

EXHIBITS TO RESOLUTION # 101-2024

RESOLUTION # 64-2023

Resolution Authorizing to contract with HELM Mechanical to replace the Roof Top Ventilation Units (RTU's) Replacement Project at Sauk County Health Care Center

Resolution offered by the Sauk County Health Care Center Board of Trustees Committee

BACKGROUND: The Health Care Center needs to replace the roof top HVAC Unit 1, 2, 3, and 4 to maintain the health and quality of the residents of the Sauk County Health Care Center. The replacements will include the addition of high efficiency particulate air (HEPA) filtration in the units. Also included is the addition of Humidification and ionization air systems for each unit. As part of the project the HVAC control system, which manages all environmental air quality at the Health Care Center, needs to be upgraded to manage the new equipment. It is also recommended that high quality water should be used in the humidification system which will require additional plumbing work.

THEREFORE, BE IT RESOLVED THAT, the Sauk County Board of Supervisors hereby authorizes accepting the bid of and awarding the contract to HELM Mechanical for the replacement of roof top units 1,2,3, and 4 in the amount of \$1,188,340.00, to be paid in full at the completion of the project; and

BE IT FURTHER RESOLVED that HVAC control system which manages all environmental air quality systems at the Health Care Center, needs to be upgraded to manage the new equipment at the sum of \$169,025.00; and

BE IT FURTHER RESOLVED, to bring high quality water for the new humidification systems of the RTU's, plumbing services will be needed in an amount not to exceed \$10,000.

Approved for presentation to the County Board by the Sauk County Health Care Center Board of Trustees Committee, this 19th day of September 2023.


Consent Agenda Item: [] YES [X] NO

Fiscal Impact: [] None [X] Budgeted Expenditure [] Not Budgeted

Vote Required: Majority = _____ 2/3 Majority = _____ 3/4 Majority = _____

The County Board has the legal authority to adopt: Yes _____ No _____ as reviewed by the Corporation Counsel, _____, Date: _____

Offered and passage moved by Health Care Center Board of Trustees Committee:


Bryant Hazard, Supervisor

☒ Aye ☐ Nay ☐ Abstain ☐ Absent

William Higgins, Citizen Member

☐ Aye ☐ Nay ☒ Abstain ☒ Absent BSN


Richard (Mike) Flint, Supervisor

☒ Aye ☐ Nay ☐ Abstain ☐ Absent


Joan Fordham, Supervisor

☐ Aye ☐ Nay ☐ Abstain ☐ Absent

Page 2
Resolution 64-2023

Rebecca M. Klitzke
Rebecca Klitzke, Supervisor

☒ Aye ☐ Nay ☐ Abstain ☐ Absent

Dana Horkan-Gant
Dana Horkan-Gant, Citizen Member

☒ Aye ☐ Nay ☐ Abstain ☐ Absent

Cindy Bodendein
Cindy Bodendein, Citizen Member

☒ Aye ☐ Nay ☐ Abstain ☐ Absent

Fiscal note: The 2023 Health Care Center budget includes \$600,000, the remaining balance for the project will be part of the 2024 budget, using American Rescue Plan Act (ARPA) funds.

MIS Note: No Impact.

Sauk County Health Care Center RTU's Replacement Project RFP	Base BID for 4 RTU's	Accepted BID
Company		
HELM Machinal	\$1,188,340.00	\$1,188,340.00
1901 INC.	\$1,611,134.00	
Johnson Controls	\$1,466,670.00	



Sauk County Health Care Center

Valuation & Benchmarking Analysis- June 2023

EXHIBIT B

Table of Contents

Section	Page
---------	------

• <i>About Evans Senior Investments</i>	3-6
---	-----

• <i>Success Stories</i>	7-9
--------------------------	-----

• <i>Asset Overview</i>	10
-------------------------	----

• <i>Market Overview</i>	11-14
--------------------------	-------

• <i>Financial Summary</i>	15-17
----------------------------	-------

• <i>Valuation Summary</i>	18-22
----------------------------	-------

• <i>Transaction Timeline</i>	23-30
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TEAM FIRST

ESI is unlike any other seniors housing and skilled nursing brokerage firms in that we use a decentralized and team-based model. We do not have any independent brokers and instead use collaboration between the teams to build long lasting client relationships & most efficiently match the seller with the most experienced buyer willing to pay the highest price.

Everything we do is for the empowerment of seniors housing and skilled nursing owners to make better business decisions. We recognize the unique struggles that impact owners in the industry and are dedicated to quality solutions that aid in making your roles, and lives, easier.



LEADERSHIP



Jason Stroiman
President
Chicago, IL



Jeremy Stroiman
CEO
Denver, CO



Kris Lowes
Director
Chicago, IL

EXECUTION AND OPERATIONS



Leah Van Hook
Operation Analyst
Chicago, IL



Brendan Desilvia
Execution Analyst
Denver, CO



Henry Fuller
Senior Associate
Denver, CO



Evan Jakobsze
Underwriting Analyst
Chicago, IL



Jana Harris
Underwriting Analyst
Denver, CO



Mike Corrigan
Transaction Specialist
Denver, CO



Allison Irwin
Analyst
Denver, CO

CLIENT RELATIONS



Kristy Ortwein
Senior CRM
Virtual



Joe Fanning
Senior CRM
Virtual



Kathleen Wright
CRM
Virtual



Jessup Davis
CRM
Virtual

SOLUTION BASED PLATFORM

Partnership Driven Expertise for Owners



Mergers & Acquisitions:

Maximizing exit options for long-term care owners via the M&A markets

Financial Benchmarking:

Helping owners understand financial performance through ESI's proprietary database

Debt Placement:

Optimizing owner's capital structures via our partnership with Carnegie Capital

Digital Marketing:

Supporting owners with digital marketing strategies via our partnership with iVelocity

Virtual Tours:

Implementing Virtual Touring solutions for long-term facilities via our partnership with LCP 360



Success isn't bought, it's earned.

Our client's success is in everything we do. Earned is our mindset.



\$1,727,026,800

M&A VOLUME

Closed since COVID-19



139

Communities

Closed since COVID-19



**99% Price Accuracy
(BOV to Close)**

Closed since COVID -19



\$1,174,000,000

Deal Pipeline

Under Marketing and
Under Contract

POST COVID-19 SUCCESS.

ESI Non-Profit Track Record

18
**Current Non-Profit
Communities**

2,253
**Non-Profit
Beds**

Non-Profit Disposition Experience:

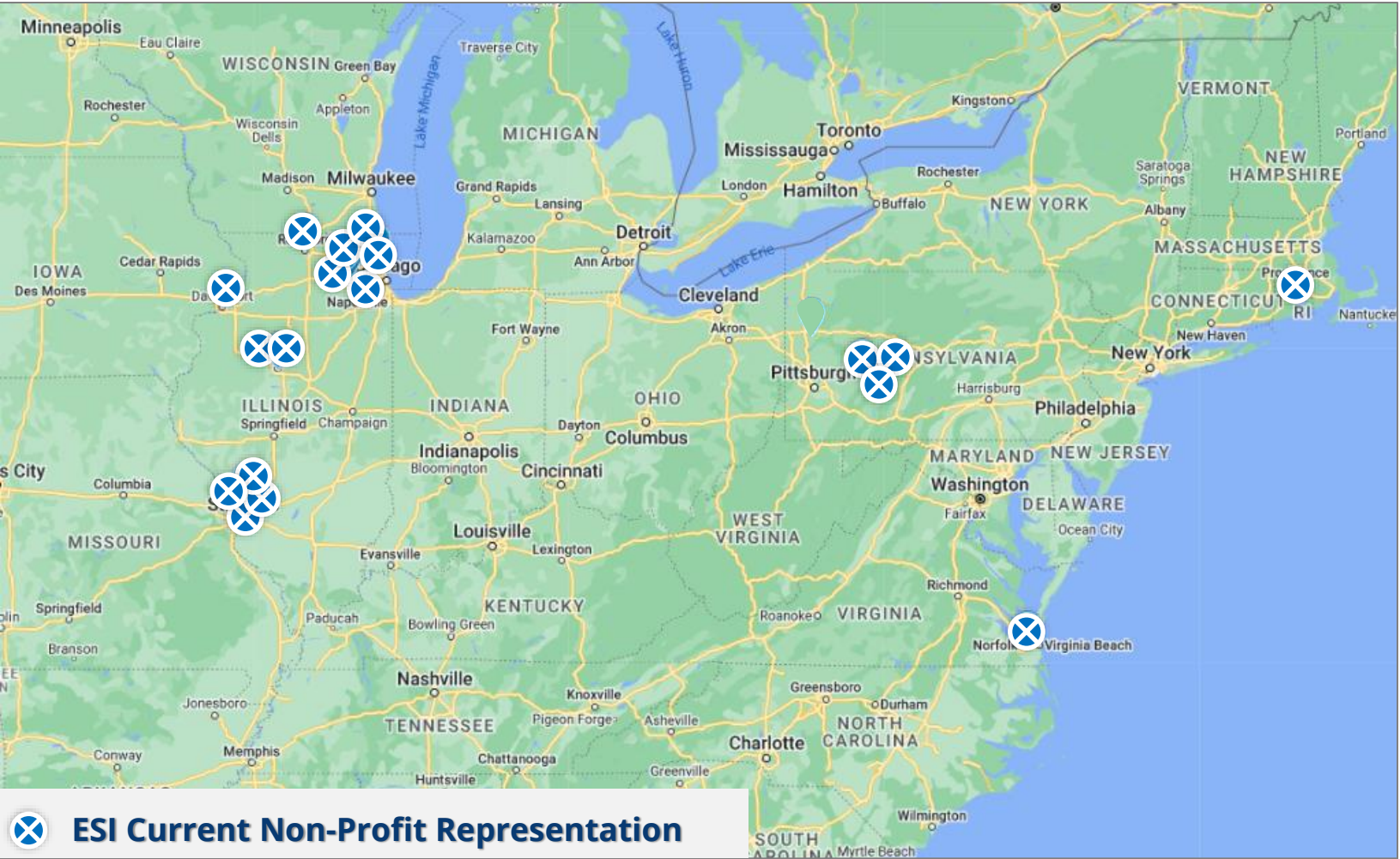
Evans Senior Investments (ESI) is currently representing six non-profit clients on their exit from the long-term care industry of over 18 communities or 2,250+ beds in five different states across the country.

How We Work:

Evans Senior Investments (ESI) is committed to showcasing your community to our buyer pool in the most professional and transparent manner as possible. Our goal is to market your community as quickly and confidentially as possible. We do not mass-market our listings and do not do business with buyers that breach confidentiality. We create an all-encompassing offering memorandum that illustrates the investment thesis for buyers to quickly evaluate the community and build a data room that allows for buyers to submit letters of intent with full confidence and speed. Given the state of the current Seniors Housing and Skilled Nursing real estate market, we do not put an asking price in our offering memorandum in an effort to achieve the highest possible sale price possible

How We Find The Right Buyer:

Evans Senior Investments (ESI) understands selling your legacy is a complex decision and it is the highest priority to ensure the quality of care and reputation you have built is preserved post-sale. Through using sophisticated proprietary software, ESI can concisely market your community to the most qualified buyers in a timely and confidential manner. We strategize with our clients to pursue the top acquisition price while maintaining certainty the interested party will maintain the vision and quality of care our clients have successfully built during their ownership.



Success Stories

Sauk County Health Care Center



ESI Closings - Wisconsin

\$3,100,000

PURCHASE PRICE

\$27,298

**PRICE PER
UNIT/BED**

97

TOTAL BEDS

14

TOTAL UNITS

4/25/2016

CLOSE DATE

Asset Summary

Property Name:	Knapp Haven Nursing Home (Skilled Nursing) and Pelican Place (Assisted Living)
Property Types:	Connected Skilled Nursing Facility and Assisted Living Facility
Beds/Units:	97 Beds (Skilled Nursing) 14 Units (Assisted Living) Total – 111 Beds/Units

Transaction Terms

Purchase Price:	\$3,100,000
Revenue:	\$5,299,098
Net Operating Income:	(\$433,703)
Price Per Unit/ Bed:	\$27,928
Quality Mix (Skilled Nursing):	30% Quality Mix
Payor Type (Assisted Living):	100% Private Pay
Occupancy:	86% (Skilled Nursing) 95% (Assisted Living)

Facility	City/State	Age	Beds	Occ.	Quality Mix	TTM Revenue
Knapp Haven	Chetek, WI	1963/1976	97	86%	30%	\$5,299,098
Pelican Place	Chetek, WI	1997	14	95%	N/A	\$184,487



Transaction Overview

- Knapp Haven Nursing Home and Pelican Place Assisted Living, connected facilities located in Barron County, Wisconsin sold for \$3.1 million or \$27,928 per unit/bed.
- Barron County is located in Northwestern Wisconsin; the facility is located 40 miles from Eau Claire, Wisconsin and 90 miles from Minneapolis, Minnesota.
- Atrium Health and Senior Living was the purchaser of Knapp Haven and Pelican Place, adding the facility to their regionally focused portfolio of post-acute care and seniors housing facilities in the Midwest.

ESI Closings – Illinois

\$9,620,000

PURCHASE PRICE

\$65,000

PRICE PER BED

129

LICENSED BEDS

73%

OCCUPANCY

Asset Summary

Property Name:	Holy Family Villa and Bishop Lyne
Property Type:	Skilled Nursing
Address:	12220 S. Will Cook Rd. Palos Park, IL
Licensed Skilled Beds:	129 - Licensed Beds
Functional Skilled Beds:	129 - Functional Beds
Independent Living Units:	18
Occupancy:	73%
Quality Mix:	66%
Age:	2000 & 2002
Medicare Star Rating:	4

Transaction Terms

Purchase Price:	\$9,620,000
Total Revenue:	\$10,902,376
Net Operating Income:	-\$4,834,779
Price Per Bed:	\$65,000



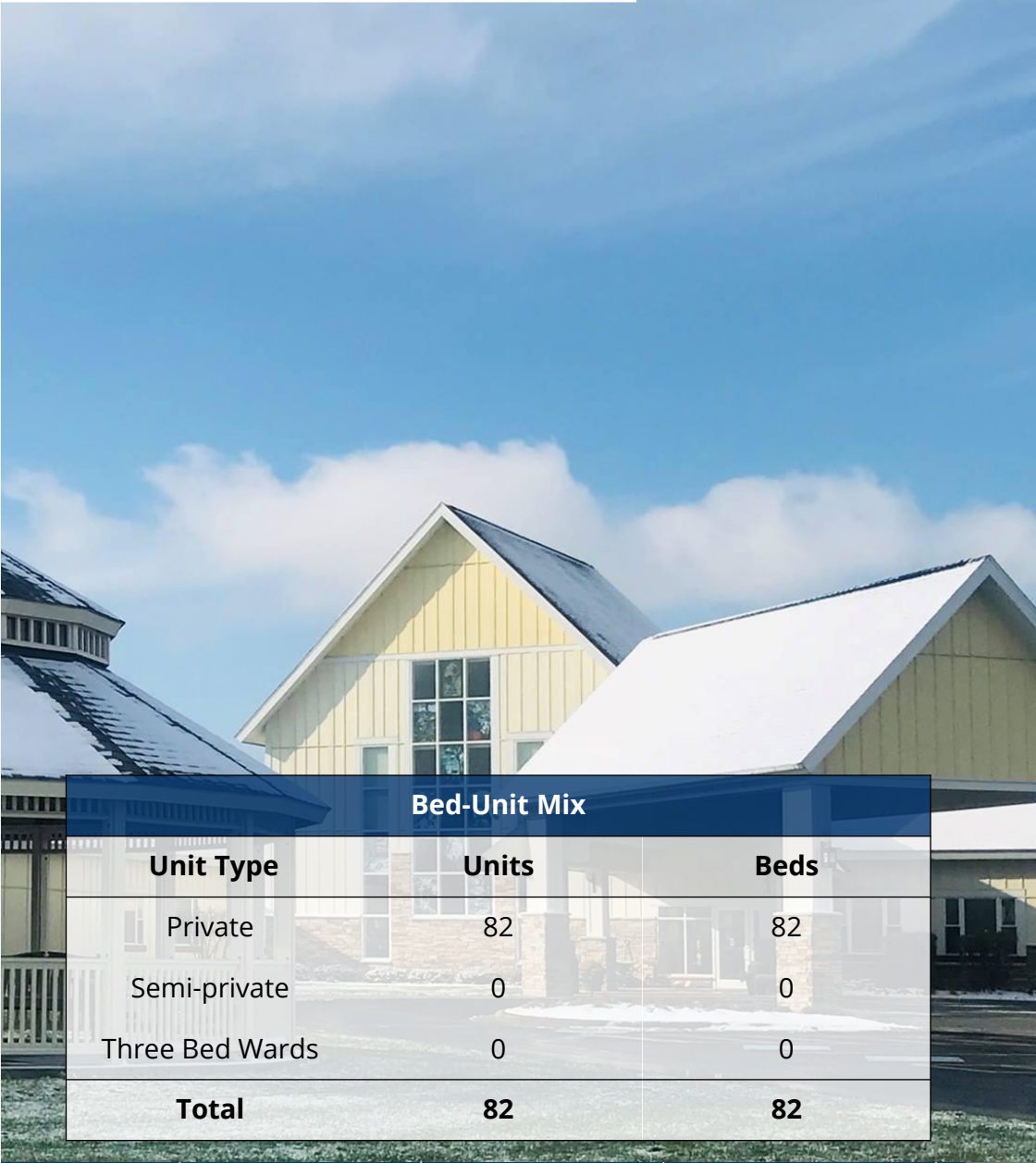
Transaction Overview

- Built in 2002 with a 2012 rehabilitation unit addition, the community exhibited a modern physical plant with 35 private resident rooms. Despite the contemporary design, the community was not profitable at the time of marketing, with census averaging 73%, resulting in a net operating loss. Prior to the COVID-19 Pandemic, the community averaged 87% occupancy with 49 private pay residents and 28 short term rehabilitation residents contributing to revenue of \$13,600,000. However, even though the community exhibited stabilized occupancy and an outstanding quality mix, the community was not profitable.
- Given the seller's non-profit mission base and reputation, ESI selected a handful of premier Chicagoland operators who had a reputation for excellent resident care. After careful interviews with the buyers a Chicago based owner/operator was selected as the best operator to preserve the community's reputation
- The buyer was a Chicago based owner-operator of skilled nursing communities.

