, 2019 (commencement of operations) to December 31, 2019, and our report thereon dated May 26, 2020, which expressed an unmodified opinion on those combined financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information included in the accompanying schedules on pages 23 through 30 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Pease & Associates, LLC

Cleveland, Ohio
May 26, 2020

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINING BALANCE SHEET

DECEMBER 31, 2019

ASSETS

	Crescent Cities SNF LLC	4409 East West Highway LLC	Eliminations	Total
CURRENT ASSETS				
Cash	\$ 95,841	\$ 5,266	\$ -	\$ 101,107
Restricted cash - resident funds held in trust	71,044	-	-	71,044
Accounts receivable	3,503,248	1,100,000	(1,100,000)	3,503,248
Other receivables	87,054	-	-	87,054
Prepaid expenses	296,100	-	-	296,100
TOTAL CURRENT ASSETS	4,053,287	1,105,266	(1,100,000)	4,058,553
PROPERTY AND EQUIPMENT, NET				
	418,011	15,270,525	-	15,688,536
OTHER ASSETS				
Certificates of need	-	2,000,000	-	2,000,000
Escrow deposits	-	104,930	-	104,930
Deposits	17,433	-	-	17,433
Deferred rent	-	531,307	(531,307)	-
Advances receivable - affiliates	306,797	-	(279,882)	26,915
TOTAL OTHER ASSETS	324,230	2,636,237	(811,189)	2,149,278
	<u>\$ 4,795,528</u>	<u>\$ 19,012,028</u>	<u>\$ (1,911,189)</u>	<u>\$ 21,896,367</u>

See report of independent auditors on supplementary information.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINING BALANCE SHEET

DECEMBER 31, 2019

LIABILITIES AND MEMBERS' DEFICIT

	Crescent Cities SNF LLC	4409 East West Highway LLC	Eliminations	Total
CURRENT LIABILITIES				
Line of credit	\$ 1,545,697	\$ -	\$ -	\$ 1,545,697
Current portion of mortgage payable	-	457,500	-	457,500
Resident funds and deposits payable	71,044	-	-	71,044
Accounts payable	2,056,868	-	(1,100,000)	956,868
Accrued expenses	655,807	70,006	-	725,813
TOTAL CURRENT LIABILITIES	4,329,416	527,506	(1,100,000)	3,756,922
LONG-TERM LIABILITIES				
Mortgage payable, net of current portion	-	16,543,389	-	16,543,389
Notes payable - members	-	1,987,972	-	1,987,972
Accrued interest on member notes payable	-	-	-	-
Deferred rent	531,307	-	(531,307)	-
Lease deposits payable	3,629	-	-	3,629
Advances payable - affiliates	16,072	279,882	(279,882)	16,072
TOTAL LONG-TERM LIABILITIES	551,008	18,811,243	(811,189)	18,551,062
TOTAL LIABILITIES	4,880,424	19,338,749	(1,911,189)	22,307,984
MEMBERS' DEFICIT	(84,896)	(326,721)	-	(411,617)
	<u>\$ 4,795,528</u>	<u>\$ 19,012,028</u>	<u>\$ (1,911,189)</u>	<u>\$ 21,896,367</u>

See report of independent auditors on supplementary information.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINING STATEMENT OF OPERATIONS

**FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
OPERATIONS) TO DECEMBER 31, 2019**

	Crescent Cities SNF LLC	4409 East West Highway LLC	Eliminations	Total
REVENUES				
Net patient service revenues	\$ 15,492,281	\$ -	\$ -	\$ 15,492,281
Rental income	59,612	1,631,307	(1,631,307)	59,612
TOTAL REVENUES	15,551,893	1,631,307	(1,631,307)	15,551,893
OPERATING EXPENSES				
Nursing	5,319,149	-	-	5,319,149
General and administrative	3,086,092	929,552	-	4,015,644
Ancillary services	1,103,090	-	-	1,103,090
Dietary	841,844	-	-	841,844
Facility maintenance	807,925	-	-	807,925
Pharmacy	569,235	-	-	569,235
Laundry and housekeeping	387,064	-	-	387,064
Activities	184,191	-	-	184,191
Social services	171,120	-	-	171,120
Admissions	92,501	-	-	92,501
Rent expense - facilities	1,631,307	-	(1,631,307)	-
TOTAL OPERATING EXPENSES	14,193,518	929,552	(1,631,307)	13,491,763
INCOME FROM OPERATIONS	1,358,375	701,755	-	2,060,130
OTHER INCOME (EXPENSE)				
Gain on collection of acquired receivables	485,319	-	-	485,319
Interest expense	(78,235)	(1,028,476)	-	(1,106,711)
Other expense	(355)	-	-	(355)
	406,729	(1,028,476)	-	(621,747)
NET INCOME (LOSS)	\$ 1,765,104	\$ (326,721)	\$ -	\$ 1,438,383

See report of independent auditors on supplementary information.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

**COMBINING STATEMENT OF CHANGES IN MEMBERS' DEFICIT
FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
OPERATIONS) TO DECEMBER 31, 2019**

	Crescent Cities SNF LLC	4409 East West Highway LLC	Eliminations	Total
MEMBERS' EQUITY - FEBRUARY 1, 2019	\$ -	\$ -	\$ -	\$ -
Net income (loss)	1,765,104	(326,721)	-	1,438,383
Member distributions	<u>(1,850,000)</u>	<u>-</u>	<u>-</u>	<u>(1,850,000)</u>
MEMBERS' DEFICIT - DECEMBER 31, 2019	<u>\$ (84,896)</u>	<u>\$ (326,721)</u>	<u>\$ -</u>	<u>\$ (411,617)</u>

See report of independent auditors on supplementary information.

**CRESCENT CITIES SNF LLC
AND
4409 EAST WEST HIGHWAY LLC**

COMBINING STATEMENT OF CASH FLOWS

**FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
OPERATIONS) TO DECEMBER 31, 2019**

	Crescent Cities SNF LLC	4409 East West Highway LLC	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	\$ 1,765,104	\$ (326,721)	\$ -	\$ 1,438,383
Adjustments to reconcile net income (loss) to net cash and restricted cash provided by (used in) operating activities:				
Depreciation and amortization	27,298	929,475	-	956,773
Amortization of debt issuance costs	-	169,601	-	169,601
Gain on collection of acquired receivables	(485,319)	-	-	(485,319)
Changes in operating assets and liabilities:				
Accounts receivable	(2,017,929)	(1,100,000)	1,100,000	(2,017,929)
Other receivables	(87,054)	-	-	(87,054)
Prepaid expenses	(296,100)	-	-	(296,100)
Resident funds and deposits payable	71,044	-	-	71,044
Deferred rent	531,307	(531,307)	-	-
Accounts payable	2,056,868	-	(1,100,000)	956,868
Accrued expenses	296,637	70,006	-	366,643
NET CASH AND RESTRICTED CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,861,856	(788,946)	-	1,072,910
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property and equipment	(445,309)	-	-	(445,309)
Increase in deposits	(17,433)	-	-	(17,433)
Repayments of advances made to affiliates	56,002	1,000,000	(1,000,000)	56,002
NET CASH AND RESTRICTED CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(406,740)	1,000,000	(1,000,000)	(406,740)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net borrowings on line of credit	1,545,697	-	-	1,545,697
Payment of debt issuance costs	-	(17,941)	-	(17,941)
Repayments of advances from affiliates	(983,928)	(82,917)	1,000,000	(66,845)
Distributions to members	(1,850,000)	-	-	(1,850,000)
NET CASH AND RESTRICTED CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(1,288,231)	(100,858)	1,000,000	(389,089)
NET INCREASE IN CASH AND RESTRICTED CASH	166,885	110,196	-	277,081
Cash and restricted cash at beginning of period	-	-	-	-
CASH AND RESTRICTED CASH AT END OF PERIOD	\$ 166,885	\$ 110,196	\$ -	\$ 277,081

See report of independent auditors on supplementary information.