Community Overview:

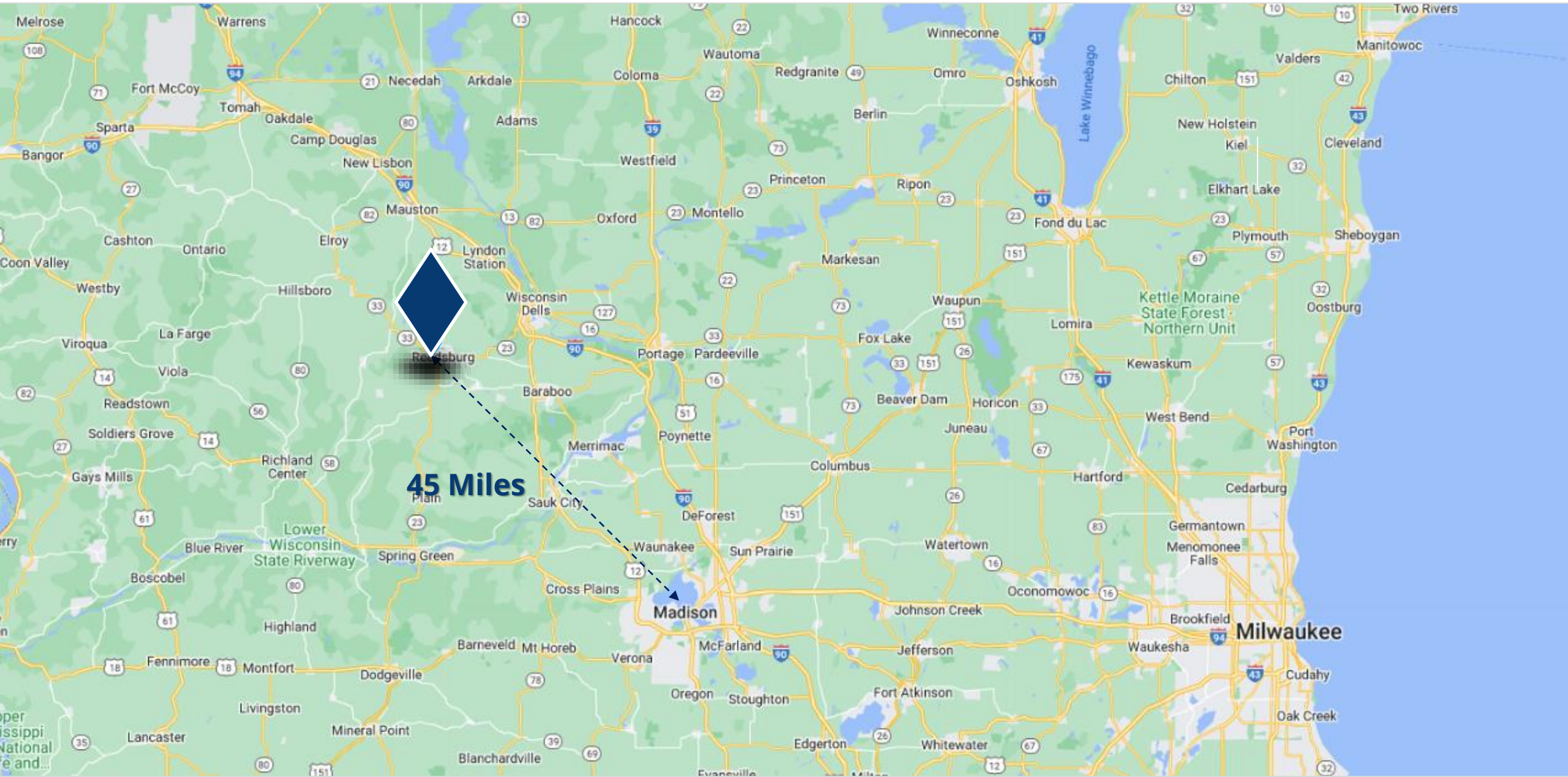


Property Name:	Sauk County Health Care Center
Type:	Skilled Nursing Community
Total Units:	82
Total Licensed Beds:	82
Year Built:	2008
Skilled Nursing Occupancy:	63% (June 11 th , 2023)
Quality Mix %:	15% (May 2023)
State:	Wisconsin
CMS Star Rating:	5



Bed-Unit Mix		
Unit Type	Units	Beds
Private	82	82
Semi-private	0	0
Three Bed Wards	0	0
Total	82	82

Regional Overview



Property Aerial



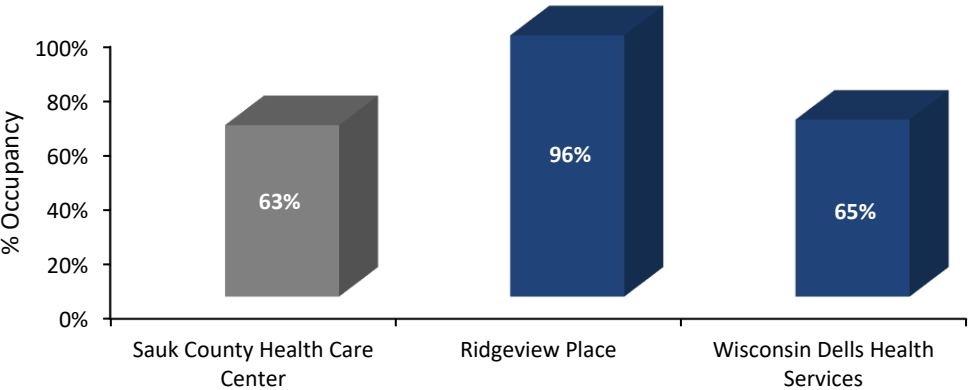
Sauk County
Health Care Center



Competitor Overview

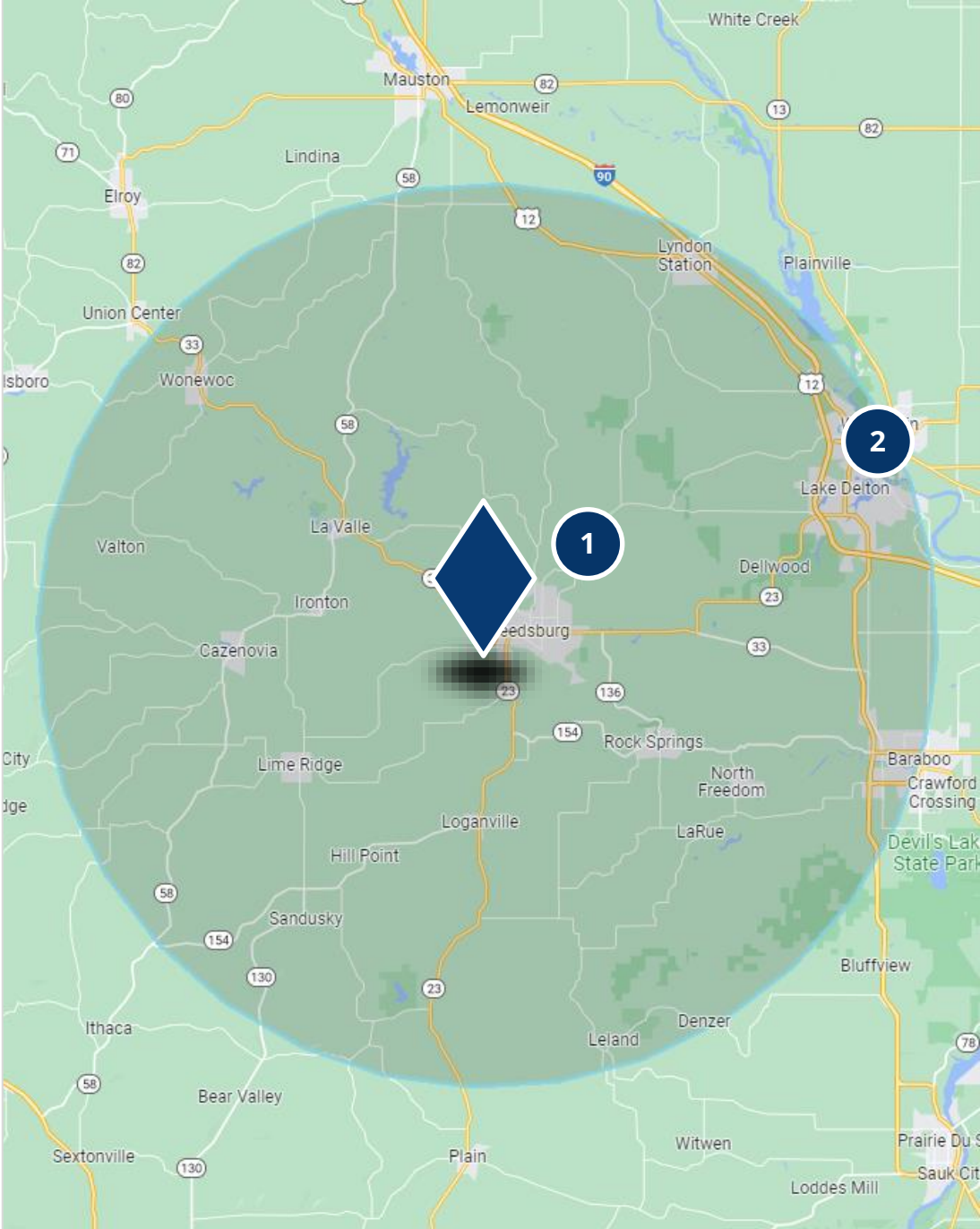
Sauk County Health Care Center

Competitor Competition Overview

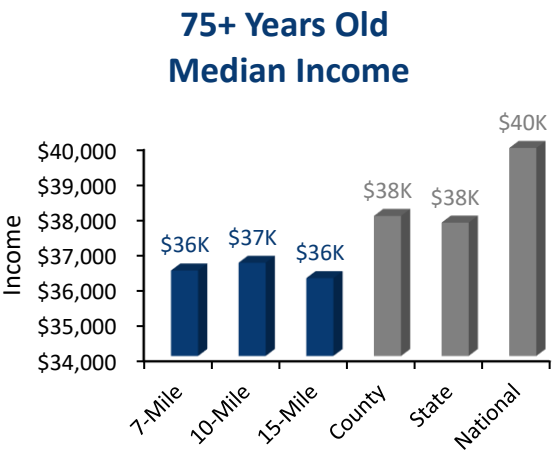
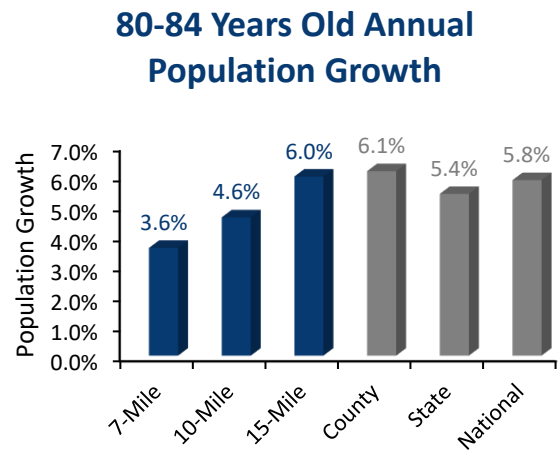


#	Facility Name	Type	Year Opened	SNF Beds	% Occ.	Distance¹	Operator
0	Sauk County Health Care Center	SNF	2008	82	63%	-	Sauk County
1	Ridgeview Place	AL/SNF	N/A	25	96%	2.5 Miles	Reedsburg Area Senior
2	Wisconsin Dells Health Services	SNF	1977	86	65%	14.8 Miles	North Shore Healthcare
Total				193	68%		

• The competition overview is based on properties within a 15-mile radius around Sauk County Health Care Center



Demographic Overview



Supply, Demand, and Labor Characteristics	Sauk County Health Care Center			Comparative Areas		
	7-Mile	10-Mile	15-Mile	County	State	National
Independent Living - Supply/Demand						
Total Independent Living Beds	0	0	73	105	12,251	741,329
Construction Independent Living Beds	0	0	0	0	266	24,579
Independent Living Occupancy	N/A	N/A	N/A	0%	90%	86%
Average Independent Living Rent	N/A	N/A	N/A	\$0	\$2,512	\$3,674
Assisted Living - Supply/Demand						
Total Assisted Living Beds	70	70	189	371	30,070	1,001,610
Assisted Living Disability Rate	7%	8%	8%	11%	10%	13%
Construction Assisted Living Beds	0	0	0	0	454	22,009
Assisted Living Occupancy	N/A	N/A	N/A	0%	86%	82%
Average Assisted Living Rent	N/A	N/A	N/A	\$0	\$5,272	\$5,791
Memory Care- Supply/Demand						
Total Memory Care Beds	32	32	64	88	9,135	348,539
Cognitive Impairment Rate	12%	11%	9%	11%	10%	13%
Construction Memory Care Beds	0	0	0	0	164	8,776
Memory Care Occupancy	N/A	N/A	N/A	0%	87%	82%
Average Memory Care Rent	N/A	N/A	N/A	\$0	\$7,097	\$7,421
Skilled Nursing- Supply/Demand						
Total Skilled Nursing Beds	107	107	193	379	25,467	1,576,923
85+ Total Population - 2022	387	479	865	1,624	130,545	6,886,666
Penetration Rate	28%	22%	22%	23%	20%	23%
Skilled Nursing Occupancy	N/A	N/A	N/A	0%	74%	80%
Construction Skilled Nursing Beds	0	0	0	0	0	2,433
Poverty Rate 75+ YO	3%	4%	7%	8%	9%	10%
Work Force						
Average LPN Hourly Wage	\$22.41	\$22.41	\$22.41	\$22.41	\$23.30	\$25.06
Average RN Hourly Wage	\$31.27	\$31.27	\$31.27	\$31.27	\$35.14	\$36.71
Median Care Aide Hourly Wage	\$12.66	\$12.66	\$12.66	\$12.66	\$12.17	\$12.38

Population Characteristics	Sauk County Health Care Center			Comparative Areas		
Total Population	7-Mile	10-Mile	15-Mile	County	State	National
2022 Population	16,199	21,941	45,217	66,314	5,954,433	337,470,185
2027 Population	16,400	22,166	45,400	66,378	5,988,737	342,640,129
Estimated Annual Growth %	0.2%	0.2%	0.1%	0.0%	0.1%	0.3%
65-69 Population						
2022 Population	922	1,335	2,912	4,298	367,050	19,505,662
2027 Population	994	1,443	3,100	4,460	382,716	20,155,706
Estimated Annual Growth %	1.6%	1.6%	1.3%	0.8%	0.9%	0.7%
70-74 Population						
2022 Population	760	1,092	2,360	3,521	293,043	16,121,501
2027 Population	825	1,208	2,612	3,798	329,947	17,476,655
Estimated Annual Growth %	1.7%	2.1%	2.1%	1.6%	2.5%	1.7%
75-79 Population						
2022 Population	581	800	1,640	2,423	196,576	11,017,404
2027 Population	656	932	1,974	2,971	247,004	13,613,557
Estimated Annual Growth %	2.6%	3.3%	4.1%	4.5%	5.1%	4.7%
80-84 Population						
2022 Population	418	543	1,026	1,514	126,321	6,887,938
2027 Population	493	668	1,332	1,979	160,338	8,901,393
Estimated Annual Growth %	3.6%	4.6%	6.0%	6.1%	5.4%	5.8%
85+ Population						
2022 Population	392	482	875	1,516	126,356	6,533,756
2027 Population	444	558	1,028	1,705	143,201	7,644,421
Estimated Annual Growth %	2.7%	3.2%	3.5%	2.5%	2.7%	3.4%

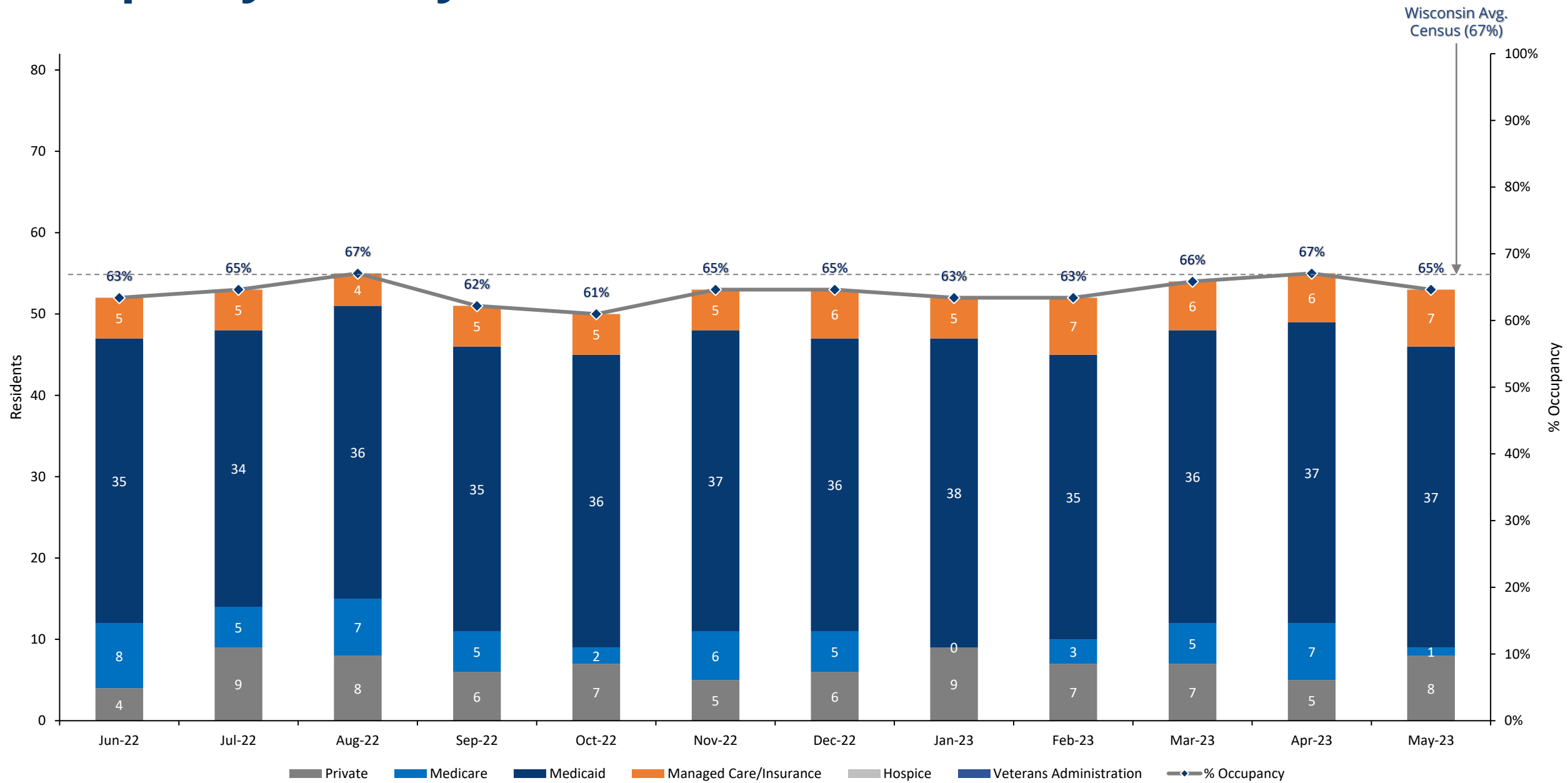
Economic Characteristics	Sauk County Health Care Center			Comparative Areas		
Net Worth	7-Mile	10-Mile	15-Mile	County	State	National
Median Net Worth 45-65 Population	\$491,681	\$521,255	\$470,068	\$486,072	\$507,631	\$465,811
\$1MM+ Net Worth 45-64 Population	204	281	519	882	130,268	8,406,459
Median Net Worth 75+ Population	\$245,513	\$260,375	\$252,570	\$265,848	\$259,686	\$287,955
\$1MM+ Net Worth 75+ Population	120	176	326	557	49,275	3,165,286
45-64 Population Income						
Median Income 2022	\$163,451	\$164,306	\$161,227	\$168,497	\$170,104	\$177,264
Median Income 2027	\$178,086	\$180,090	\$176,738	\$187,204	\$192,991	\$201,209
Estimated Annual Growth %	1.8%	1.9%	1.9%	2.2%	2.7%	2.7%
65-74 Population Income						
Median Income 2022	\$57,375	\$58,219	\$56,839	\$58,519	\$58,665	\$60,157
Median Income 2027	\$66,171	\$67,764	\$65,321	\$68,213	\$67,808	\$71,312
Estimated Annual Growth %	3.1%	3.3%	3.0%	3.3%	3.1%	3.7%
75+ Population Income						
Median Income 2022	\$36,425	\$36,646	\$36,209	\$37,975	\$37,784	\$39,904
Median Income 2027	\$40,022	\$41,048	\$40,509	\$42,964	\$43,784	\$46,820
Estimated Annual Growth %	2.0%	2.4%	2.4%	2.6%	3.2%	3.5%
Home Values						
Median Housing Value - 2022	\$224,000	\$233,444	\$224,830	\$236,522	\$257,423	\$308,943
Median Housing Value - 2027	\$257,918	\$273,023	\$261,048	\$269,149	\$302,847	\$350,006
Estimated Annual Growth %	3.0%	3.4%	3.2%	2.8%	3.5%	2.7%

Financial Overview

Sauk County Health Care Center



Occupancy History



Financial Overview

Pro-Forma Assumptions:

- The census at the community was stabilized to 75.0% occupancy.
- The private pay income was forecasted to \$3 above the stated Medicaid per diem rate.
- The Medicare income was forecasted based on the labor index for Sauk County and industry standard PDPM billing rates.
- The Medicaid was forecasted using the July 2022 Medicaid rate letter of \$271.51 per diem.
- The managed care income was forecasted to \$150 below the Medicare per diem rate.
- The payroll taxes and benefits were forecasted to a market average of 25% of total wages.
- The raw food costs at the community were forecasted to a market annual amount of \$8.00 per patient day.
- The nursing services wages were forecasted using the average hours per patient day cost report statistics in the community's primary market area (3.4 HPPD) and a 25% agency usage.
- The bed tax was forecasted to \$170 per month per licensed bed.
- The bad debt expense was forecasted to 1.0% of total revenue.
- These expenses were forecasted using ESI's proprietary database of similar Wisconsin skilled nursing communities.
- An industry standard management fee of 5% of revenue was subtracted from net operating income.