CRESCENT CITIES SNF LLC

SCHEDULE OF REVENUES

FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF OPERATIONS) TO DECEMBER 31, 2019

	<u>Total Revenues</u>	<u>Amount Per Patient Day</u>
SKILLED NURSING FACILITY REVENUES		
Medicaid	\$ 7,650,650	\$ 265.67
Private	858,079	463.33
Medicare	2,577,808	581.50
Commercial	3,499,892	482.54
Hospice	<u>661,642</u>	245.14
	15,248,071	338.58
OTHER INCOME		
Ancillary	<u>244,210</u>	
TOTAL SKILLED NURSING FACILITY REVENUES	<u><u>\$ 15,492,281</u></u>	

See report of independent auditors on supplementary information.

CRESCENT CITIES SNF LLC

SCHEDULE OF PER PATIENT DAY STATISTICS

**FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF
OPERATIONS) TO DECEMBER 31, 2019**

	<u>Total</u>	<u>Amount Per Patient Day</u>
REVENUES		
Net patient service revenues	\$ 15,492,281	344.01
OPERATING EXPENSES		
Nursing	5,319,149	118.11
General and administrative	3,086,092	68.53
Ancillary services	1,103,090	24.49
Facility maintenance	807,925	17.94
Pharmacy	569,235	12.64
Dietary	841,844	18.69
Laundry and housekeeping	387,064	8.59
Activities	184,191	4.09
Social services	171,120	3.80
Admissions	92,501	2.05
Rent expense - facilities	<u>1,631,307</u>	<u>36.22</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 14,193,518</u></u>	<u><u>\$ 315.15</u></u>

See report of independent auditors on supplementary information.

CRESCENT CITIES SNF LLC

SCHEDULE OF PATIENT DAYS

FOR THE PERIOD FROM FEBRUARY 1, 2019 (COMMENCEMENT OF OPERATIONS) TO DECEMBER 31, 2019

	<u>Total Patient Days</u>	<u>%</u>
SKILLED NURSING FACILITY		
Medicaid	28,798	64.0%
Medicare	4,433	9.8%
Private	1,852	4.1%
Commercial	7,253	16.1%
Hospice	<u>2,699</u>	<u>6.0%</u>
	TOTAL CENSUS DAYS	<u>100.0%</u>
	45,035	
	OCCUPANCY PERCENTAGE	<u>99.1%</u>

See report of independent auditors on supplementary information.

EXHIBIT 13



Capital Caring Health

Advanced Home Care & Hospice for All Ages at All Times

September 28, 2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Bed Expansion Project

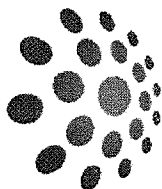
Dear Mr. Steffen:

On behalf of Capital Caring Health, I write to express support for the Certificate of Need application to be filed by Crescent Cities, which proposes to renovate its existing space and add 16 comprehensive care facility beds. Crescent Cities' proposed project will include opening a Dialysis Center and expanding Tracheostomy services to better serve the community. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,

Jacqueline Hawkins, MS, BA
Patient Advocate



INFECTIOUS DISEASE
C A R E C E N T E R

10816 Hickory Ridge Rd.
Columbia, MD 20144

6510 Kenilworth Ave. Suite 2500
Riverdale, MD 20723

P: 410-997-7677 | F: 410-997-1636 | W: www.idccarecenter.net

October 07, 2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Bed Expansion Project

Dear Mr. Steffen:

On behalf of Capital Caring Health, I write to express support for the Certificate of Need application to be filed by Crescent Cities, which proposes to renovate its existing space and add 16 comprehensive care facility beds. Crescent Cities' proposed project will include opening a Dialysis Center and expanding Tracheostomy services to better serve the community. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,


Imran H. Chowdhury, MD



Crescent Cities Jaycees Foundation, Inc.