Residents

Private	2,464	12.8%	7
Medicare Part A	1,643	8.5%	5
Medicaid	13,140	68.2%	36
Managed Care/Insurance	2,008	10.4%	6

Total
Occupancy ¹

Payor Revenue

Private	2
Medicare Part A	3
Medicaid	4
Managed Care/Insurance	5
Medicare Part B	

Total Payor Revenue

Total Other Revenue

Total Revenue

Operating Expenses

Payroll Taxes & Employee Benefits	6
Administrative & General	11
Maintenance-Plant	11
Utilities	11
Laundry & Linens	11
Housekeeping	11
Dietary	7
Nursing & Medical Related	8
Ancillary and Pharmacy	11
Social Services	11
Activities	11
Property Taxes	11
Insurance	11
Bed Tax	9
Bad Debt	10

Total Operating Expenses

Unadjusted EBITDARM

Less: Normalized Bad Debt (1%)

Less: Normalized Management Fee (5%)

Adjusted Net Operating Income (EBITDAR)

Fiscal 2022 12/31/2022		
Days	%	Per Day
2,464	12.8%	7
1,643	8.5%	5
13,140	68.2%	36
2,008	10.4%	6
19,254	100.0%	53
64.3%		82

Fiscal 2022 12/31/2022		
Days	%	Per Day
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
\$5,599,198	100.0%	\$290.81
(\$910)	0.0%	-\$0.05
\$5,598,288	100.0%	\$290.76

Fiscal 2022 12/31/2022		
Days	%	Per Day
1,009,322	18.0%	\$52.42
1,113,912	19.9%	\$57.85
472,425	8.4%	\$24.54
N/A	N/A	N/A
N/A	N/A	N/A
356,538	6.4%	\$18.52
625,919	11.2%	\$32.51
3,157,622	56.4%	\$164.00
306,078	5.5%	\$15.90
61,289	1.1%	\$3.18
N/A	N/A	N/A
(1,200)	0.0%	-\$0.06
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
\$7,101,905	126.9%	\$368.86
(\$1,503,617)	-26.9%	-\$78.09
(83,974)	-1.5%	-\$4.36
(279,914)	-5.0%	-\$14.54
(\$1,867,506)	-33.4%	-\$96.99

Annualized Trailing Four Months 4/30/2023		
Days	%	Per Day
2,628	13.5%	7
1,168	6.0%	3
13,359	68.8%	37
2,263	11.7%	6
19,418	100.0%	53
64.9%		82

Annualized Trailing Four Months 4/30/2023		
Days	%	Per Day
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
\$4,088,351	100.0%	\$210.54
\$168	0.0%	\$0.01
\$4,088,519	100.0%	\$210.55

Annualized Trailing Four Months 4/30/2023		
Days	%	Per Day
1,337,722	32.7%	\$68.89
991,320	24.2%	\$51.05
442,286	10.8%	\$22.78
N/A	N/A	N/A
N/A	N/A	N/A
357,267	8.7%	\$18.40
607,825	14.9%	\$31.30
2,694,316	65.9%	\$138.75
255,249	6.2%	\$13.14
68,446	1.7%	\$3.52
N/A	N/A	N/A
(3,422)	-0.1%	-\$0.18
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
\$6,751,009	165.1%	\$347.67
(\$2,662,490)	-65.1%	-\$137.11
(61,328)	-1.5%	-\$3.16
(204,426)	-5.0%	-\$10.53
(\$2,928,243)	-71.6%	-\$150.80

ESI Pro-Forma Stabilized		
Days	%	Per Day
2,628	11.7%	7
1,825	8.1%	5
15,732	70.1%	43
2,263	10.1%	6
22,448	100.0%	62
75.0%		82

ESI Pro-Forma Stabilized		
Days	%	Per Day
721,412	10.3%	\$274.51
986,556	14.1%	\$540.58
4,271,260	60.8%	\$271.51
883,879	12.6%	\$390.58
157,133	2.2%	\$7.00
\$7,020,240	100.0%	\$312.74
\$0	0.0%	\$0.00
\$7,020,240	100.0%	\$312.74

ESI Pro-Forma Stabilized		
Days	%	Per Day
735,000	10.5%	\$32.74
625,000	8.9%	\$27.84
164,000	2.3%	\$7.31
157,133	2.2%	\$7.00
89,790	1.3%	\$4.00
134,685	1.9%	\$6.00
506,398	7.2%	\$22.56
2,428,552	34.6%	\$108.19
535,000	7.6%	\$23.83
70,000	1.0%	\$3.12
50,000	0.7%	\$2.23
25,000	0.4%	\$1.11
229,727	3.3%	\$10.23
167,280	2.4%	\$7.45
105,304	1.5%	\$4.69
\$6,022,867	85.8%	\$268.31
\$997,373	14.2%	\$44.43
(351,012)	-5.0%	-\$15.64
\$646,361	9.2%	\$28.79



Valuation Summary

Sauk County Health Care Center

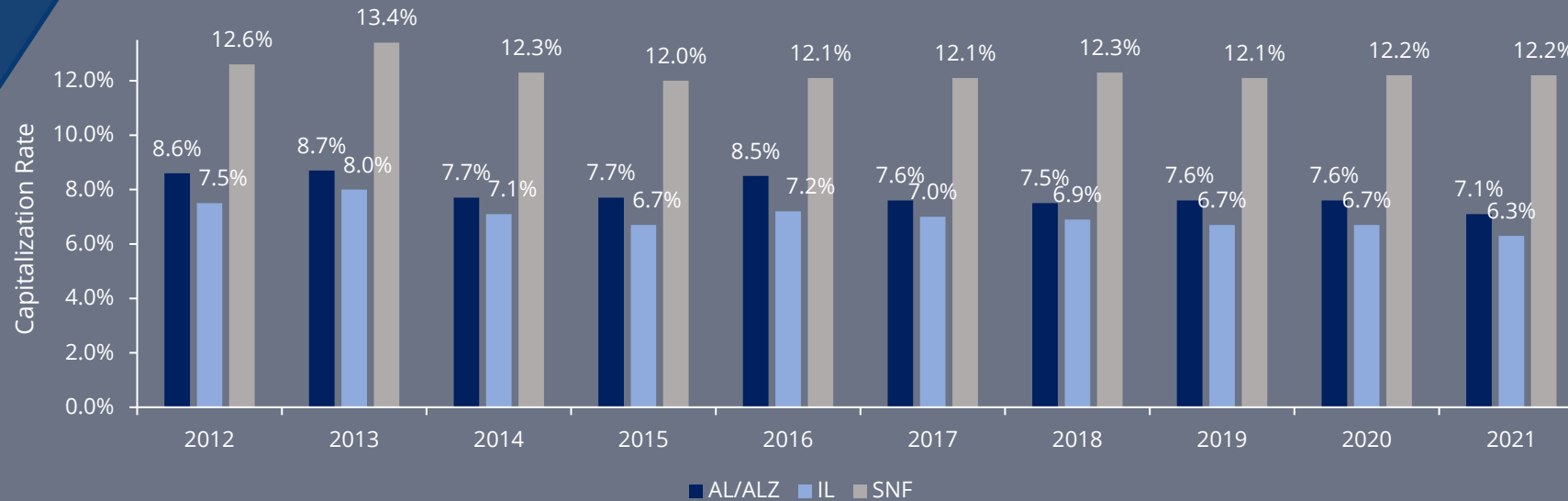


Capitalization Rates

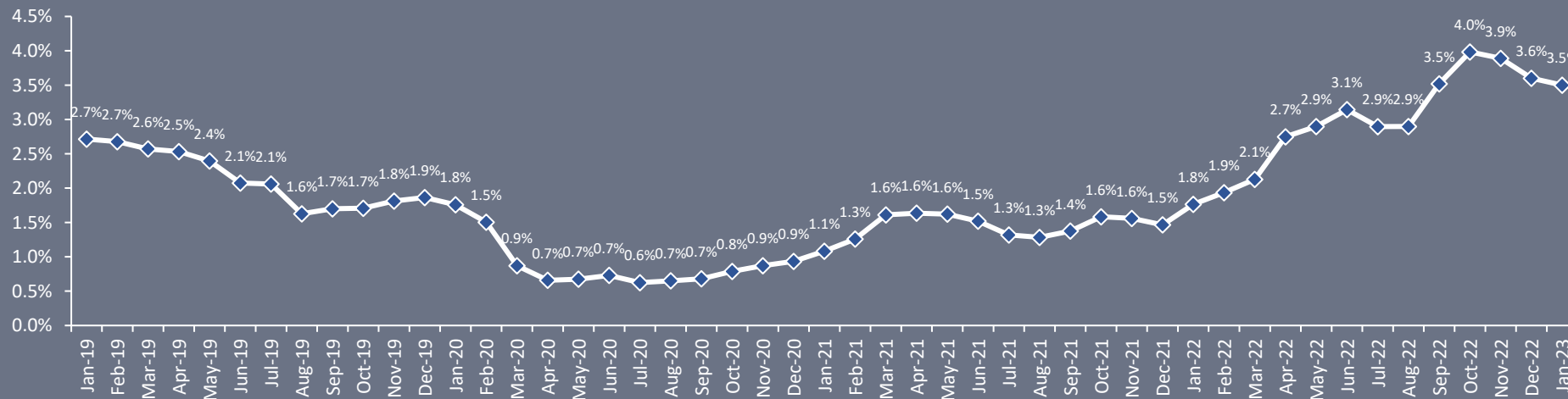
What is a cap rate?

- A capitalization rate is simply a ratio of a property's net operating income (NOI) to its market value, much like the inverse of a price to earnings (PE) ratio in the stock market.
- Investors use capitalization rates to measure the required return for the forecasted riskiness of an asset. **A higher capitalization rate denotes greater risk and therefore requires a higher return.**
- Capitalization rates for skilled nursing and senior living facilities have trended in the range of 4.0% - 14.0% in 2021, with the large variances in the cap rate range due to location, size, age of facility, room layout (private rooms vs shared), and occupancy.

Historical Cap Rates - AL/ALZ vs. IL vs. SNF



Historical 10-Year Treasury Rate



Cap Rate Selection Criteria



Features	Core	Core-Plus	Value-Add	Opportunistic
Investment Risk	Minimal	Minimal - Moderate	Minimal -Moderate	Moderate - High
Return Profile	In-Place Income	In-Place Income + Capital Appreciation	In-Place Income + Capital Appreciation	Capital Appreciation
Market Characteristics	Tier 1 MSAs or Gateway Cities	Second Tier MSAs or "Exurban" location within Tier 1 MSA.	Regional city-town location lacking desired demographic base	Rural locations in town/village without regional connection to a larger MSA.
Asset Overview	Modern design Appealing Common Space Superior unit Sq. Ft.	Contemporary design Ample Common Space Above avg. unit Sq. Ft.	Dated design features Lacking Common Space Average unit Sq. Ft.	Obsolete design features No Common Space Poor unit Sq. Ft.
Occupancy Profile	Stabilized – History of 95% plus occupancy	Stabilized – History of 95% plus occupancy	Consistently below 90% occupancy	Consistently below 80% occupancy
Senior Living Market Cap Rate	Below 7.5%	7.5% to 8.0%	8.0% to 8.5%	8.5% and above
Skilled Nursing Market Cap Rate	Below 11.0%	11.0% to 12.0%	12.0% to 13.0%	13.0% and above

- Based on the criteria above, we believe it would be most appropriate to value the Sauk County Health Care Center using a 13.00% capitalization rate.

Fee Simple Asset Sale

Sauk County Health Care Center

\$646,361	13.00%	\$5,000,000	\$61,000
Adjusted NOI <i>(ESI Stabilized Pro-Forma)</i>	Cap Rate	Asset Value	Value Per Bed Value

Historical performance			
Period	Revenue	Net Operating Income	Net Operating Margin
Fiscal 2022	\$5,598,288	(\$1,867,506)	-33.4%
Annualized Trailing Four Months	\$4,088,519	(\$2,928,243)	-71.6%

\$5,000,000

ASSET SALE

BENCHMARKING ANALYSIS

VALUATION ANALYSIS

Summary

ESI Commitment

At ESI, we are committed to providing the following to seniors housing and skilled nursing owners across the nation:

1. **Education:** informing business owners on the current trends in the industry
2. **Benchmarking:** revenue and expense metrics against ESI's proprietary database to assist owners in unlocking value in their assets
3. **Transaction Advisor:** when the time is right, ESI acts as your advocate and partner in the sale of your facility

Marketing Process

Sauk County Health Care Center



THE ASSIGNMENT

Maximize our client's success opportunity by adhering to three goals:

- Securing the highest possible sales price
- Transacting as quickly as possible
- Creating a confidential marketing process

STEP 1:

CREATING THE OFFERING MEMORANDUM

TIMING:

5 BUSINESS DAYS
(UPON RECEIPT OF MATERIALS)

OUR APPROACH

- Evans Senior Investments (ESI) is committed to showcasing your portfolio to our buyer pool in the most professional and transparent manner as possible. We create an all-encompassing offering memorandum that illustrates the investment thesis for buyers to quickly evaluate the portfolio and build a data room that allows for buyers to submit letters of intent with full confidence and speed.
- Given the state of the current Seniors Housing and Skilled Nursing real estate market, we do not put an asking price in our offering memorandum in an effort to achieve the highest possible sale price possible.
- After completion, we send the offering memorandum to our client for approval.

STEP 2:

MARKETING THE DEAL TO A SELECT BUYER POOL

TIMING:

THREE TO FOUR WEEKS

(FROM CAMPAIGN LAUNCH)

OUR APPROACH

- Our goal is to market your community as quickly and confidentially as possible. We do not mass-market our listings and do not do business with buyers that breach confidentiality.
- Upon client approval, we typically allow a three-week period for buyers to underwrite the acquisition, request any additional data needed, and prepare an offer.
- After receiving all offers from interested parties, we strategize with our clients to pursue the top acquisition price for the deal. This may include asking for a highest and best offer from all groups or sharing a winner take all price with a certain buying group. At this time, we typically allow tours of the communities to a select group of buyers as well. The second round of letters of intent typically takes one week.

MARKETING TOOLS: How it works

Through using sophisticated premium software, ESI can succinctly market your community to the most qualified buyers in a timely and confidential manner.



CRM System with over 220,000 contacts. Allows us to quickly organize buyer lists.



Mapping tool allowing us to pinpoint facilities that may qualify as potential buyers or confidentiality risks



Sophisticated buyer portal that allows us to monitor interest and collect CAs in real-time. Produces marketing report data.



Secure data room site where buyers can download offering information. Access controlled by ESI.

STEP 3:

EXECUTING LOI AND PSA

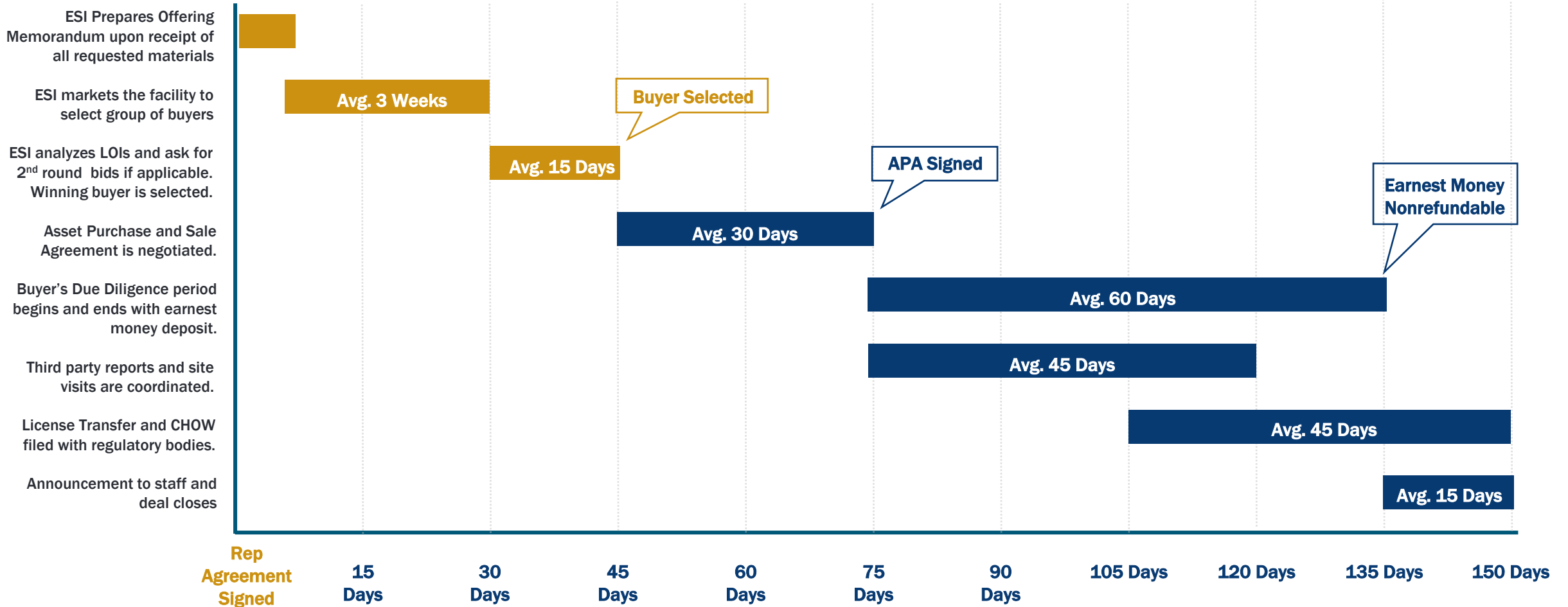
TIMING:

THREE TO FIVE MONTHS

OUR APPROACH

- Our work doesn't end after finding a buyer. We are committed to playing quarterback throughout the execution of the letter of intent (LOI) and the subsequent purchase and sale agreement (PSA).
- Outside of the purchase price, there are many key terms to consider in the negotiation of the transaction including representations and warranties, escrow holdbacks, and due diligence considerations.
- Our duties include the following throughout the execution process:
 - Coordinating and directing all conference calls between buyer and seller and their respective attorneys.
 - Organizing and scheduling tours
 - Working with seller to organize and coordinate all due diligence requests.
 - Negotiating at all times on behalf of the seller to achieve market transaction terms.

TYPICAL TRANSACTION TIMELINE



GET IN TOUCH

ESI DENVER

1800 WAZEE STREET
FLOOR THREE
DENVER, COLORADO 80202

ESI CHICAGO

1017 WEST WASHINGTON BLVD
SUITE 4F
CHICAGO, ILLINOS 60607

PHONE: 312-896-0123

EMAIL INQUIRIES: INFO@EVANSSENIOR.COM

WEBSITE: <https://www.evanssenior.com/>



RESOLUTION # 98-2023

Resolution to Expand the Long-Term Care Continuum in Sauk County

Resolution offered by the Property Committee

Resolved by the Board of Supervisors of Sauk County, Wisconsin:

BACKGROUND: In August of 2010, Keefe & Associates studied the potential long-term care continuum for the county. It laid out a strategy for potentially adding Assisted Living to the nursing home Reedsburg campus. Until 2018, multiple follow up studies reported the market was continuously oversaturated until a report by Wipfli LLC in 2018.

It is highly unlikely Sauk County will be able to expand the continuum without increasing the amount of taxpayer support the existing facility already requires. For the years 2018 through the end of 2024 the county will have spent more than \$17 million in sales and property tax revenues or an average of \$2.44 million per year.

There is no statutory requirement for the county to own or maintain a nursing home. The monies allocated to support the nursing home are better spent meeting the needs of our aging population through statutorily required programs that benefit residents throughout Sauk County rather than a facility that primarily serves only the Reedsburg market.

This resolution proposes marketing the nursing home and incentivizing a developer to build a long-term care facility and preserve the 82 bed licenses in the county.

NOW THEREFORE, BE IT RESOLVED, by the Sauk County Board of Supervisors that a Request for Proposals marketing the Sauk County Nursing Home be issued with the following conditions:

- The bed licenses cannot be sold or transferred outside of Sauk County subject to severe penalties as established in the terms of sale.
- The county reserves the first right of refusal not to exceed the sale price should the owner decide to sell the property.
- Preferential consideration may be given to a local (Sauk County based) buyer.
- The sale price shall not be less than the value of the outstanding bond payments.
- The remaining 31.7 acres of land may also be used to incentivize the construction of an assisted living or comparable long-term care facility.
- Any amount over the value of the outstanding bond payments may be used to incentivize construction of an assisted living or comparable long-term care facility.
- The potential buyer shall demonstrate a history of 5-star ratings in the senior health care industry.
- The potential buyer shall retain existing staff subject to job performance.
- The Board of Supervisors shall approve all final contracts.

BE IT FURTHER RESOLVED, that the existing nursing home staff will have first priority when filling new or vacant positions elsewhere in the county based upon qualifications and past job performance; and,

50 **BE IT FURTHER RESOLVED**, the county board shall encumber the remaining 31.7 acres of
51 adjoining land for a period not to exceed 10 years if a long-term care facility is not acquired for
52 the site; and,
53

54 **BE IT FURTHER RESOLVED**, that if the property is sold, the County Administrator shall
55 present a plan to Finance for final consideration by the County Board of any unused sales tax or
56 tax levy from the 2024 proposed budget with allocations being prioritized for the Aging and
57 Disability Resource Center (ADRC), Veteran's Services, Human Services and Public Health as
58 well as county staff salaries.
59

60 Approved for presentation to the County Board by the Property Committee, this ____ day of
61 _____, 2023
62

63 Consent Agenda Item: [] YES [] NO
64

65 Fiscal Impact: ☒ None [] Budgeted Expenditure [] Not Budgeted
66

67 Vote Required: Majority = X 2/3 Majority = _____ 3/4 Majority = _____
68

69 The County Board has the legal authority to adopt: Yes X No _____ as reviewed
70 by the Corporation Counsel, Boyd, Date:
71 12.12.2023.
72

73
74 Offered and passage moved by:

75 Smooth Dett ☒ Aye ☐ Nay ☐ Abstain ☐ Absent
76 Mark "Smooth" Dett
77

78 Carl Gruber ☒ Aye ☐ Nay ☐ Abstain ☐ Absent
79 Carl Gruber
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81 _____ ☐ Aye ☐ Nay ☐ Abstain ☐ Absent
82 Joel Chrisler
83

84 _____ ☐ Aye ☐ Nay ☐ Abstain ☐ Absent
85 Robert Spencer
86

87 James Astle ☒ Aye ☐ Nay ☐ Abstain ☐ Absent
88 James Astle
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91

92 Fiscal Note: Fiscal note: The Health Care Center has outstanding general obligation bond debt
93 payable through 2027 totaling \$4,464,565 and the 2024 budgeted county levy allocated was
94 \$788,087.

Health Care Center	YEAR				
	2024	2025	2026	2027	TOTAL
Principal Redemption	\$ 995,000	\$ 1,020,000	\$ 1,050,000	\$ 1,085,000	\$ 4,150,000
Interest Expense/ Premium					
Amortization	124,990	94,952	64,127	30,496	314,565
Total Debt Expense	\$ 1,119,990	\$ 1,114,952	\$ 1,114,127	\$ 1,115,496	\$ 4,464,565
2024 Budgeted Levy	788,087	TBD*	TBD*	TBD*	TBD*
	\$ 1,908,077	TBD*	TBD*	TBD*	TBD*

*TBD or To Be Determined

MIS Note: MIS Note: Based upon MIS internal reporting, technology support for the Health Care Center accounts for roughly 5% of the total MIS support hours. Infrastructure costs, not already included in the Health Care Center's annual budget, amount to approximately \$5,000 per year.

SAUK COUNTY BOARD OF SUPERVISORS

PROPERTY COMMITTEE MINUTES

January 9, 2024 – Sauk County West Square Administration Building, Room 326B

Members Present: Carl Gruber, James Astle, Bob Spencer, Joel Chrisler (by Zoom), Smooth Detter (by phone)

Members Absent: none

Others Present: Ian Crammond, Brent Miller, Brian Desmond

At 5:15 p.m. Chairman Gruber called the Property Committee special meeting to order and certified compliance with the open meetings law.

Adopt Agenda: Motion to adopt agenda by B. Spencer, 2nd by S. Detter. **Motion Carried.**

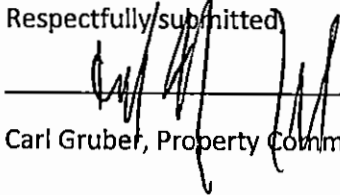
Public comment: None.

Discussion and possible action on directing the County Administrator to create a Request for Proposal for a Broker to market the HealthCare Center and affiliated properties, and/or explore other options in marketing the HealthCare Center and affiliated properties:

Presented by C. Gruber. Motion by S. Detter to obtain RFP for broker, 2nd by B. Spencer. **Motion Carried.**

Adjourn: Motion to adjourn by S. Detter, 2nd by J. Astle at 5:30 pm **Motion Carried.**

Respectfully submitted

A handwritten signature in black ink, appearing to be 'C. Gruber', written over a horizontal line.

Carl Gruber, Property Committee Secretary

RESOLUTION # 10-2024

Resolution to Authorize a Contract with a Real Estate Broker for the Sauk County Health Care Center

Resolution offered by the Property Committee

Resolved by the Board of Supervisors of Sauk County, Wisconsin:

BACKGROUND:

Resolution 98-2023 authorized the Expansion of Long-Term Care Continuum in Sauk. This Resolution authorized using a Real Estate Broker to sell the Sauk County Health Care Center Facility (SCHCC). The Property Committee, at a January 9, 2024, meeting, directed the Administrator and Corporation Counsel put out a Request for Proposal for a Real Estate Broker to potentially sell the SCHCC. To do this Marcus & Millichap Real Estate Investment Services, Inc. (MMREIS) was selected based on their proven ability and price provided.

THEREFORE, BE IT RESOLVED, by the Sauk County Board of Supervisors that the Provision of Services by MMREIS at a fee of 3% be hereby approved.

BE IT FURTHER RESOLVED that the broker fees 3% will be taken from the net proceeds of the sale of the SCHCC.

Approved for presentation to the County Board by the Property Committee, this 20th day of February 2024

Consent Agenda Item: ☐ YES ☒ NO

Fiscal Impact: ☒ None ☐ Budgeted Expenditure ☐ Not Budgeted

Vote Required: Majority = X 2/3 Majority = _____ 3/4 Majority = _____

The County Board has the legal authority to adopt: Yes 800 No _____ as reviewed by the Corporation Counsel, By [Signature], Date: 02.14.2024

Offered and passage moved by:
Property Committee

Chair, Mark "Smooth" Detter ☐ Aye ☐ Nay ☐ Abstain ☐ Absent

Supervisor Carl Gruber ☐ Aye ☐ Nay ☐ Abstain ☐ Absent

Supervisor Robert Spencer ☐ Aye ☐ Nay ☐ Abstain ☐ Absent

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Supervisor Joel Chrisler

☐ Aye ☐ Nay ☐ Abstain ☐ Absent

Supervisor James Astle

☐ Aye ☐ Nay ☐ Abstain ☐ Absent

Fiscal Note: The Broker fees will be taken from the net proceeds of the sale of the SCHCC.



MIS Note: No Impact

MINUTES

SAUK COUNTY BOARD OF SUPERVISORS

Monday, July 22, 2024 – 6:00 p.m.

WEST SQUARE BUILDING, 505 BROADWAY, ROOM 326, BARABOO, WI

SPECIAL MEETING: SAUK COUNTY BOARD OF SUPERVISORS

1. Call to Order and Certify Compliance with Open Meeting Law: 6:00 P.M.

- 2. Roll Call:** PRESENT: (29) Roxen, T. Spencer, Eberl, Rego, Kinsman, Klitzke, Harris, Waldon, Krueger, Johnson, Clemens, Prosser, Lombard, Schell, Fordham, Pocernich, Hazard, McCumber, R. Spencer, Carver, Polivka, Burchill, Peper, Lohr, Alexander, Detter, Evert, Stehling, and McAuliffe.
VIRTUAL: (1) Deitrich. ABSENT: (1) Dorner.

Staff Present: Brent Miller, County Administrator; Brian Desmond, Corporation Counsel; Becky Evert, Sauk County Clerk and Cora McDonnell, Deputy County Clerk.

3. Invocation and Pledge of Allegiance: Invocation given by Supervisor Eberl.

4. Adopt Agenda: MOTION (T. Spencer/Schell). Motion carried **unanimously**.

5. Adopt Minutes: None.

6. General Consent Agenda Items: None.

7. Scheduled Appearances:

- a. Brent Miller, Sauk County Administrator, regarding the State of the Nursing Home Report.
- b. Attolles Law Firm regarding the Purchase and Sale Agreement and Operations Transfer Agreement related to the sale of the Sauk County Healthcare Center located at 1051 Clark Street, Reedsburg, WI 53959.

8. Public Comment:

- 26 Individuals registered as opposed to the Sale of the Sauk County Healthcare Center but not comment.
- Judy Brey, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Ken Kidd, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Susan Holmes, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Tom Holmes, re: Opposition to the Sale of the Sauk County Healthcare Center.
- R. Mike Flint, re: Opposition to the Sale of the Sauk County Healthcare Center.
- John Rigby, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Jeff Seering, re: Faulty Agenda.
- Kari Walker, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Pam Putman, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Dan Stolte, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Sarah Fry, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Tom Troyer, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Elise Patton, re: Opposition to the Sale of the Sauk County Healthcare Center.
- William Waser, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Mary Parkhurst, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Lorinda Bronghton, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Julia A. Rundhaug, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Damian Barta, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Jim Severance, re: Opposition to the Sale of the Sauk County Healthcare Center.

- Carol Hehenberger, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Pat Troyer, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Ardyce McMillen, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Ann Marshall, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Jean Scolaro, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Joe Scolaro, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Warren Terry, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Ernie Marshall, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Alisia Marshall, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Trish Henderson, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Carol Waser, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Marilyn Kinsman-Kharbush, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Muhammad Kharbush, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Becky Hovde, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Mary Ewers Hiner, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Jean Berlin, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Carl Gruber, re: Favor to the Sale of the Sauk County Healthcare Center.
- Ed Krumenauer, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Dan Holzman, re: Opposition to the Sale of the Sauk County Healthcare Center.
- Tom Kriegl, re: Opposition to the Sale of the Sauk County Healthcare Center.

9. **Communications:** None.

10. **Appointments:** None.

11. **Bills:** None.

12. **Claims:** None.

13. **Elections:** None.

14. **Proclamations:** None.

15. **Reports – informational, no action required:** None.

16. **Unfinished Business:** None.

17. **New Business:**

a. Consider motion to convene in closed session pursuant to Wis. Stat. s. 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session," to wit: discussion of the Purchase and Sale Agreement and Operations Transfer Agreement related to the potential sale of the Sauk County Healthcare Center located at 1051 Clark Street, Reedsburg, WI 53959.

The Board will reconvene in open session immediately following the closed session, and may have discussion and take official action on matters discussed in closed session regarding the Purchase and Sale Agreement and Operations Transfer Agreement related to the sale of the Sauk County Healthcare Center located at 1051 Clark Street, Reedsburg, WI 53959 or other action as required as a result of the closed session.

MOTION (Lohr/Peper) to go into closed session allowing Miller, Desmond, Greenwood, Horkan, Cooke, Phillips and Roecker to remain in the room. Supervisor Deitrich was not allowed to attend the closed session virtually and would be contacted to reconnect via zoom when the meeting resumed into open session.

VOTE: AYES (29) Roxen, T. Spencer, Eberl, Rego, Kinsman, Klitzke, Harris, Waldon, Krueger, Johnson, Clemens, Prosser, Lombard, Schell, Fordham, Pocernich, Hazard, McCumber, R. Spencer, Carver, Polivka, Burchill, Peper, Lohr, Alexander, Detter, Evert, Stehling, and McAuliffe. VIRTUAL AYES (1) Deitrich. VIRTUAL NAYS (0). ABSENT: (1) Dorner. Motion carried **unanimously**.

Supervisor Deitrich was disconnected virtually from the meeting.

Supervisor Schell left the meeting at 7:38 p.m. and planned to rejoin the meeting virtually after the closed session was complete.

The board took a break at 7:38 p.m.

Closed session began at 7:47 p.m.

Supervisor Stehling left the meeting at 9:45 p.m.

MOTION (Peper/T. Spencer) to reconvene in open session. Motion carried **unanimously**.

The board took a break at 10:10 p.m.

Open session resumed at 10:23 p.m.

Supervisors Deitrich and Schell were contacted to reconnect to the meeting virtually.

Chair McCumber announced that he had received a document with 1,167 signatures from the residents of Sauk County to protest the selling of the Sauk County Health Care facility to a private business.

MOTION (Lohr/Clemens) to direct the attorneys to continue with negotiations with the parties.

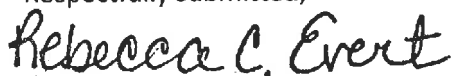
VOTE: AYES (16) Roxen, T. Spencer, Eberl, Kinsman, Klitzke, Clemens, Prosser, Lombard, McCumber, R. Spencer, Carver, Peper, Lohr, Detter, Evert and McAuliffe. NAYS (11) Rego, Harris, Waldon, Krueger, Johnson, Fordham, Pocernich, Hazard, Polivka, Burchill and Alexander. VIRTUAL AYES (2) Deitrich and Schell. VIRTUAL NAYS (0). ABSENT: (2) Dorner and Stehling. Motion carried.

18. **Referrals:** None.

19. **New Agenda items (no discussion).** Submit in writing or by e-mail new business items to the County Administrator as soon as possible for Rule III.A. referral.

20. **Adjournment:** MOTION (Klitzke/Peper) to adjourn at 10:27 p.m. Motion carried **unanimously**.

Respectfully submitted,



Rebecca C. Evert
Sauk County Clerk

Minutes Approved: August 20, 2024

State of Wisconsin, County of Sauk: I certify that the above is a true and correct copy of the July 22, 2024 proceedings of the Sauk County Board of Supervisors. /s/Rebecca C. Evert, Sauk County Clerk.

Original documents on file @ Office of the Sauk County Clerk West Square Building, 505 Broadway, Room #144, Baraboo, WI 53913. 608-355-3286.

www.co.sauk.wi.us

These notices may also be found at: <http://www.wisconsinpublicnotices.org/> or <https://www.co.sauk.wi.us/legalnotices>.



Health Care Center Update

July 22, 2024

EXHIBIT G

Census - Occupancy

- **82–Bed Facility**

- Steady decline BEFORE Covid

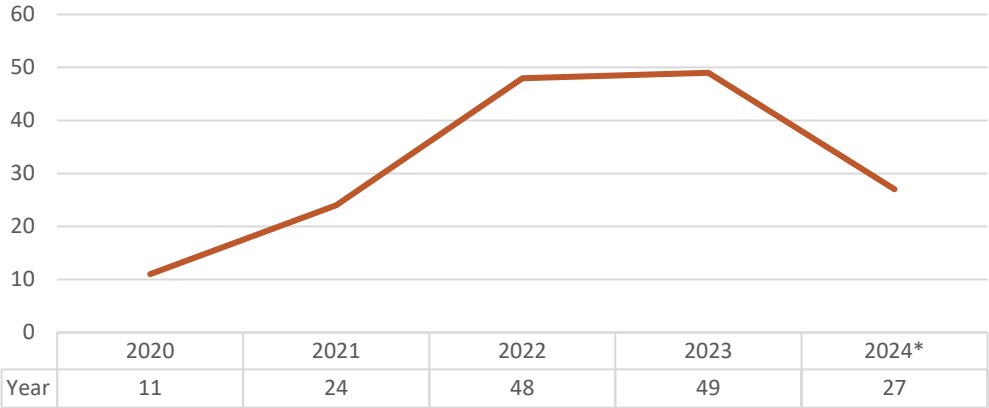
Year	Avg. Daily # Residents	% +/-	% Occupancy
2015	77	N/A	93.9%
2016	74	-3.9%	90.2%
2017	72	-2.7%	87.8%
2018	70	-2.7%	85.4%
2019	70	0%	85.4%
2020	62	-11.4%	75.6%
2021	56	-9.7%	68.3%
2022	53	-5.4%	64.6%
2023	52	-1.9%	63.4%
2024	49	-5.8%	59.8%

* Denotes Covid * | ** Avg to June 30 **



Staffing Vacancies & Turnover

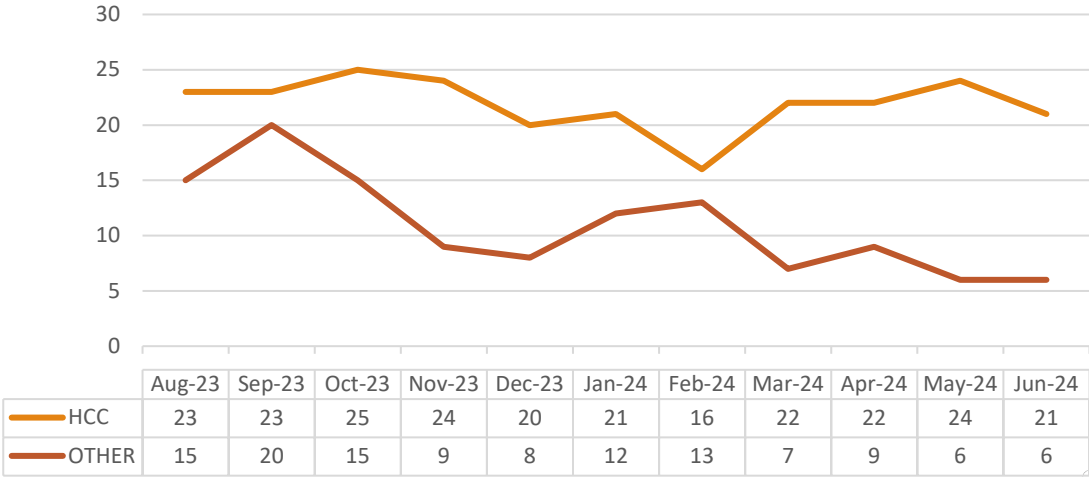
Number of HCC Job Postings
January 2020 - Present



*2024 - partial year numbers only

- Turnover has been consistent since January 2023
- Over the past several years, the County has been unable to maintain staffing for average daily census (residents)

NUMBER OF VACANCIES
August 2023 - June 2024



Staffing – Contract Cost / Coverage

- **Contract**

- 13 Contracted Agencies
- Avg. Monthly Cost to Sauk County - **\$90,634**

- **Director**

- Resignation NOT due to potential sale discussions
- Offered significant increase for new role
- County Administrator was a reference

Month - 2024	Contract Staff Cost
January	\$ 92,900.76
February	\$ 72,813.07
March	\$ 66,734.63
April	\$104,899.75
May	\$ 90,282.73
June	\$116,174.77



Levy Facts

- **2023**
 - \$ 810,813 Total Levy Dollars Budgeted
 - \$1,036,957 Total Dollars Used*
 - **\$226,144 ADDITIONAL DOLLARS WERE NEEDED**
 - **The County budgeted at the higher Medicaid rate for 2024.**

*Preliminary 2023 Audited Data



Account Balance Facts

- **Account Balance / Assets**

- **\$10,671,908 Balance (3 Components)***
 - \$6,480,700 Property & Equipment Assets
 - \$2,166,375 Wis Retirement Fund Set Aside
 - \$2,024,833 Unrestricted Cash On-Hand

**All categories are cumulative*



- **Property Equipment Assets**

- \$6,480,700 – NOT cash assets
- These physical assets cannot be spent

- **Wisconsin Retirement Fund**

- \$2,166,375 – GASB 68 required as a set aside
- Allocated WRS for only HCC staff

- **Operational Fund**

- \$2,024,833 – actual cash in account
- Monies used to pay HCC bills, payroll

MINUTES

SAUK COUNTY BOARD OF SUPERVISORS

TUESDAY, SEPTEMBER 10, 2024 – 6:00 P.M.

WEST SQUARE BUILDING, 505 BROADWAY, ROOM 326, BARABOO, WI

SPECIAL MEETING: SAUK COUNTY BOARD OF SUPERVISORS

1. Call to Order and Certify Compliance with Open Meeting Law: 6:00 P.M.

- 2. Roll Call:** PRESENT: (31) Roxen, T. Spencer, Eberl, Rego, Kinsman, Klitzke, Harris, Deitrich, Waldon, Krueger, Johnson, Clemens, Prosser, Lombard, Schell, Dorner, Fordham, Pocernich, Hazard, McCumber, R. Spencer, Carver, Polivka, Burchill, Peper, Lohr, Alexander, Detter, Evert, Stehling, and McAuliffe. ABSENT: (0).

Staff Present: Brent Miller, County Administrator; Brian Desmond, Corporation Counsel; Becky Evert, Sauk County Clerk and Cora McDonnell, Deputy County Clerk.

3. Invocation and Pledge of Allegiance: Invocation given by Supervisor Schell.

4. Adopt Agenda: MOTION (Lombard/Carver). Motion carried **unanimously**.

5. Scheduled Appearances: None.

6. Public Comment:

- Chair McCumber announced that:
 - 43 citizens registered in opposition to the sale of the Sauk County Healthcare Center.
 - 4 citizens registered in favor of the sale of the Sauk County Healthcare Center.
- David Ruhland, re: in opposition to the sale of the Sauk County Healthcare Center.
- Robert M. Sitton, re: in favor of the sale of the Sauk County Healthcare Center.
- Dan Holzman, re: filled out form to testify in favor of the sale of the Sauk County Healthcare Center, but spoke in opposition to the sale of the Sauk County Healthcare Center.
- Mimi Wuest, re: in opposition to the sale of the Sauk County Healthcare Center.
- Rebecca Powell, re: in opposition to the sale of the Sauk County Healthcare Center.
- Jeff Seering, re: in opposition to the sale of the Sauk County Healthcare Center.
- Judy Brey, re: in opposition to the sale of the Sauk County Healthcare Center.
- Tom Kriegl, re: in opposition to the sale of the Sauk County Healthcare Center.
- Joe Scolaro, re: in opposition to the sale of the Sauk County Healthcare Center.
- Jean Scolaro, re: in opposition to the sale of the Sauk County Healthcare Center.
- Tom Holmes, re: in opposition to the sale of the Sauk County Healthcare Center.
- Susan Holmes, re: in opposition to the sale of the Sauk County Healthcare Center.
- Joice Meyer, re: in opposition to the sale of the Sauk County Healthcare Center.
- Sharon Schlieckau, re: in opposition to the sale of the Sauk County Healthcare Center.
- Muhammad Kharbush, re: in opposition to the sale of the Sauk County Healthcare Center.
- Richard Cross, re: in favor of the sale of the Sauk County Healthcare Center.
- Damian Barta, re: in opposition to the sale of the Sauk County Healthcare Center.
- Jeff Sederstrom, re: in opposition to the sale of the Sauk County Healthcare Center.
- Karen Ratzel, re: in opposition to the sale of the Sauk County Healthcare Center.
- Marilyn Kinsman-Kharbush, re: in opposition to the sale of the Sauk County Healthcare Center.
- Susan Richardson, re: in opposition to the sale of the Sauk County Healthcare Center.
- Katherine Walker, re: in opposition to the sale of the Sauk County Healthcare Center.
- Cheryl Vulstek, re: in opposition to the sale of the Sauk County Healthcare Center.
- David Marks, re: in opposition to the sale of the Sauk County Healthcare Center.

- Mary Elz, re: in opposition to the sale of the Sauk County Healthcare Center.
- Mary Parkhurst, re: in opposition to the sale of the Sauk County Healthcare Center.
- Bert Vaillancourt, re: in opposition to the sale of the Sauk County Healthcare Center.
- John Miller, re: in opposition to the sale of the Sauk County Healthcare Center.
- Ana Marshall, re: in opposition to the sale of the Sauk County Healthcare Center.
- Jean Berlin, re: in opposition to the sale of the Sauk County Healthcare Center.
- Alisia Marshall, re: in opposition to the sale of the Sauk County Healthcare Center.
- Jacob Marshall, re: in opposition to the sale of the Sauk County Healthcare Center.
- Kari Walker, re: in opposition to the sale of the Sauk County Healthcare Center.
- Ardyce McMillen, re: in opposition to the sale of the Sauk County Healthcare Center.