November 25, 2020

Via E-mail and First-Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Center Bed Expansion Project

Dear Mr. Steffen:

On behalf of the Crescent Cities Jaycees Foundation, I am writing to express our support for the Certificate of Need application filed by Crescent Cities Center, which proposes to renovate its existing space and add 16 comprehensive care facility beds.

For over 40 years, our Foundation's mission has been to provide programs, facilities, facilities management and financial support to needy individuals, and non-profit organizations that support worthy causes in the Prince George's County area. Our priority has been to support the aging population, as well as people with disabilities. The mission of Crescent Cities Center goes hand in hand with ours.

With the renovation and the granting of additional beds, Crescent Cities Center will be able to do more, and have an even greater impact on our community. Although this project will require a significant financial investment, the resulting services and support provided to our most vulnerable residents will far offset that cost.

I respectfully urge the Maryland Health Care Commission to approve the Certificate of Need application. Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,

Steve G. Novak, President

09/22/2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Bed Expansion Project

Dear Mr. Steffen:

On behalf of Crescent Cities Nursing & Rehabilitation Center, I write to express support for the **Certificate of Need** application to be filed by Crescent Cities, which proposes to renovate its existing space and add 16 comprehensive care facility beds. Crescent Cities' proposed project will allow the facility to service more patients in need of nursing care in the community like myself. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,



Kenneth Birch
Current Resident at Crescent Cities Nursing & Rehab
(301) 743-3189



December 1, 2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov


Re: Letter of Support for Crescent Cities Bed Expansion Project

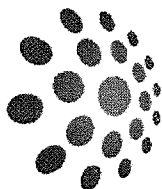
Dear Mr. Steffen:

On behalf of LTC Healing Partners, I write to express support for the Certificate of Need application to be filed by Crescent Cities, which proposes to renovate its existing space and add 16 comprehensive care facility beds. Crescent Cities' proposed project will provide for those requiring skilled nursing services in Prince Georges county Maryland. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,


Matthew N Welik
CEO, LTC Healing Partners



INFECTIOUS DISEASE
C A R E C E N T E R

10816 Hickory Ridge Rd.
Columbia, MD 20144

6510 Kenilworth Ave. Suite 2500
Riverdale, MD 20723

P: 410-997-7677 | F: 410-997-1636 | W: www.idccarecenter.net

October 07, 2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Bed Expansion Project

Dear Mr. Steffen:

On behalf of Capital Caring Health, I write to express support for the Certificate of Need application to be filed by Crescent Cities, which proposes to renovate its existing space and add 16 comprehensive care facility beds. Crescent Cities' proposed project will include opening a Dialysis Center and expanding Tracheostomy services to better serve the community. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,

Imran H. Chowdhury, MD

October 26, 2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Bed Expansion Project

Dear Mr. Steffen:

On behalf of "M" Medical Group I write to express support for the Certificate of Need application to be filed by Crescent Cities, which proposes to renovate its existing space and add 16 comprehensive care facility beds. Crescent Cities' proposed project will provide for those requiring skilled nursing services in Prince Georges county Maryland. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,

Dr. Gerard Moawad

10/26/2020





Dannielle M. Glaros
Council Member
Council District 3
(301) 952-3060

Together Strengthening Our Community

October 1, 2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Bed Expansion Project

Dear Mr. Steffen:

As the Prince George's County Council Member representing District 3, in which Crescent Cities is located, I am pleased to write to express support for the Certificate of Need application to be filed by Crescent Cities, which proposes to renovate its existing space and add 16 comprehensive care facility beds. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Together Strengthening Our Community.