Supervisor Lombard left the meeting at 6:50 p.m. to attend a meeting at the City of Baraboo.

7. Communications: None.

8. New Business:

- Consider motion to convene in closed session pursuant to Wis. Stat. s. 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session," to wit: discussion of the Purchase and Sale Agreement and Operations Transfer Agreement related to the potential sale of the Sauk County Healthcare Center located at 1051 Clark Street, Reedsburg, WI 53959.

The Board will reconvene in open session following the closed session, after a break to allow for audio and video recording to be setup. The Board may have discussion and take official action on matters discussed in closed session regarding the Purchase and Sale Agreement and Operations Transfer Agreement related to the sale of the Sauk County Healthcare Center located at 1051 Clark Street, Reedsburg, WI 53959 or other action as required as a result of the closed session.

MOTION (Clemens/Eberl) to go into closed session allowing the following to remain in closed session: Andy Phillips and Rebecca Roecker, Attolles Law Firm; Aneillo "Neil" Lindsey, Aria Healthcare; Kerri Menke, Sauk County Healthcare Center Interim Administrator; Brian Desmond, Sauk County Corporation Counsel; Brent Miller, Sauk County Administrator; Anna Cooke, Sauk County Human Resources Director and Lynn Horkan, Sauk County Finance Director. **VOTE:** AYES: (24) Roxen, T. Spencer, Eberl, Rego, Kinsman, Klitzke, Harris, Deitrich, Waldon, Clemens, Prosser, Schell, Dorner, Pocernich, McCumber, R. Spencer, Carver, Peper, Lohr, Alexander, Detter, Evert, Stehling, and McAuliffe. NAYS: (6) Krueger, Johnson, Fordham, Hazard, Polivka and Burchill. ABSENT & EXCUSED: (1) Lombard. Motion carried.

Supervisor Schell had to leave the meeting at 7:24 p.m. and will be connected to the meeting after the closed session.

Closed session began at 7:24 p.m.

Andrea Lombard returned into closed session at 8:10 p.m.

Open session resumed at 10:01 p.m.

Supervisor Schell was connected to the meeting.

MOTION (McCumber/Lohr) to approve the Operations Transfer Agreement between Sauk County and Aria of Sauk County LLC, presented in the draft dated September 10, 2024, and to approve the Purchase and Sale Agreement between Sauk County and Aria Sauk County Realty LLC, as presented in the draft dated September 10, 2024, each relating to the Sauk County Health Care Center. The Board's approval of these agreements supersedes any prior acts of the Sauk County Board of Supervisors that may be inconsistent with the terms and conditions of the Operation Transfer Agreement and Purchase and Sale Agreement. To the extent that the Operations Transfer Agreement and Purchase and Sale Agreement, as presented, are not consistent with Resolution 98-2023, this motion to approve the Operations Transfer Agreement and Purchase and Sale Agreement supersedes Resolution 98-2023 and any prior action by the Board relating to the sale of the Sauk County Health Care Center. In addition to approving the agreements, my motion also authorizes the Board Chair, Clerk, Administrator and outside counsel to prepare, finalize and sign any and all such further documents or agreements necessary to complete the sale of the facility. **VOTE:** AYES: (17) Roxen, T. Spencer, Eberl, Kinsman, Klitzke, Deitrich, Clemens, Prosser, Lombard, McCumber, R. Spencer, Carver, Peper, Lohr, Detter, Evert, and McAuliffe. VIRTUAL AYES: (1) Schell. NAYS: (13) Rego, Harris, Waldon, Krueger, Johnson, Dorner, Fordham, Pocernich, Hazard, Polivka, Burchill, Alexander, and Stehling. ABSENT & EXCUSED: (0). Motion carried.

9. **Adjournment:** MOTION (Klitzke/Kinsman) to adjourn 10:47 p.m. Motion carried **unanimously**.

Respectfully submitted,



Rebecca C. Evert
Sauk County Clerk

Minutes Approved: September 17, 2024

State of Wisconsin, County of Sauk: I certify that the above is a true and correct copy of the September 10, 2024 proceedings of the Sauk County Board of Supervisors. /s/Rebecca C. Evert, Sauk County Clerk.

Original documents on file @ Office of the Sauk County Clerk West Square Building, 505 Broadway, Room #144, Baraboo, WI 53913. 608-355-3286.

www.co.sauk.wi.us

These notices may also be found at: <http://www.wisconsinpublicnotices.org/> or <https://www.co.sauk.wi.us/legalnotices>.

OPERATIONS TRANSFER AGREEMENT

This OPERATIONS TRANSFER AGREEMENT ("Agreement") is entered into as of _____, 2024 ("Contract Date"), by and between Sauk County, a county and political subdivision of the State of Wisconsin ("Existing Operator"), and Aria of Sauk County LLC, a Wisconsin limited liability company ("New Operator") (Existing Operator and New Operator shall be referred to herein singularly as a "Party" or collectively as the "Parties").

RECITALS

A. Existing Operator is the duly licensed operator of that certain nursing facility with 82 licensed and certified beds located at 1051 Clark Street, Reedsburg, WI 53959 (the "Facility").

B. Simultaneously with the consummation of the transaction contemplated by this Agreement, Existing Operator is selling the Facility and real property on which the Facility is located to Aria Sauk County Realty LLC, a Wisconsin limited liability company ("Purchaser"), which is an affiliate of New Operator, pursuant to a Purchase and Sale Agreement dated of even date herewith (the "PSA").

C. In conjunction with the closing under the PSA, Existing Operator and New Operator desire to enter into this Agreement to facilitate an orderly transition of the operations of the Facility from Existing Operator to New Operator.

D. Certain defined terms used in this Agreement as set forth on Schedule 1. If a capitalized term is used herein but not defined in Schedule 1, the defined meaning set forth in PSA shall control.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree to incorporate the foregoing recitals as if fully rewritten in this Agreement and further agree that:

SECTION 1

PRE-CLOSING; CONDITIONS TO CLOSING; DELIVERIES UPON CLOSING DATE

1.1 Transferred Assets and Excluded Liabilities. Subject to the terms and conditions of this Agreement, at the Effective Time, Existing Operator shall transfer to New Operator all of Existing Operator's right, title and interest in and to the Assets, free and clear of all liens, claims and encumbrances except as agreed to by New Operator. Except with respect to obligations under the Assumed Contracts arising after the Effective Time, and obligations to pay the Hired Employees PTO Benefits, New Operator shall not assume any claims, lawsuits, Liabilities, obligations or debts of Existing Operator, including, without limitation: (a) malpractice or other tort claims to the extent based on acts or omissions of Existing Operator occurring before the Effective Time, or claims for breach of contract to the extent based on acts or omissions of Existing Operator occurring before

the Effective Time; (b) any accounts payable, taxes, or other obligation or liability of Existing Operator to pay money incurred by Existing Operator prior to the Effective Time; and (c) any other obligations or liabilities incurred by Existing Operator or related to the operation of the Facility by Existing Operator prior to the Effective Time (collectively, the “Excluded Liabilities”).

1.2 Government Approvals. New Operator shall use its best efforts to obtain all governmental or quasi-governmental approvals that are necessary or appropriate in order for New Operator to operate the Facility under Wisconsin law, and all other licenses (collectively, the “License”) issued by the Wisconsin Department of Health Services or other applicable governmental authority (the “Department”) necessary or desirable for the operation of the Facility, as a skilled nursing facility, and also use best efforts to begin to obtain assumption of the Medicare provider agreement and a Medicaid provider agreement (collectively, the “Provider Agreements”) with respect to the Facility as provided herein (the License and Provider Agreements collectively, the “Regulatory Approvals”). Existing Operator shall reasonably cooperate with New Operator with respect to New Operator’s efforts to timely complete the filings contemplated under this Section 1.2, including, without limitation, by timely providing. copies of all floor plans, certificates of occupancy, fire marshal reports, HVAC inspection reports, and emergency preparedness plans requested by New Operator, if Existing Operator has such documents in its possession.

1.3 Conditions to Closing/Termination.

(a) The following shall be conditions precedent to New Operator’s obligation to consummate the transactions contemplated under this Agreement:

(1) Existing Operator shall have performed or complied, in all material respects, with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(2) The representations and warranties of Existing Operator set forth in this Agreement shall be true and correct in all material respects (or, with respect to any representation qualified as to materiality, true and correct) on and as of the date of the Closing as though made on and as of the date of the Closing, except to the extent any such representation or warranty expressly is made as of an earlier date or with respect to a particular period, in which case such representation or warranty shall have been true and correct in all material respects (or, with respect to any representation qualified as to materiality, true and correct) as of such date or with respect to such period.

(3) The closing under the PSA shall occur simultaneously with the Closing under this Agreement.

(4) New Operator shall have received notice from the Department advising that, upon the consummation of the transactions contemplated under this Agreement and the PSA, the Department is prepared to issue the License effective upon the Closing pending final receipt of evidence of the

effectiveness of the Closing and shall have received customary assurances that CHOW (change of ownership) approval shall be issued post-Closing with a retroactive effective date of the Closing Date ("License Confirmation").

(5) Since the Contract Date, there shall have occurred, no event, circumstance or other change in Existing Operator or the Facility that has had a Material Adverse Effect that has not been corrected or resolved on or prior to Closing to New Operator's satisfaction as determined in its reasonable discretion.

(b) The following shall be conditions precedent to Existing Operator's obligation to consummate the transactions contemplated under this Agreement:

(1) New Operator shall have performed or complied, in all material respects, with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(2) The representations and warranties of New Operator set forth in this Agreement shall be true and correct in all material respects (or, with respect to any representation qualified as to materiality, true and correct) on and as of the date of the Closing as though made on and as of the date of the Closing, except to the extent any such representation or warranty expressly is made as of an earlier date or with respect to a particular period, in which case such representation or warranty shall have been true and correct in all material respects (or, with respect to any representation qualified as to materiality, true and correct) as of such date or with respect to such period.

(3) The closing under the PSA shall occur simultaneously with the Effective Time under this Agreement.

1.4 Existing Operator's Deliveries on the Closing Date. Existing Operator shall deliver the following to New Operator on the Closing Date:

(a) A Bill of Sale executed by Existing Operator, substantially in the form attached as Exhibit A (the "Bill of Sale");

(b) An Assignment and Assumption Agreement executed by Existing Operator, substantially in the form attached hereto as Exhibit B (the "Assignment and Assumption Agreement");

(c) An Assignment and Assumption Agreement of Resident Trust Funds executed by Existing Operator, substantially in the form attached hereto as Exhibit C;

(d) The Employee Schedule (as defined in Section 2.3(d));

(e) The inventory and supplies included within the Assets, which Existing Operator shall deliver to New Operator by leaving the same at the Facility on the Closing Date;

(f) A certificate executed by an authorized officer of Existing Operator that all representations and warranties of Existing Operator set forth in Section 4 of this Agreement, as set forth therein, are true and correct in all material respects as of the Closing Date with the same force and effect as if made on the Closing Date, except that those representations and warranties that contain materiality qualifications and other qualifications based on the word “material” shall be required to be true and correct in all respects and not merely all material respects;

(g) Evidence of the License Confirmation.

(h) A closing statement executed by Existing Operator setting forth in reasonable detail the financial transactions contemplated by this Agreement, including, without limitation, all prorations, as reasonably approved by Existing Operator and New Operator (the “Closing Statement”); and

(i) Such other documents as are reasonably requested by New Operator to effectuate the transactions contemplated hereby.

1.5 New Operator’s Deliverables on the Closing Date. New Operator shall deliver to Existing Operator on the Closing Date:

(a) The Bill of Sale executed by New Operator;

(b) The Assignment and Assumption Agreement executed by New Operator;

(c) The Assignment and Assumption Agreement of Resident Trust Funds executed by New Operator;

(d) A certificate executed by an authorized officer of New Operator that all representations and warranties of New Operator set forth in Section 3 of this Agreement are true and correct in all material respects as of the Closing Date with the same force and effect as if made on the Closing Date except that those representations and warranties that contain materiality qualifications and other qualifications based on the word “material” shall be required to be true and correct in all respects and not merely all material respects;

(e) The Closing Statement executed by New Operator; and

(f) Such other documents as are reasonably requested by Existing Operator to effectuate the transactions contemplated hereby.

SECTION 2 TRANSFER OF OPERATIONS AND ASSETS

2.1 Cooperation; Covenants of the Parties.

(a) The Parties hereto agree to cooperate with each other in good faith to effect an orderly transfer of the operations and transfer of the Assets of the Facility as of the Effective Time.

(b) During the period between the Contract Date and the Closing Date (the “Pre-Closing Period”), Existing Operator shall: (i) operate the Facility in material compliance with Applicable Law and Existing Operator’s past practices (both operational and financial); (ii) maintain the Assets in substantially the same condition as exists on the Contract Date, including, without limitation, performing routine and preventative maintenance; (iii) perform all material obligations under the Assumed Contracts; (iv) maintain its normal inventory of supplies, which shall be in quantities consistent with Applicable Law and past practices for operation of the Facility; (v) without limiting the foregoing, to the extent depleted or replaced in the ordinary course, restock and replenish any portion of the inventory consumed or used during the Pre-Closing Period with inventory of comparable quality and consistent with past practice; (vi) use best efforts to maintain or increase census; (vii) use best efforts to continue to market the Facility consistent with past practice and not reduce the number or hours of the marketing staff, if any. In the event that, at any time between Contract Date and the Closing Date, the average daily census for a given month is less than the Baseline Facility Census, Existing Operator shall notify New Operator within three (3) business days.

(c) During the Pre-Closing Period, Existing Operator shall promptly notify New Operator in writing of any fact, circumstance, event, or action, the existence, occurrence, or taking of which: (1) has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (2) has resulted in, or could reasonably be expected to result in, the failure of any of the covenants set forth in Section 2.1(b).

(d) During the Pre-Closing Period, Existing Operator (i) shall not, without the prior written consent of New Operator, enter into any transaction or contractual obligation that would materially adversely impact Existing Operator’s abilities to perform its obligations under this Agreement; (ii) shall provide New Operator with a Resident Census Report detailing the performance of the Facility for the previous calendar month; (iii) shall provide weekly reports describing the ongoing marketing activities and results thereof at the Facility (including number and source of referrals, admissions, and such other similar information as may be requested by New Operator from time to time) and (iv) shall not transfer any Employees and shall not transfer any residents to any business or facility owned or controlled by an affiliate of Existing Operator, unless required to comply with Applicable Law or at the request of such transferred resident.

2.2 Patient Funds; Advance Payments.

(a) Prior to the Closing Date, Existing Operator shall prepare a true, correct and complete accounting, properly reconciled, of any Resident Trust Funds then held by Existing Operator for residents at the Facility. On the Closing Date, Existing Operator shall transfer the

Resident Trust Funds to a bank account designated by New Operator, and New Operator shall expressly assume all of Existing Operator's financial and custodial obligations with respect thereto, it being the intent and purpose of this provision that, upon such transfer, Existing Operator will be relieved of all fiduciary and custodial obligation with respect to the Resident Trust Funds delivered to New Operator, and that New Operator will assume all such obligations and be directly accountable to the residents with respect thereto.

(b) Existing Operator will indemnify, defend and hold New Operator harmless for, from and against all Losses: (i) in the event the amount of the Resident Trust Funds, if any, transferred to New Operator does not constitute the full amount of the Resident Trust Funds that were to be delivered to New Operator, (ii) resulting from inaccuracies in the accounting of Resident Trust Funds provided by Existing Operator and/or (iii) resulting from actions or omissions of Existing Operator with respect to the Resident Trust Funds prior to the Closing Date. New Operator agrees to indemnify and hold Existing Operator harmless from all Losses that may be asserted against Existing Operator in connection with New Operator's custody and treatment from and after the Closing Date of the Resident Trust Funds delivered by Existing Operator to New Operator.

2.3 Employees.

(a) At a time mutually agreed to by Existing Operator and New Operator no less than three (3) weeks prior to the Closing Date, Existing Operator and New Operator shall notify the Administrator and Director of Nursing of the transactions contemplated by this Agreement; and no less than two (2) weeks prior to the Closing Date, Existing Operator and New Operator shall notify all of the other Employees of the transactions contemplated in this Agreement.

(b) Upon Closing, effective as of 12:00:01 AM, CST on the Closing Date, Existing Operator shall terminate all employees who are in its employ on that day (including any such employees who are on medical disability or leaves of absence and who worked at the Facility immediately prior to such disability or leave) (collectively, the "Employees"). As of the Effective Time, New Operator will offer employment, on an "at will" basis, to a sufficient number of the Employees so as to avoid any obligation of the Existing Operator to provide advance notice under the WARN Act, or under any comparable State law such as the requirements of Wis. Stat. § 109.07, at rates of pay and benefit packages comparable to their current compensation. Existing Operator and New Operator acknowledge and agree that one purpose of this Section 2.3(b) is to ensure that Existing Operator is not required to provide advance notice under the WARN Act and/or under any comparable State law. New Operator agrees to indemnify, defend and hold harmless Existing Operator from any Liability that it may incur under the WARN Act or under any comparable State law in the event of a violation by New Operator of its obligations hereunder, including a violation that results from allegations that New Operator constructively terminated the Employees as a result of the terms and conditions of employment offered by New Operator.

(c) New Operator shall hire as of the Effective Time, on an "at will" basis, each Employee who elects to accept employment with New Operator (all of such employees who accept employment with New Operator being herein referred to as the "Hired Employees"). Existing

Operator shall reasonably cooperate with New Operator and provide reasonable access to the Employees to allow New Operator to obtain all necessary information from the Employees needed by New Operator to complete the onboarding process for the Hired Employees at a time mutually agreed to by Existing Operator and New Operator.

(d) As soon as practicable following the most recent payroll date prior to Closing, Existing Operator shall provide a schedule (the “Employee Schedule”) setting forth Existing Operator’s estimate for each Employee as of the Closing Date: (1) the name of such Employee, (2) their positions, original hire dates, full/part time status, rates of pay and whether they are on medical disability or leave of absence, (3) all benefits that Existing Operator is obligated by Applicable Law, its policies, or both, to provide the Employees as of the Closing Date, irrespective of the termination of employment contemplated by this Agreement (the “Hired Employees PTO Benefits”). Existing Operator shall at Closing pay to New Operator an amount equal to all the Hired Employees PTO Benefits applicable to the Hired Employees. Such payment may be made by a credit against the Purchase Price under the PSA. New Operator shall offer benefits to the Hired Employees that are customary in the industry and similar in nature to the benefits provided to the Hired Employees prior to Closing. [Notwithstanding the foregoing, the Parties acknowledge and accept that certain Employees may have benefits within the Wisconsin Retirement System (“WRS Benefits”). Existing Operator shall not be obligated to pay New Operator for the value of any previously incurred WRS Benefits, or any WRS Benefits that any Employee may claim in the future.]

(e) Existing Operator shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of the Employees which claims related to events occurring prior to the Effective Time. Existing Operator also shall remain solely responsible for all workers’ compensation claims of any Employees which relate to events occurring prior to the Effective Time.

(f) Upon reasonable advance written notice to New Operator and at reasonable times that will not, in any material respect, interfere with or disrupt the business of New Operator at the Facility, New Operator agrees to provide Existing Operator with reasonable access to the Facility’s employees after the Closing Date if necessary for Existing Operator’s defense of any professional liability or general liability litigation.

(g) Nothing in this Agreement shall constitute an employment agreement or condition of employment for any employee of Existing Operator or the New Operator or any Affiliate thereof, nor shall this Agreement be deemed the assignment to or assumption by New Operator of any collective bargaining agreement, employment agreement or terms or conditions of employment (except as set forth herein), and New Operator shall not assume any liabilities or obligations under any employee benefit plan or defined benefit plan of Existing Operator or its Affiliates. New Operator shall provide group health coverage for the Hired Employees who qualify for its coverage as soon as possible upon the Effective Time, in accordance with the standard terms, conditions and waiting periods of New Operator’s group health plan.

(h) Existing Operator shall be liable for providing access to all group health plan continuation coverage, including applicable notices, pursuant to the requirements of Section 601, et seq. of the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder, as in effect from time to time, and Section 4980B of the Code, and pursuant to Wisconsin's continuation law set forth in Wis. Stat. § 632.897 (collectively, "COBRA"), and New Operator shall cooperate as reasonably necessary so that Existing Operator may satisfy all such obligations. Existing Operator acknowledges and agrees that New Operator is not assuming any of Existing Operator's obligations to its Employees and/or qualified beneficiaries under COBRA or otherwise, except as specifically provided in this Agreement. New Operator shall be liable for providing access to all group health plan continuation coverage pursuant to the requirements of COBRA, for all Hired Employees who are subsequently terminated by New Operator on or after the Closing Date.

2.4 Accounts Receivable.

(a) Existing Operator shall retain its right, title and interest in and to all unpaid accounts receivable with respect to the Facility that relate to all periods prior to the Effective Time, including, but not limited to, any accounts receivable arising from rate adjustments which relate to periods prior to the Effective Time, even if such adjustments occur after the Effective Time.

(b) Payments received by Existing Operator or New Operator after the Effective Time from third party payors shall be handled as follows:

(i) if the accompanying remittance advice indicates, or if the Parties agree, that the payments relate solely to periods prior to the Effective Time, then (A) in the event that such payments are received by New Operator, New Operator shall promptly forward such payments to Existing Operator (but in any event not later than ten (10) business days following the receipt of such payment, and until so deposited, shall be held in trust for the benefit of Existing Operator) and (B) in the event that such payments are received by Existing Operator, Existing Operator shall retain the payments;

(ii) if the accompanying remittance advice indicates, or if the Parties agree, that the payments relate solely to periods on or after the Effective Time, then (A) in the event that such payments are received by New Operator, New Operator shall retain the payments and (B) in the event that such payments are received by Existing Operator, Existing Operator shall promptly forward such payments to New Operator (but in any event not later than ten (10) business days following the receipt of such payment, and until so deposited, shall be held in trust for the benefit of New Operator);

(iii) if the accompanying remittance advice indicates, or if the Parties agree, that the payments relate to periods both prior to and after the Effective Time, then (A) if such payment is received by New Operator, New Operator shall promptly (but in any event not later than five (5) business days following the receipt of such payment) forward to Existing Operator the amount of such payment relating to periods prior to the Effective Time, and (B) if such payment is received by Existing Operator, Existing Operator shall promptly (but in any event

not later than five (5) business days following the receipt of such payment) forward to New Operator the amount of such payment relating to periods on and after the Effective Time;

(iv) if the accompanying remittance advice does not indicate the period to which a payment relates, if there is no accompanying remittance advice, if the party issuing the accompanying remittance is not able to provide clarification as to the period to which a payment relates, and if the Parties do not otherwise agree as to how to apply such payment, then, the Parties will be deemed to have agreed that any payment received after the Closing Date shall be applied first to such payor's post- Effective Time balances, and any remaining portion shall be applied to such payor's pre-Effective Time balances. The Parties agree to work in good faith and use all reasonable efforts to determine the period in which a payment relates;

(v) any payments received by New Operator during the first forty-five (45) days after the Closing Date from or on behalf of private pay patients with outstanding balances as of the Closing Date which fail to designate the period to which they relate, will first be applied by New Operator to reduce the patient's post-Effective Time balances, and any remaining portion shall be applied to reduce the patient's pre-Effective Time balances.

(c) With regard to resident resources, including all Social Security checks and private resource payment, which are received by New Operator following the Effective Time, New Operator shall apply such resident resources to pay current charges relating to the care of such resident.

(d) For a period of twelve (12) months after the Closing Date, New Operator and Existing Operator shall, upon reasonable notice and during normal business hours, have the right to inspect all cash receipts and other books and records (including, without limitation, bank statements) of the other Party in order to confirm the other Party's compliance with the obligations imposed under this Section 2.4.

(e) Nothing in this Section 2.4 shall be deemed to limit in any way New Operator's or Existing Operator's rights and remedies to recover accounts receivable due and owing to either Party under the terms of this Agreement. If the Parties mutually determine that any payment hereunder was misapplied by the Parties, the Party which erroneously received such payment shall remit the same to the other within five (5) business days after such determination is made.

(f) The Parties acknowledge that, until the Medicare "tie-in" notice is issued, accounts receivable related to New Operator's provision of services after the Effective Time ("Post-Closing Receivables") may continue to be deposited into the account of Existing Operator, if any. Existing Operator hereby acknowledges and agrees that neither Existing Operator nor its lender has any right, title or interest in the Post-Closing Receivables, and that Existing Operator shall cooperate, and shall use commercially reasonable efforts to cause its lender (the "Existing Operator's Lender") to cooperate, with the requests of New Operator and its lender ("New Operator's Lender") with respect to the collection, security and prompt transfer to New Operator of any Post-Closing Receivables, which cooperation shall include, without limitation, executing such documents as are customary or may reasonably be required by New Operator's Lender.

2.5 Payment of Operating Costs, Prorations and Deposits.

(a) Existing Operator shall be responsible for, and shall pay on a timely basis, claims or charges which are owed to third parties arising from Existing Operator's operation or control of the Facility, including payroll, bed taxes, insurance premiums, utilities, operating charges, prepaid service contracts, amounts due to any third party vendors, including amounts due under any Contracts, and similar obligations for all periods prior to the Effective Time.

(b) New Operator shall be responsible for, and shall pay on a timely basis, any claims or charges which are owed to such third parties arising from the operation or control of the Facility from and after the Effective Time, including payroll, bed taxes, insurance premiums, utilities, operating charges, prepaid service contracts, amounts due to any third party vendors, including amounts due under any Assumed Contracts, and similar obligations for all periods on and after the Effective Time.

(c) Revenues and expenses pertaining to utility charges for the billing period in which the Closing occurs (if known), prepaid expenses and like items of revenue or expense shall be prorated between Existing Operator and New Operator as of the Closing Date at Closing as a credit to the Purchase Price for items of expense, and a deduction from the Purchase Price for items of revenue actually realized and collected by Seller. All such prorations shall be made on the basis of actual days elapsed in the relevant accounting or revenue period and shall be based on the most recent information available to Existing Operator. In general, such prorations shall be made so as to reimburse Existing Operator for accrued prepaid expense items, and to charge Existing Operator for accrued revenue items, to the extent that the same are attributable to periods after the Effective Time.

(d) Without modifying the obligations set forth in Section 2.5(c), Existing Operator and New Operator shall cooperate to coordinate an orderly transfer of all utilities into the name of New Operator, and Existing Operator shall not take any action to terminate the existing utilities serving the Facility prior to thirty (30) days after the Closing. Seller may take action to remove itself as the obligated party responsible for payment as of the Closing Date.

2.6 Future Settlement. All amounts owing from one Party hereto to the other Party hereto, excluding amounts in respect of Section 2.2 and Section 2.4 of this Agreement, that require adjustment after the Closing Date shall be settled within six (6) months after the Closing Date. If, thereafter, a Party hereto determines that any further adjustment is to be made, such Party shall submit a statement to the owing Party setting forth any and all such items that are known at that time and the calculation of the amounts due hereunder. Such statement shall be submitted with appropriate backup materials. If amounts are owing from New Operator to Existing Operator, New Operator shall have thirty (30) days from the date of receipt of such statement to tender payment to Existing Operator or to question or dispute in writing any item thereon. If amounts are determined to be owing from Existing Operator to New Operator, Existing Operator shall have thirty (30) days from the date of receipt of such statement to tender payment to New Operator or to question or dispute in writing any item thereon.

2.7 Medicare, Medicaid and other Third Party Payors.

(a) As of the Effective Time, and to the extent permitted by Applicable Law, New Operator shall assume any and all of Existing Operator's rights and interests in and to: (i) all third party payor agreements (to the extent assignable and consent is obtained from such third party, where necessary); and (ii) Existing Operator's Medicare provider number and Medicare provider reimbursement agreement. Notwithstanding the foregoing, or anything to the contrary contained in this Agreement, New Operator shall not accept any rights nor assume any liabilities or obligations of Existing Operator under the Provider Agreements arising or relating to periods of time prior to the Effective Time. Existing Operator agrees to cooperate with New Operator in the assignment of Existing Operator's Provider Agreements to New Operator, including, without limitation, completing those portions of Form 855A which confirm the change of ownership of the Facility and the assignment by Existing Operator of Existing Operator's Provider Agreements to New Operator and providing to New Operator or any Governmental Entity any information requested to effect the transfer of the Provider Agreements, to the extent permitted by Applicable Law. After the Closing, Existing Operator shall prepare and file with the appropriate Governmental Entity a Medicare and Medicaid final cost report for the Facility within the time frame required by Applicable Law, in a manner consistent with past practice.

(b) The Parties acknowledge and agree that New Operator is not expected to have received the "tie in" notice from Centers for Medicare & Medicaid Services ("CMS") with respect to the Medicare Provider Agreement ("Tie-In Notice") as of the Closing Date. Accordingly, in consideration for, and as a material inducement to, New Operator's agreement to consummate the transaction provided for herein, Existing Operator agrees that, with respect to Medicare, New Operator may, in accordance with all Applicable Laws, bill under Existing Operator's Medicare provider number for a period commencing on the Closing Date and ending on the date on which New Operator's Medicare Tie-In Notice is issued. Notwithstanding the foregoing, New Operator shall not have the right to submit any bills under Existing Operator's Medicaid provider number. New Operator shall indemnify and hold Existing Operator harmless from and against any and all Liabilities arising out of New Operator's use of Existing Operator's Provider Agreements, Existing Operator's provider number, or resulting from any other action or inaction taken by New Operator under this Section 2.7 following the Effective Time.

2.8 Transfer of Records; Access To Records.

(a) As of the Closing Date, Existing Operator shall transfer to New Operator, to the extent in the possession of Existing Operator or located at the Facility, all right, title and interest of Existing Operator in and to all books, data (including emails), policies and procedures, forms, business records and other files (including electronic versions thereof but excluding Existing Operator's proprietary software and excluding any financial, accounting and tax records of or relating to Existing Operator and any minute books, charter documents, record books and other similar books and records pertaining to the organization, existence or capitalization of Existing Operator), including the Employee records and patient records (except for such records and reports where transfer is prohibited by Applicable Law) (the "Facility Records"), provided, however, that Existing Operator shall be entitled to keep such copies of all Facility Records as it may deem necessary and as permitted and as required by Applicable Law. Upon receipt of such Facility Records, New Operator will maintain the Facility Records in accordance with Applicable Law. At

all times on and after the Closing Date, New Operator shall allow Existing Operator, at Existing Operator's sole cost and expense, to have reasonable access during regular business hours upon reasonable prior written notice and to make copies of, the Facility Records, to the extent reasonably necessary to enable Existing Operator to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns, to verify accounts receivable collections due Existing Operator, and to perform similar matters. Existing Operator makes no representations relating to the accuracy or the completeness of the Facility Records and any reliance upon the Facility Records shall be done at New Operator's sole risk and Liability. To the extent that the Facility Records are maintained in an electronic format, the Parties shall cooperate in good faith to coordinate the electronic transfer to New Operator all right, title and interest of Existing Operator in and to all such Facility Records, in a manner mutually acceptable to the Parties; provided however, that: (a) New Operator shall be responsible for any third party costs (such as Point Click Care charges) related to the transfer of patient records included within the Facility Records; and (b) Existing Operator shall be responsible for any third party costs (if any) associated with the transfer of records except as described in the preceding subsection (a).

(b) Notwithstanding the foregoing, New Operator acknowledges and accepts that Existing Operator is a governmental entity subject to the laws of the State of Wisconsin, including but not limited to Wis. Stat. Ch 19 and the Wisconsin Public Records Law. Existing Operator may take any actions necessary to adhere to its obligations set forth in Wisconsin law pertaining to public records.

(c) The Parties agree to work cooperatively and in good faith to address any request for copies of or access to Facility Records, or any other records, documents, materials to other information that Existing Operator may require access to after the Closing Date.

2.9 Inspections and Surveys. Existing Operator shall be responsible for the payment of all fines and penalties imposed by Governmental Bodies which fines and penalties arise in connection with any regulatory investigations, inspections or surveys conducted by or on behalf of such Governmental Bodies occurring prior to the Effective Time or relating to Existing Operator's operation and ownership of the Facility. New Operator shall be responsible for the payment of all fines and penalties imposed by Governmental Bodies which fines and penalties arise in connection with any regulatory inspections or surveys on or after the Effective Time, and which relate to the operation of the Facility on or after the Effective Time. Existing Operator shall provide to New Operator, promptly after receipt of the same, any survey reports, waivers of deficiencies, plans of correction or any other investigation reports issued with respect to the Facility between the Contract Date and the Closing Date.

2.10 Contracts.

(a) As of the Closing Date, Existing Operator shall assign to New Operator and New Operator shall accept assignment of all care or residency agreements relating to the occupancy of

the Facility by the patients and residents thereof (the “Resident Agreements”) pursuant to the Assignment and Assumption Agreement.

(b) A list of Existing Operator’s Facility Contracts is set forth on Schedule 4.12(a). As soon as is reasonably practicable prior to the Closing Date, but in any event within thirty (30) days prior to the Effective Time, New Operator will provide Existing Operator with a list of the Facility Contracts, if any, that it will assume as of the Closing Date (collectively with the Resident Agreements, the “Assumed Contracts”). Failure to deliver such list in a timely manner shall be deemed New Operator’s election to not assume any Facility Contracts. All Facility Contracts that are (a) not Assumed Contracts or (b) which are not assignable and accordingly cannot be included in the Assumed Contracts or (c) which are designated by New Operator as Assumed Contracts but for which consent to assign cannot be obtained by Existing Operator by Closing shall be deemed “Non-Assumed Contracts”. For purposes of this Agreement, the term “Facility Contracts” shall include all payor agreements, vendor contracts or other service provider agreements that involve annual payments in excess of \$10,000.

(c) With respect to the Assumed Contracts, as of the Closing Date:

(i) The same shall be assigned to, and assumed by, New Operator pursuant to the Assignment and Assumption Agreement; and

(ii) Existing Operator and New Operator shall cooperate to obtain any consents of any parties necessary to permit the assignment of the Assumed Contracts; provided, however, that Existing Operator shall not be required to pay any out-of-pocket amounts and/or premiums in connection with any such consents. Existing Operator and New Operator acknowledge that certain of the Assumed Contracts may not, by their terms, be assignable; and, accordingly, none of such non-assignable Assumed Contracts shall be deemed assigned to or assumed by New Operator unless and until the same shall become assignable. New Operator covenants and agrees to assume and be bound by all the terms and provision of the Assumed Contracts to the extent applicable to periods after the Effective Time, and to perform all obligations accruing pursuant to such Assumed Contracts on and after the Effective Time.

2.11 Remittances, Mail and Other Communications. All remittances, mail and other communications relating to the operations of the Facility following the Closing Date received by Existing Operator or its Affiliates at any time after the Closing Date relating to periods of operations on and after the Closing Date shall be promptly turned over to New Operator. Likewise, all remittances, mail and other communications relating to the operations of the Facility prior to the Closing Date received by New Operator or its Affiliates at any time after the Closing Date relating to periods of operations prior to the Closing Date shall be promptly turned over to Existing Operator.

2.12 Software Systems. On and after the Closing Date, New Operator shall not have the right to use any of Existing Operator’s proprietary software systems or other software systems, including data contained within the software system, that are not related to the Facility’s operation after the Closing Date. Prior to the Closing Date, Existing Operator will reasonably cooperate

with New Operator's efforts to put New Operator's software systems in place at the Facility in order to ensure orderly transition of the operations at the Facility.

2.13 Excluded Assets. Notwithstanding anything to the contrary contained in this Section 2 or elsewhere in this Agreement, the items listed on Exhibit D (collectively, the "Excluded Assets") are excluded from the Assets and shall remain the property of the Existing Operator after the Closing.

2.15 Relief Funds.

(a) Prior to the Contract Date, Existing Operator represents and warrants, to Existing Operator's knowledge, that it has received the following funds/loan proceeds/payments/distributions under the CARES Act including the Payroll Protection Program (the "PPP") and the Cares Act Provider Relief Fund (the "Relief Fund"), and implementing legislation and administrative distributions thereof, for periods prior to the Closing Date, and under the Centers for Medicare & Medicaid Services Accelerated and Advance Payment Program (the "Medicare Advance Payment," together with the Relief Fund and PPP, the "Provider Relief Funds"):

- (i) A PPP Loan in the amount set forth on Schedule 2.15(a);
- (ii) Medicare Advance Payment in the amount set forth on Schedule 2.15(a); and
- (iii) Relief Fund payments in the amounts set forth on Schedule 2.15(a), which were received by Existing Operator on the dates set forth on Schedule 2.15(a).

(b) In connection with the Medicare Advance Payment, in the event Existing Operator fails to provide New Operator with evidence reasonably acceptable to the New Operator that the Medicare Advance Payment has been returned by, or recouped from, Existing Operator by its Medicare Administrative Contactor at or prior to Closing Date, then the unpaid portion thereof shall be paid by Existing Operator to New Operator at Closing, and New Operator shall thereafter assume the obligation to repay any such amounts credited to New Operator at Closing.

(c) With respect to the PPP loan, in the event the same has not been fully forgiven as of the Closing Date, then Operator shall provide the new Operator and Purchaser with evidence that it has complied with the SBA Procedural Notice dated October 2, 2020, Control Number 5000-20057.

(d) Between the Contract Date and the Closing Date, Existing Operator shall cooperate with any all reasonable requests of New Operator (at no cost or expense to Existing Operator) with respect to New Operator's efforts to apply for or obtain any and all Provider Relief Funds available to the Facility or New Operator, to the extent permitted in accordance with Applicable Laws.

SECTION 3

REPRESENTATIONS AND WARRANTIES OF NEW OPERATOR

New Operator hereby makes the representations and warranties indicated below to Existing Operator, in each case as of the Contract Date, unless another date is specifically indicated below:

3.1 Authority, Validity and Binding Effect. New Operator has all necessary power and authority to operate and lease the Facility and to carry on its business as it is now being conducted. New Operator is duly organized and in good standing under the laws of the State of Wisconsin. New Operator has all necessary limited liability company power and authority, as the case may be, to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individuals executing this Agreement on each of their behalf to do so. This Agreement has been duly and validly executed and delivered by New Operator and is enforceable against New Operator in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, moratorium, liquidation, reorganization or other similar laws affecting the enforcement of creditors' rights in general.

3.2 No Defaults. The execution and delivery of this Agreement and any documents contemplated hereby by New Operator, and the performance of its obligations hereunder and thereunder, do not and will not:

(a) conflict with or result in any material breach of the provisions of, or constitute a default under articles of organization or the operating agreement of New Operator;

(b) violate any material restriction to which New Operator is subject or, without the giving of notice, passage of time, or both, violate (or give rise to any right of termination, cancellation or acceleration under) any material license, authorization or permit or other material agreement or instrument to which New Operator is a party, which will not be satisfied or terminated prior to the Closing Date as a result of the transactions contemplated by this Agreement or result in the termination of any such instrument or termination of any provisions in such instruments that will result in the impairment of any of New Operator's rights under such instruments; or

(c) constitute a violation of any Applicable Law, or other applicable resolution, rule, regulation, law, statute or ordinance of any administrative agency or governmental authority, or of any judgment, decree, writ, injunction or order of any court to which New Operator is subject or by which its assets are bound, or any credit agreement or other financing arrangement to which New Operator, or any of its Affiliates is a party.

3.3 No Litigation. There are no Actions pending or in effect, or to the knowledge of New Operator, threatened against, New Operator relating to the transactions contemplated by this Agreement, or otherwise materially impact this Agreement or the transaction contemplated by this Agreement.

3.4 Independent Investigation and Due Diligence; AS-IS, WHERE IS. New Operator and its Affiliates have been presented with sufficient time and information to complete an independent investigation and due diligence of the Facility, the Assets, and all other aspects of the transactions contemplated by this Agreement and the PSA. New Operator and its Affiliates have completed all

inspections and due diligence of the Facility, the Transferred Assets, and all other aspects of the transactions contemplated by this Agreement and the PSA. EXCEPT FOR THE SPECIFIC REPRESENTATIONS AND WARRANTIES OF EXISTING OPERATOR EXPRESSLY SET FORTH IN THIS AGREEMENT, NEW OPERATOR ACKNOWLEDGES TO AND AGREES WITH EXISTING OPERATOR THAT NEW OPERATOR IS PURCHASING THE ASSETS IN ITS “AS-IS, WHERE IS” CONDITION “WITH ALL FAULTS” AS OF THE CLOSING DATE AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, OR ANY OTHER WARRANTY OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF EXISTING OPERATOR.

SECTION 4

REPRESENTATIONS AND WARRANTIES OF EXISTING OPERATOR

Existing Operator hereby represents and warrants, in each case, to Existing Operator’s Knowledge, as follows to New Operator, as of the Contract Date, unless another date is specifically indicated below:

4.1 Authority, Validity and Binding Effect. Existing Operator has all necessary power and authority to carry on its business as it is now being conducted. Existing Operator has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individuals executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by Existing Operator and is enforceable against Existing Operator in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, moratorium, liquidation, reorganization or other similar laws affecting the enforcement of creditors’ rights in general.

4.2 No Defaults. The execution and delivery of this Agreement and any documents contemplated hereby by Existing Operator, and the performance of their obligations hereunder, does not and will not:

(a) conflict with or result in any material breach of the provisions of, or constitute a default under the articles of incorporation or bylaws of Existing Operator;

(b) violate any material restriction to which Existing Operator is subject or, without the giving of notice, passage of time, or both, violate (or give rise to any right of termination, cancellation or acceleration under) any material license, authorization or permit or other material agreement or instrument to which Existing Operator is a party, which will not be satisfied or terminated with respect to the Facility prior to the Closing Date as a result of the transactions contemplated by this Agreement or result in the termination of any such instrument or termination of any provisions in such instruments that will result in the impairment of any of Existing Operator’s rights under such instruments; or

(c) constitute a violation of any applicable material resolution, rule, regulation, law, statute or ordinance of any administrative agency or governmental authority, or any judgment, decree, writ, injunction or order of any court to which Existing Operator is subject or by which its assets are bound, or any credit agreement or other financing arrangement to which Existing Operator is a party.