Dannielle M. Glaros

December 2, 2020

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Letter of Support for Crescent Cities Bed Expansion Project

Dear Mr. Steffen:

On behalf of the Prince George's County Economic Development Corporation, I write to express support for Crescent Cities' Certificate of Need application for their Hyattsville location, which they propose to renovate and add 16 comprehensive care facility beds. Crescent Cities' proposed project will provide additional skilled nursing services in Prince Georges County Maryland. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. I applaud Crescent Cities for committing substantial resources to this project, and I urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,



David S. Iannucci
President/CEO
Prince George's County Economic Development Corporation

RIVERDALE PARK BUSINESS ASSOCIATION

5008 Queensbury Road

Riverdale Park, MD 20737

www.riverdaleparkbiz.com

“Working with Businesses and the Community since 1992”

September 23, 2020

Via E-mail (ben.steffen@maryland.gov) and First-Class Mail

Mr. Ben Steffen, Executive Director

Maryland Health Care Commission

4160 Patterson Avenue

Baltimore, Maryland 21215

Re: Letter of Support for Crescent Cities Bed Expansion Project in
Riverdale Park, Maryland

Dear Mr. Steffen:

As President of the of the Riverdale Park Business Association (RPBA), our organization is writing to express support for the Certificate of Need application to be filed by Crescent Cities, which proposes to renovate its existing space in Riverdale Park and add 16 comprehensive care facility beds.

Our organization has worked with Crescent Cities over the years. RPBA is the main business association group in Riverdale Park and surrounding communities. Our organization represents dozens of area businesses. Crescent Cities has been an excellent community partner and has always been keenly aware of the needs of our local community. They have been providing compassionate care at that location for more than 20 years. I was a Town Councilman, and later Mayor of Riverdale Park, when this program was set up at the former Leland Hospital. They have been active in our association and have previously had representatives serve in leadership roles. They are the very model of what an organization should be when having such a large physical footprint in a community.

Crescent Cities' proposed project will add 16 needed beds for comprehensive care. Given the proximity of this facility to major transportation hubs with Green Line metro access, near the Capital Beltway and along two major roads in Prince George's County – Route 1 and East-West Highway, this facility is incredibly convenient. This is important as visitors for short and long-term patients can conveniently access the facility. It is also close to two area hospitals when such service needs are demonstrated. The enhancements that will be made through this project are needed to serve the residents of Crescent Cities and the aging population in Prince George's County. As you are aware this facility is both a comprehensive care facility as well as a rehabilitation center. We thank Crescent Cities for committing substantial resources to this project, and we urge the Maryland Health Care Commission to approve the Certificate of Need application. There are simply not enough spaces available for these services locally.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael D. Herman, Esq.", with a long horizontal flourish extending to the right.

Michael D. Herman, Esq.

President

240-508-5510

mhherman@hermanesq.com

Your Health Magazine
Professional Media Corporation
4201 Northview Dr., Suite 102
Bowie, MD 20716

10.6.20

Via E-mail and First Class Mail
Mr. Ben Steffen Executive Director
Maryland Health Care Commission
4160 Patterson Avenue Baltimore, Maryland 21215
ben.steffen@maryland.gov

Re: Support for Increasing Services for Dementia Patients and Crescent the
Cities Bed Expansion

Dear Mr. Steffen,

Your Health Magazine has published health information about services in Prince George's County for the past 30 years. With our knowledge of the services available and the demographics, we support increasing services available for dementia patients and the Crescent Cities expansion in Prince George's County Maryland.

We have all been impacted by dementia and Alzheimer's disease, either ourselves or our friends and family. There has never been enough attention to this disease or services for this group of patients.

Therefore, we support this project to renovate its existing space and add 16 comprehensive care facility beds. These enhancements are needed to serve the residents of Crescent Cities and the aging population in Prince George's County.

We are pleased that Crescent Cities has chosen to commit substantial resources to this project. We urge the Maryland Health Care Commission to approve the Certificate of Need application.

Thank you for your consideration of this matter. Please feel free to contact me at any time if you require any additional information.

Sincerely,



Scott Hunter,

Publisher, Your Health Magazine
Scott@yourhealthmagazine.net
301-980-8604