4.3 Environmental. Except for medical waste generated and disposed of in the ordinary course of business and in compliance with Applicable Laws, Existing Operator has not generated, stored or disposed of any Hazardous Materials on the real property on which the Facility is located (the "Property"), and there is not currently any Hazardous Materials on the Property. To Existing Operator's Knowledge, there are no environmental permits, licenses or approvals required by any Applicable Law pertaining to the Facility.

4.4 Litigation. Except as set forth on Schedule 4.4, there are no Actions pending or, to Existing Operator's Knowledge, threatened against or affecting Existing Operator (as it relates to the ownership, leasing or operation of the Facility). Except as set forth on Schedule 4.4, Existing Operator is neither subject to, nor in default under, any Governmental Order applicable to it, or to the Facility.

4.5 Labor and Employment Matters. Except as set forth on Schedule 4.5, Existing Operator is not a party to any collective bargaining agreement, employment agreement or other labor contract applicable to any of the Employees, and there are no pending or, to Existing Operator's Knowledge, threatened labor disputes at the Facility including, but not limited to, any strike, slowdown, picketing, work stoppage, organizational activities or employee grievance process affecting the Facility. Existing Operator has complied in all material respects with all Applicable Laws governing wage, hour, payroll and all other employment and labor matters.

4.6 ERISA and Benefit Plans.

(a) Existing Operator is not eligible to, and has never been a party to, participate in, or have participated in or has any liability or contingent liability with respect to any of the following as they relate to the Employees: (i) any "employee welfare benefit plan" or "employee pension benefit plan" or "multiemployer plan" as those terms are respectively defined in sections 3(1), 3(2) and 3(37) of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder ("ERISA"); (ii) any retirement or deferred compensation plan, incentive compensation plan, stock plan, unemployment compensation plan, vacation pay, severance pay, bonus or benefit arrangement, insurance or hospitalization program or any other fringe benefit arrangements for any current or former employee, director, consultant or agent, whether pursuant to contract, arrangement, custom or informal understanding, written or unwritten, which does not constitute an "employee benefit plan" (as defined in section 3(3) of ERISA); or (iii) any fringe benefit plans, as that term is defined in Section 6039D(d) of the Code (collectively, the "Employee Plans"), and under no circumstances will New Operator have any liability with respect to any Employee Plan. Neither existing Operator nor any of its ERISA Affiliates has incurred any withdrawal liability, nor do any of them have any potential withdrawal liability. Neither Existing Operator nor any of its ERISA Affiliates has sponsored, contributed to

or been obligated under Title I or IV of ERISA to contribute to a “defined benefit plan” (as defined in ERISA Section 3(35)) or a plan that was ever subject to Sections 412 or 430 of the Code, or Part 3 of Title I of ERISA, and under no circumstances will New Operator have any liability with respect to any Employee Plan maintained by Existing Operator or any ERISA Affiliate, regardless of whether such Employee Plan relates to the Employees.

(b) Existing Operator has complied in all material respects with the notice and continuation coverage requirements of Section 4980B of the Code and the regulations thereunder with respect to each Employee Plan that is a group health plan within the meaning of Section 5000(b)(1) of the Code. Each Employee Plan that is a group health plan is in material compliance with the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act, to the extent applicable.

4.7 Taxes. All Tax Returns required to be filed (if any) by Existing Operator on or before the Contract Date have been timely filed with the appropriate Governmental Entities in all jurisdictions in which such Tax Returns are required to be filed, and all Taxes shown as due in connection therewith have been paid. All Taxes (if any) which have become due or payable or are required to be collected by Existing Operator or are otherwise attributable to any periods ending on or before the Closing Date and all interest and penalties thereon, have been paid or will be paid in full on or prior to the Closing Date, other than such Taxes that are being contested by Existing Operator in good faith. All deposits required by law to be made by Existing Operator with respect to employees’ withholding Taxes have been duly made, and, as of the Closing Date, all such deposits due will have been made. All Taxes that Existing Operator are or were required by Applicable Law to withhold, deduct or collect have been duly withheld, deducted and collected and, to the extent required, have been paid to the proper Governmental Entity or other Person. No examination of any Tax Return of Existing Operator is currently in progress. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any such Tax Return. There are no encumbrances for Taxes upon the Assets other than statutory liens for Taxes not yet due or payable. There are no deferred payroll taxes payable by Existing Operator in connection with its operation of the Facility.

4.8 Financial Materials. All materials and/or documents relating to the financial condition and/or census of the Facility, provided to New Operator, are true and complete in all material respects, and are not misleading in any material respect.

4.9 Health Care Representations.

(a) Existing Operator owns and/or possesses, and holds free from restrictions or conflicts with the rights of others, all material licenses, permits, certificates, accreditations, and other approvals required by a Governmental Entity for the operation of the Facility.. All material licenses applicable to the business conducted at the Facility are set forth on Schedule 4.9(a). No proceeding is pending or, to Existing Operator’s Knowledge, threatened, seeking the revocation or limitation of any such license. Existing Operator has not received any written notice from any Governmental Entity or other applicable authority of (a) any violation, non-renewal, suspension or revocation of any such licenses that has not been dismissed or cured, or (b) any failure by

Existing Operator to obtain any material licenses required by Applicable Law for the ownership, maintenance, use, occupancy or operation of the Facility as currently owned or operated. There has been no event, change, development, or occurrence that could reasonably be expected to lead to either of (a) or (b), above.

(b) The Facility is and shall be, as of 11:59:59 p.m. EST on the day prior to the Closing Date, licensed by the applicable Governmental Entity as a nursing home, with the same number and type of licensed beds as are set forth on Schedule 1. Such licenses are and shall on the Closing Date be unrestricted, unconditional, in good standing and in full force and effect as set forth under Applicable Law.

(c) Existing Operator has operated the Facility in material compliance with all Healthcare Laws. Except as disclosed on Schedule 4.9(c), there are no outstanding inspections, surveys, or plans of correction as of the Contract Date. There are no implemented bans, remedies, sanctions, prohibitions on payment, or other limitations in effect with respect to the Facility, and no action has been taken or recommended, nor, to Existing Operator's Knowledge, is there any basis for any action, by any Governmental Entity, either to revoke, withdraw or suspend its license to operate the Facility or to terminate or decertify any participation of the Facility in the Medicare or Medicaid programs.

(d) The Facility (i) has not been designated as a Special Focus Nursing Home Facility as defined by CMS Special Focus Nursing Home Facility Program, (ii) is not subject to enhanced penalties by the Office of Inspector General ("OIG") or otherwise, (iii) has not been cited for any material deficiency that has not been cured, (iv) has not received any advanced or accelerated payments pursuant to the Accelerated and Advance Payments Program except for any amounts that have been repaid in full prior to the Contract Date (v) has not received written notice, and Existing Operator has no Knowledge, (x) that any such actions will or may be taken with respect to any of the foregoing, (y) that Existing Operator or the Facility is under investigation or review with respect to any of the foregoing, or (z) of the existence of any circumstances or occurrences that could be reasonably believed to lead to any of the foregoing actions.

(e) Neither Existing Operator nor any current member, officer, director or employee of Existing Operator has been (i) sanctioned pursuant to the Anti-Kickback Statute (42 U.S.C. §§1320a-7a or 1320a-8), the False Claims Act (31 U.S.C. §3729 et seq.), the Stark Law (42 U.S.C. §1395nn), or the regulations promulgated pursuant to such statutes, or any related or similar federal, state or local statutes or regulations governing referrals, fraud, waste, and abuse in the healthcare industry ("Health Care Fraud and Abuse Laws"); or (ii) convicted of a criminal offense under the Health Care Fraud and Abuse Laws. There are no pending or threatened Healthcare Fraud and Abuse Law investigations, proceedings, or actions (including any civil investigative demand, subpoena, or self-disclosure) involving Existing Operator, any current member, officer, director or employee of Existing Operator, or the Facility. Other than as set forth on Schedule 4.9(e), Existing Operator has not received any written notice (i) of the commencement of any proceeding under the Health Care Fraud and Abuse Laws or (ii) that the Facility, Existing Operator and/or any officer, director or employee of Existing Operator is under investigation or involved in proceedings regarding the Health Care Fraud and Abuse Laws, including as a result of a self-

disclosure. Existing Operator and its agents and representatives, and all agreements, arrangements, and operations of the Facility, have at all times been in material compliance with all of the Health Care Fraud and Abuse Laws.

(f) Except as set forth on Schedule 4.9(f), neither Existing Operator nor any current director, officer, or managing employee of Existing Operator, is or has been party to a corporate integrity agreement, corporate compliance agreement, or other settlement agreement with the OIG, CMS, the United States Department of Justice, the Department, or any state Attorney General, as a result of an alleged violation of any Applicable Law. Neither Existing Operator nor any current director, officer, contractor, vendor, or employee of Existing Operator is listed on the OIG List of Excluded Individuals and entities, or has been suspended, excluded, or otherwise limited from participating in the Medicare program, Medicaid program, or any other government reimbursement program.

(g) Existing Operator is certified for participation in the Medicare and Medicaid programs, with the number of skilled nursing facility beds set forth on Schedule 1. The Facility is in material compliance with the conditions of participation and conditions for coverage of the government reimbursement programs and with the terms, conditions, and provisions of the Provider Agreements. The Provider Agreements are each in full force and effect, and Existing Operator has no Knowledge of any fact or circumstance that would cause any such Provider Agreement not to remain in force or be assigned to New Operator on and after Closing. Attached hereto on Schedule 4.9(g) is a true, correct, and complete list of all third party payor provider agreements, Medicaid provider numbers, and Medicare provider numbers (the “Provider Numbers”) in the name of Existing Operator, the Facility, or as otherwise specified which are currently used in connection with the operation of the Facility. The Provider Numbers are active with CMS, the applicable Governmental Entity of the State, and any other applicable Governmental Entity. There is no Action pending or, to Existing Operator’s Knowledge, threatened, involving any of the Provider Agreements or any other third-party payor programs, with respect to the Facility, and Existing Operator has no reason to believe that any such proceedings, audits, investigations, or surveys are pending, threatened, or imminent.

(h) All cost reports for the Facility prepared by or on behalf of Existing Operator in the past three (3) years have been prepared and filed in material compliance with all Applicable Laws and any applicable agreement.

(i) All billing practices of Existing Operator with respect to all third-party payors, including Medicare, Medicaid and commercial insurance companies, have been in material compliance with all Applicable Laws and policies of such third-party payors, commercial insurance companies and Medicare and Medicaid programs for the past three (3) years.

(j) Schedule 1 sets forth the number of licensed and certified beds at the Facility.

(k) Existing Operator and the policies, procedures, and systems of the Facility are in material compliance with the Health Insurance Portability and Accountability Act of 1996 and the rules and regulations promulgated thereunder (“HIPAA”) and related or similar federal, state or

local statutes or regulations governing medical records and the privacy of patient information. All protected health information (as defined under HIPAA) maintained by the Facility is maintained in accordance with HIPAA's administrative, physical, and technical safeguard requirements. To the extent required under HIPAA, the Facility has in effect with each individual or entity acting as a business associate (as defined in HIPAA) of such Facility an agreement that satisfies all of the business associate requirements of HIPAA. Existing Operator has not received any complaint or notice of investigation (in writing or otherwise) from the Department of Health and Human Services Office for Civil Rights, or from any other person, entity or government agency regarding Existing Operator, the Facility, or any of their business associates' uses or disclosures of, or security practices or security incidents regarding, protected health information or HIPAA compliance. With regard to protected health information of the Facility's residents, Existing Operator and the Facility are, and at all times have been, in material compliance with all Applicable Laws related to reporting to individuals, governmental or regulatory authorities, the media, or credit reporting agencies, as applicable, breaches involving protected health information under HIPAA or otherwise.

(l) Existing Operator has complied in all material respects with all requirements of the CARES Act with respect to any Provider Relief Funds received by Existing Operator under the CARES Act ("CARES Act Funds") and Existing Operator has complied in all respects with all requirements of the ARPA with respect to any stimulus and/or provider relief funds received by Existing Operator under the American Rescue Plan Act ("ARPA Funds").

4.10 Encumbrances. Existing Operator has, or will have at Closing, good and marketable title to, or in the case of Assets constituting personal property or FF&E held under a lease or other Assumed Contract (subject to the terms of the lease or other Assumed Contract), an enforceable leasehold interest in, or right to use, the Assets, and none of the Assets are subject to any Liens, except as set forth in Schedule 4.10. All contractors, subcontractors and other persons furnishing work, labor, materials or supplies for the development and construction of the Facility and/or Assets have been paid, or prior to Closing shall be paid, whether the work is in progress or completed, for all work performed, material, supplies and the like up to and including the Closing Date, and there are no claims against Existing Operator or the Facility, or any of the Assets in connection therewith which may give rise to a mechanic's lien against the Facility, the Assets or any portion thereto.

4.11 Absence of Changes. Since December 31, 2023: (a) the business at the Facility has been conducted in all material respects in the ordinary course consistent with past practice; (b) nothing has occurred which would constitute a Material Adverse Effect; and (c) no transaction or contractual obligation that would materially adversely impact Existing Operator's abilities to perform its obligations under this Agreement has been entered into.

4.12 Contracts.

(a) True, correct, and complete copies of all of the Facility Contracts have been, or will be, made available to New Operator. A list of all Facility Contracts is attached hereto as Schedule 4.12(a)(i). With respect to the Facility Contracts, (i) each of the Facility Contracts is

valid, binding and enforceable in accordance with its terms except as limited by bankruptcy, insolvency, fraudulent conveyance, moratorium, liquidation, reorganization or other similar laws affecting the enforcement of creditors' rights in general, (ii) there is not such material default or material event of default, or any event which, with or without notice or lapse of time or both, would constitute a material default under any Facility Contract by Existing Operator. With respect to each Facility Contract that involves a financing arrangement or lease of equipment or other personal property, (i) such lease creates a valid leasehold interest in all property purported to be leased thereunder, (ii) all rent and other required payments have been timely paid by Existing Operator, (iii) Existing Operator is in lawful possession of all of such property, (iv) the equipment or other personal property subject to such lease is not reasonably necessary for the ongoing operation of the Facility in substantially the same manner as currently conducted; and (v) such lease is specifically identified as a lease on Schedule 4.12(a)(ii).

(b) the execution and delivery of this Agreement by Existing Operator and the consummation of the transactions contemplated hereby by Existing Operator do not require any consent under, constitute (with or without notice or lapse of time or both) a default under, result in any breach of, or give any Person any rights of termination, acceleration or cancellation of, any Facility Contract.

4.13 Patriot Act Representations. Existing Operator is not, and is not acting, directly or indirectly, for or on behalf of any Person named as a "specially designated national and blocked person" (as defined in Presidential Executive Order 13224) on the most current list published by the U.S. Treasury Department of Foreign Assets Control, and Existing Operator is not engaged in this transaction, directly or indirectly, on behalf of, and are not facilitating this transaction, directly or indirectly, on behalf of, any such Person. Neither Existing Operator nor its constituents or affiliates are in violation of any laws relating to terrorism or money laundering, including the aforesaid Executive Order and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56), as amended.

4.14 Payroll Protection Program. Existing Operator received a PPP Loan in the amount set forth in Section 2.15 (the "PPP Loan"). Existing Operator's application for its PPP Loan and its corresponding PPP Loan forgiveness application (to the extent submitted), including all representations and certifications contained in each, were true, correct and complete in all material respects and was otherwise completed in accordance with all guidance issued in respect of the Payroll Protection Program. Existing Operator used the proceeds of the PPP Loan solely for the purposes permitted by the CARES Act and complied in all respects with all requirements of the CARES Act and Payroll Protection Program in connection therewith. Existing Operator complied with the rules and regulations of the SBA with respect to the PPP Loan received by Existing Operator. The PPP Loan has been forgiven.

4.15 Broker. Other than the firm of Marcus & Millichap, by Ray Giannini, Existing Operator has not engaged, nor is Existing Operator liable to pay any fees, costs or commissions to, any broker, finder, agent or financial advisor in connection with the transactions contemplated hereby.

4.16 Insurance. Existing operator does not maintain a general or professional liability insurance policy on a “claims made” basis, and shall have commercially sufficient insurance coverage for any occurrence prior to the Effective Time requiring, regardless of when a claim is made.

SECTION 5 INDEMNIFICATION

5.1 Indemnification by Existing Operator. Existing Operator shall indemnify and defend New Operator, its Affiliates, representatives, elected officials, agents and employees (collectively, the “New Operator Indemnified Parties”) against, and hold all of them harmless from, all Losses (the “New Operator Indemnified Losses”) arising, directly or indirectly, from or in connection with (i) any breach of any representation or warranty made by Existing Operator in this Agreement; (ii) any breach by Existing Operator of any covenant, agreement or obligation of Existing Operator in this Agreement; (iii) any and all Actions brought by a third party against the New Operator Indemnified Parties in connection with the operation of the Facility and/or ownership of the Assets before the Effective Time; (iv) the Excluded Liabilities; and/or (v) any determination by Medicare or Medicaid, any fiscal intermediary, or any federal or state Governmental Entity or any private third party payors that any amounts paid to Existing Operator by Medicare or Medicaid, any fiscal intermediary, or any federal or state Governmental Entity for any services provided by Existing Operator at the Facility prior to the Effective Time resulted in an overpayment or other determination by Medicare or Medicaid, any fiscal intermediary, or any federal or state Governmental Entity that funds (including Medicare Advance Payments, CARES Act Funds, and ARPA Funds) previously paid by Medicare or Medicaid, any fiscal intermediary, or any federal or state Governmental Entity to Existing Operator must be repaid, which determination results in an offset against amounts owed to New Operator (collectively, “Recoupments”).

5.2 Indemnification by New Operator. New Operator shall indemnify and defend Existing Operator, its Affiliates, representatives, elected officials, agents and employees (collectively, the “Existing Operator Indemnified Parties”) against, and hold all of them harmless from, all Losses (the “Existing Operator Indemnified Losses”) arising directly or indirectly from or in connection with (i) any material breach of any representation or warranty made by New Operator in this Agreement (unless such representation or warranty is already qualified by materiality, in which case the materiality qualifier set forth above shall be disregarded), (ii) any material breach by New Operator of any covenant, agreement or obligation of New Operator in this Agreement (unless such covenant, agreement or obligation is already qualified by materiality, in which case the materiality qualifier set forth above shall be disregarded), (iii) any and all Actions brought by a third party against the Existing Operator Indemnified Parties in connection with the operation of the Facility and/or ownership of the Assets on or after the Effective Time; and/or (iv) any Liabilities arising out of New Operator’s use of Existing Operator’s Provider Agreements or third party payor billing identifiers on or after the Effective Time.

5.3 Indemnity Claims.

(a) If any indemnity Claim (an “Indemnity Claim”) is asserted by a Party as to which such party may be entitled to indemnification hereunder, such party (an “Indemnified Party”) shall notify (the “Claims Notice”) the other party (an “Indemnifying Party”) required by the terms of this Agreement to indemnify the Indemnified Party within ten (10) Business Days; provided, however, the failure or delay by an Indemnified Party to give prompt notice of any Indemnity Claim (if given prior to the expiration of any applicable survival periods) shall not release, waive or otherwise affect an Indemnifying Party's obligations with respect to the Indemnity Claim, except to the extent that the Indemnifying Party can demonstrate actual material loss or prejudice as a result of such failure or delay.

(b) The Claims Notice shall describe the Indemnity Claim and the specific facts and circumstances in reasonable detail, shall include copies of any notices received by Indemnified Party relating to such Indemnity Claim, and shall indicate the amount, if known, or an estimate, if possible, of Losses that have been or may be incurred or suffered.

(c) The Indemnifying Party shall defend and may compromise (subject to the limitations set forth below) any Claim by a third Party (“Third Party Claim”), at its own expense and by its own counsel, who shall be reasonably acceptable to the Indemnified Party. The Indemnified Party may participate, at its own expense, in the defense of any Claim assumed by the Indemnifying Party. Without the approval of the Indemnified Party, which approval shall not be unreasonably withheld or delayed, the Indemnifying Party shall not compromise a Claim defended by the Indemnifying Party which would require the Indemnified Party to perform or take any action or to refrain from performing or taking any action or to pay any additional Persons in the future.

(d) Notwithstanding anything in this Section 5.3 to the contrary, in the event that Indemnifying Party fails or refuses to indemnify, save, defend, protect, or hold the Indemnified Party harmless from and against a Claim (or in the event sufficient funds are not available for such indemnification) and/or to diligently pursue the same to its conclusion, or in the event that an Indemnifying Party fails to timely report to the Indemnified Party the status of its efforts to reach a final resolution of a Claim, or if an Indemnified Party determines in good faith that there is a reasonable probability that a proceeding will affect it or its affiliates adversely other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle such proceeding, but the Indemnifying Party will not be bound by any determination of a proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld or delayed).

(e) If, within ten (10) Business Days of the Indemnifying Party's receipt of a Claim Notice involving a Third Party Claim, the Indemnifying Party has not notified the Indemnified Party that the Indemnifying Party will assume the defense, the Indemnified Party may assume control of the defense or compromise of such Indemnity Claim, and the costs and expenses of such defense, including costs of investigation and reasonable attorneys' fees, shall be added to the damages associated with the Indemnity Claim. The Indemnified Party shall have the right to compromise such Indemnity Claim without the consent of the Indemnifying Party.

(f) The Party assuming the defense of any Indemnity Claim shall keep the other Party reasonably informed at all times of the progress and development of the Party's defense of and compromise efforts related to such Claim and shall furnish the other Party with copies of all relevant pleadings, correspondence and other papers. In addition, the Parties shall cooperate with each other, and make available to each other and their representatives all available relevant records or other materials required by them for their use in defending, compromising or contesting any Claim.

5.4 Survival. Subject to the limitations and other provisions of this Agreement, the representations, warranties, covenants and agreements contained herein shall survive the Closing and shall remain in full force and effect until the date that is thirty-six (36) months from the Closing Date (“Survival Period”). Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the Survival Period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until fully and finally resolved.

5.5 Baskets and Caps. In no event shall the aggregate liability for indemnification claims paid by Existing Operator under this Agreement and Seller under the PSA collectively exceed \$510,000.00 (the “Cap”). Existing Operator shall only be liable for any indemnification obligation under Section 5.1(i) of this Agreement unless and until the aggregate amount of New Operator Indemnified Losses under Section 5.1(i) of this Agreement and Purchaser Indemnified Losses under Section 15(a)(i) of the PSA, excluding reasonable attorneys’ fees, exceeds Fifteen Thousand Dollars (\$15,000) (the “Basket”). Notwithstanding the foregoing, Existing Operator’s indemnification obligations to the extent that any New Operator Indemnified Losses are the result of actual fraud, intentional acts, or Recoupments shall not be limited by the Cap or Basket.

5.6 No Duplication of Recovery. In no event shall Purchaser and New Operator or Existing Operator be entitled to duplication of recovery under the PSA and OTA for the same Losses.

SECTION 6 TERMINATION; REMEDIES

6.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

- (a) by mutual written consent of Existing Operator and New Operator;
- (b) by Existing Operator upon written notice to New Operator, if there shall have been any material breach by New Operator of any of its representations, warranties, covenants and agreements set forth herein: (i) which breach shall have rendered impossible the fulfillment of the conditions set forth in Section 1.3; or (ii) which breach is not cured within fifteen (15) days of receipt of written notice of such breach;
- (c) by New Operator upon written notice to Existing Operator, if there shall have been any material breach by Existing Operator of any of its representations, warranties, covenants

and agreements set forth herein: (i) which breach shall have rendered impossible the fulfillment of the conditions set forth in Section 1.3; or (ii) which breach is not cured within fifteen (15) days of receipt of written notice of such breach;

(d) Automatically upon termination of the PSA.

6.2 Procedure and Effect of Termination.

(a) In the event of termination of this Agreement pursuant to this Section 6, the terminating Party shall give written notice thereof to the other Parties and this Agreement shall terminate, and the transactions contemplated hereby shall be abandoned, without further action by any of the Parties.

(b) If this Agreement is terminated as provided herein, no Party shall have any Liability or further obligation hereunder to any other Party to this Agreement except that nothing herein shall relieve any Party hereto from Liability for any breach of any provision hereof.

SECTION 7 MISCELLANEOUS

7.1 Acknowledgement of Seller Status. New Operator acknowledges and accepts that Existing Operator is a county pursuant to Wis. Stat. Ch. 59 and is therefore bound by certain legal obligations and restrictions. New Operator agrees to be bound by any restrictions or obligations that may extend to New Operator, its Affiliates or Representatives by virtue of this Agreement, including but not limited to the Wisconsin Open Meetings law and the Wisconsin Public Records Law set forth in Wis. Stat. Ch. 19.

7.2 Further Assurances. Each of the Parties hereto agrees to execute and deliver any and all further agreements, documents or instruments reasonably necessary to effectuate this Agreement and the transactions referred to herein, contemplated hereby or reasonably requested by the other Party to perfect or evidence their rights hereunder.

7.3 Notices. All notices, requests, consents, approvals, waivers, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be (a)(i) hand delivered, or (ii) sent by a nationally recognized overnight delivery service, *and* (b) sent by email, in each case, addressed as follows, or to such other address, Person as any Party may designate by notice to the others in accordance herewith:

If to Existing Operator,
[Sauk County Administrator
Attn: Brent Miller]
[Sauk County West Square Building
Room #134
505 Broadway
Baraboo, WI 53913

Email: brent.miller@saukcountywi.gov

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

Sauk County Corporation Counsel
Attn: Brian Desmond
Sauk County West Square Building
Room #315
505 Broadway
Baraboo, WI 53913
Email: brian.desmond@saukcountywi.gov

and

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

Attolles Law, S.C.
222 E Erie Street, Suite 210
Milwaukee, WI 53202
Attn: Rebecca J. Roeker, Esq.
Email: rroeker@attolles.com

If to New Operator:

c/o Aria Healthcare
5454 W. Fargo
Skokie, IL 60077
Attn: Akiva Brandman

with copies to (which shall not constitute notice):

Benesch, Friedlander, Coplan & Aronoff LLP
Attn: Daniel J. O'Brien
127 Public Square, Suite 4900
Cleveland, Ohio 44114
Email: dobrien@beneschlaw.com

or to such other person or address as any Party hereto shall furnish to the other Parties hereto in writing pursuant to this Section 7.2.

7.4 Payment of Expenses. Except as may be otherwise set forth in this Agreement, Existing Operator and New Operator will each bear its own legal, accounting and other expenses incurred in connection with the preparation of this Agreement and/or the consummation of the Transaction, whether or not the Transaction is consummated.

7.5 Entire Agreement; Amendment; Waiver. This Agreement, together with the PSA, constitutes the entire understanding between the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. This Agreement may not be modified or amended except in writing signed by the Parties hereto. Any waiver by any Party of any violation of, breach of or default under any provision of this Agreement or any exhibit, schedule or other document referred to in this Agreement by any other Party shall not be effective unless in writing signed by the Party granting the waiver. Further, no such waiver shall be construed as or constitute a waiver of any subsequent violation, breach of, or default under that provision or any other provision of this Agreement, or any exhibit or schedule or other document referred to in this Agreement.

7.6 Assignment. Neither this Agreement nor the rights, duties or obligations arising hereunder shall be assignable or delegable (including by transfer of equity) by either Party hereto without the express prior written consent of the other Party hereto.

7.7 Joint Venture. Nothing contained herein shall be construed as forming a joint venture or partnership between the Parties hereto with respect to the subject matter hereof.

7.8 Representation By Counsel. The Parties hereto acknowledge that they have been represented by independent legal counsel of their choosing throughout all of the negotiations which preceded the execution of this Agreement, and that each Party has executed this Agreement with the consent and on the advice of such independent legal counsel. This Agreement is a negotiated document. As a result, any rule of construction providing for any ambiguity in the terms of this Agreement to be construed against the draftsperson of this Agreement shall be inapplicable to the interpretation of this Agreement.

7.9 Captions. The section headings contained herein are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

7.10 Counterparts. This Agreement may be executed in any number of multiple counterparts, each of which shall be deemed to be an original copy and all of which shall constitute one agreement, binding on all Parties hereto. Delivery of an executed counterpart of a signature page to this Memorandum by facsimile or other electronic means (including in "PDF" format) shall be effective as delivery of a manually executed counterpart of this Memorandum. The words "executed", "execution", "signed", "signature", and words of like import in this Memorandum shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

7.11 Governing Law. This Agreement shall be governed by the laws of the State of Wisconsin as to, but not limited to, matters of validity, construction, effect and performance but exclusive of its conflicts of laws provisions.

7.12 Venue; Choice of Law. THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN, WITHOUT REGARD TO THE LAW ON CONFLICTS OF LAW THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF SAUK, STATE OF WISCONSIN. EXISTING OPERATOR AND NEW OPERATOR WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT UNDER THIS AGREEMENT.

7.13 Calculation of Time Periods. Any reference in this Agreement to a “business day” shall mean every day other than Saturdays, Sundays, all days observed by the federal or Wisconsin government as legal holidays and all days on which commercial banks in Wisconsin are required by law to be closed, and the following Jewish Holidays: Passover, Shavout, Rosh Hashana, Yom Kippur, Sukkot, Shmini Atzeret and Simchat Torah. Unless otherwise specified, in computing any period of time described herein, the day of the act or event on which the designated period of time begins to run shall not be included and the last day of the period so computed shall be included. Any reference in this Agreement to a “day” or a number of “days” (other than references to a “business day” or “business days”) shall mean a calendar day or calendar days, provided that if the calendar day or last calendar day to perform any act or give any notice or approval shall fall on a calendar day that is not a business day, such act or notice may be timely performed or given on the next succeeding business day.

7.14 Third Party Beneficiary. Nothing in this Agreement express or implied is intended to and shall not be construed to confer upon or create in any person (other than the Parties hereto) any rights or remedies under or by reason of this Agreement, including without limitation, any right to enforce this Agreement; provided, however, that each of Purchaser and Seller of the PSA are third party beneficiaries under this Agreement.

[Signature Page Follows]

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

EXISTING OPERATOR:

Sauk County

By: _____
Brent Miller, County Administrator

NEW OPERATOR:

Aria of Sauk County LLC

By: _____
Name: Akiva Brandman
Title: Manager

SCHEDULE 1

DEFINITIONS APPLICABLE IN THIS OPERATIONS TRANSFER AGREEMENT

“Action” shall mean any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity

“Affiliates” shall mean a Person controlling, controlled by or under common control with another Person and immediate family members of any Persons and their Affiliates.

“Applicable Laws” shall mean any statute, law, ordinance, regulation, rule, code, Governmental Order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Entity, including, without limitation, Health Care Laws.

“Assets” means (a) to the extent Existing Operator’s interest is assignable and/or transferable pursuant to Applicable Law and to the extent New Operator in its sole discretion elects to assume the same, all consents, licenses, permits, approvals, certifications, and Medicare provider number, issued by any Governmental Entity, including without limitation, any authorizations to participate in any state or federal reimbursement program such as Medicaid or Medicare; (b) all telephone and facsimile numbers relating solely to the Facility (including, without limitation, all “800” numbers); (c) all consumable inventories of every kind and nature whatsoever (specifically including, but not limited to, all pharmacy supplies, nursing supplies, medical supplies, housekeeping supplies, laundry supplies, maintenance supplies, office supplies, dietary supplies, other supplies and food) (i) located at and used in connection with the operation of the Facility, which inventory shall be in a quantity sufficient to meet the needs of the residents of the Facility for the proper operation thereof and in compliance with all Applicable Laws, in the ordinary course of business; and (ii) located at any off-site location, to the extent that any such inventory and supplies were purchased for use at the Facility with any Provider Relief Funds; (d) the Assumed Contracts; (e) all furniture, fixtures and equipment, IT equipment, vehicles, and other items of personal property owned by Existing Operator and located at the Facility.

“Baseline Facility Census” shall mean the average census for the three-month period ending December 31, 2023.

“Closing Date” shall have the meaning set forth in the PSA.

“Code” means the Internal Revenue Code of 1986, as amended.

“Effective Time” shall mean 12:00:01 AM on the Closing Date.

“Employees” shall mean all individuals employed by Existing Operator to work at the Facility.

“Environmental Law(s)” shall mean any 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 Materials, as now or at any time hereafter in effect.

“Existing Operator’s Knowledge” or any other reference to the “Knowledge” of Existing Operator shall mean the actual knowledge of Brent Miller, County Administrator and Emily Greenwood, the Facility’s Administrator.

“ERISA Affiliate” means each trade or business (whether or not incorporated) which together with any of Existing Operator is or ever was treated as a single employer under Section 414(b), (c), (m), (o) or (t) of the Code.

“Governmental Entity” shall mean any (a) federal, state, county or municipal government, or city, town, borough, village, district or other jurisdiction; (b) governmental or quasi-governmental body of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); and (c) any body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power.

“Governmental Liabilities” shall mean all Liabilities to any Governmental Entity related to the ownership, operation or management of the Facility or Assets prior to the Closing including, without limitation, Medicare and Medicaid cost report Liabilities, billing overpayments and provider taxes.

“Governmental Order” shall mean any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Entity.

“Hazardous Materials” shall have the meaning ascribed in any Environmental Law to any hazardous, toxic or dangerous waste, substance, pollutant or material, whether liquid, solid or gaseous, and in any event shall include all substances identified or characterized as “hazardous substances,” “hazardous wastes,” “pollutants,” or “contaminants” in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 *et seq.* and the regulations promulgated thereunder (as amended from time to time); the Clean Air Act, 42 U.S.C. 7401, *et seq.* and the regulations promulgated thereunder (as amended from time to time); the Resource, Conservation and Recovery Act, 42 U.S.C. 6901 *et seq.* and the regulations promulgated thereunder (as amended from time to time); or the Oil Pollution Act of 1990, 33 U.S.C. 2701 *et seq.* and the regulations promulgated thereunder (as amended from time to time); any other material, waste, pollutant, contaminant or substance designated as hazardous, toxic or dangerous by Congress or by the United States Environmental Protection Agency (EPA) or by any federal, state, or local statute, law, code, ordinance, rule, regulation, order or decree regulating, relating to, or imposing Liability or standards of conduct concerning any hazardous, toxic, or dangerous material, waste, pollutant, contaminant or substance, as such statutes, laws, ordinances, codes, rules, regulations or decrees are now or at any time hereafter in effect; and oil, oil waste, and used oil as those terms are defined in the Clean Water Act, 33 U.S.C. 1251 *et seq.* and the regulations promulgated

thereunder (as amended from time to time). Notwithstanding anything to the contrary contained herein, the term “Hazardous Materials” shall not include medical waste generated at the Facility in the ordinary course of business and disposed of in accordance with Applicable Laws.

“Health Care Authorities” shall mean any Governmental Entity or quasi-Governmental Entity or any agency, intermediary, board, authority or entity concerned with or relevant to the ownership, operation, use or occupancy of the Facility as a skilled nursing facility.

“Health Care Licenses” shall mean all material certificates of need, if applicable, certifications, governmental licenses, permits, regulatory agreements or other agreements and approvals, including certificates of operation, completion and occupancy, and state nursing facility license or other licenses required by Health Care Authorities for the legal use, occupancy and operation of the Facility.

“Health Care Laws” means: (a) all Applicable Laws related to billing or submission of claims, reimbursement or fraud and abuse including, without limitation, (i) the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), (ii) the federal Physician Self-Referral Prohibition (commonly referred to as the “Stark Law”)(42 U.S.C. § 1395nn), (iii) the federal False Claims Act (31 U.S.C. §§ 3729 et seq.), (iv) the federal Civil Monetary Penalties Law (42 U.S.C. §§ 1320a-7a and 1320a-7b), (v) the federal Exclusion Laws (42 U.S.C. § 1320a-7), (vi) the Program Fraud Civil Remedies Act (31 U.S.C. §§ 3801-3812), (vii) 42 U.S.C. § 1320a-7k(d), (viii) the regulations promulgated pursuant to each of the foregoing statutes, and (ix) applicable state Laws similar to any of the foregoing; (b) all Applicable Laws related to medical records and patient privacy and security, including the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (42 U.S.C. §§ 1320d-1320d-9), and its implementing regulations, including the Standards for Electronic Transaction and Code Set (45 C.F.R. Parts 160 and 162), the Standards for Privacy of Individually Identifiable Health Information (45 C.F.R. Parts 160 and 164), the Security Standards for the Protection of Electronic Protected Health Information (45 C.F.R. Parts 160 and 164), and Breach Notification for Unsecured Protected Health Information Rules (45 C.F.R. Parts 164.402 through 164.408), and any similar state laws; (c) the Patient Protection and Affordable Care Act (Pub. L. 111–148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111–152), and the regulations promulgated pursuant to each of the foregoing; (d) Medicare (Title XVIII of the Social Security Act), as amended and the regulations promulgated thereunder, including, without limitation, all conditions of participation; (e) Medicaid (Title XIX of the Social Security Act), as amended and the regulations promulgated thereunder, including, without limitation, all conditions of participation; (f) all Applicable Laws related to the obtaining or maintenance of any License required for the operation of the Facility; and (g) Applicable Laws regulating the ownership and operation of a skilled nursing facility or assets used in connection therewith.

“Liability” or “Liabilities” means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“Losses” means losses, damages, Liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; *provided, however*, that “Losses” shall not include punitive damages, except in the case of fraud or to the extent actually awarded to a Governmental Entity or other third party.

“Material Adverse Effect” means the following: (i) the loss or material limitation of any Health Care License, (ii) the designation of the Facility as a Special Focus Nursing Home Facility as defined by the CMS Special Focus Nursing Home Facility Program, (iii) the decertification of the Existing Operator or the Facility from or under Medicare, Medicaid, or any other governmental health care program, or (iv) the issuance of a level “G” or higher survey deficiency that is not deemed to be in substantial compliance by the Closing Date. For the avoidance of doubt, the following shall not constitute a “Material Adverse Effect”: (v) any change in any Applicable Law or the interpretation thereof, (vi) any change in GAAP or the interpretation thereof, (vii) any events, changes, developments or occurrences generally affecting the industries in which Existing Operator operates, (viii) general economic, political or market conditions, (ix) any disasters, calamities, emergencies, acts of war, sabotage or terrorism, or comparable events, or pandemics (including SARS-CoV-2 novel coronavirus, except as otherwise specifically provided otherwise in section (v) above), or an escalation or worsening of any of the foregoing, or (x) any breach by New Operator of this Agreement.

“Person” shall mean an individual, partnership, corporation, business trust, limited liability company, limited partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Entity.

“Resident Census Report” shall mean a true, correct and complete schedule (provided in accordance with all applicable Health Care Requirements related to privacy) which accurately and completely sets forth the occupancy status of the Facility, the average daily rate and other charges payable with respect thereto, the class of payment or reimbursement (*i.e.*, private, third-party payor, Medicare, and Veterans Administration), the average monthly census of the Facility and its occupancy rate.

“Resident Trust Funds” shall mean the funds held in trust by Existing Operator for residents at the Facility, including any deposits or prepayments paid by or for any resident of the Facility.

“Tax” or “Taxes” means any and all (a) domestic or foreign, federal, state or local taxes, charges, fees, levies, imposts, escheat for unclaimed property, duties and governmental fees or other like assessments or charges of any kind whatsoever, including income taxes (whether imposed on or measured by net income, gross income, income as specially defined, earnings, profits, or selected items of income, earnings, or profits), capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, value added taxes, goods and services taxes, accumulated earnings taxes, fuel taxes, transfer taxes, franchise taxes, license taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, excise taxes, severance taxes, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, ad valorem taxes,

property taxes, windfall profits taxes, alternative or add-on minimum taxes, franchise permit fee or “bed taxes,” and customs duties, (b) interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with (i) any item described in clause (a) or (ii) the failure to comply with any requirement imposed with respect to any Tax Returns and (c) Liabilities in respect of any items described in clause (a) or clause (b) payable by reason of contract, assumption, transferee liability, operation of law or otherwise.

“Tax Return” means any report, return, statement or other written information, including any schedules or attachments thereto and any amendment thereof, supplied or required to be supplied to a taxing authority in connection with Taxes.

EXHIBIT A
BILL OF SALE

This Bill of Sale is made in connection with the Operations Transfer Agreement dated _____, 2024 (the “OTA”), entered into by and between Sauk County, a county and political subdivision of the State of Wisconsin (“Existing Operator”), and Aria of Sauk County LLC, a Wisconsin limited liability company (“New Operator”).

In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Existing Operator does hereby convey and transfer to New Operator the Assets (as defined in the OTA). This Bill of Sale is made subject to all of the terms, conditions, representations and warranties set forth in the OTA.

Existing Operator covenants to execute and deliver to New Operator (or to its successors and assigns) such other and further reasonable instruments of transfer, assignment and conveyance as may be necessary to more fully transfer, assign and convey to and vest in New Operator the Assets hereby transferred, assigned and conveyed.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

This Bill of Sale is effective as of _____, 2024.

EXISTING OPERATOR:

[_____]

By: _____

Name:

Title:

[_____]

By: _____

Name:

Title

NEW OPERATOR:

By: _____

Name:

Title

By: _____

Name:

Title

[SIGNATURE PAGE TO OTA BILL OF SALE]

EXHIBIT B
ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (“Assignment”) is made as of the ____ day of ____, 2024 (the “Effective Date”), by [_____] (“Assignor”), and [_____] (“Assignee”).

RECITALS

A. By Operations Transfer Agreement dated as of ____, 2024 (as amended, the “OTA”), by and between Assignor and Assignee, Assignor agreed to assign to Assignee, and Assignee agreed to accept and assume from Assignor, the Assumed Contracts. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA.

B. Assignor and Assignee have agreed that the Assumed Contracts are those contracts identified on **Exhibit A** hereto.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby agrees as follows:

1. **Assignment.** Assignor hereby assigns, sets over and transfers to Assignee all of its right, title and interest in and to and obligations under the Assumed Contracts arising from and after the Effective Date.

2. **Assumption.** Assignee hereby accepts the assignment of the Assumed Contracts and agrees to assume the rights and obligations of Assignor arising under the Assumed Contracts from and after the Effective Date.

3. **No Representations or Warranties.** Except as may be expressly set forth in the OTA (and as limited thereby), Assignor makes no representations or warranties of any kind with respect to the Assumed Contracts assigned herein.

4. **Relationship to OTA.** Assignor and Assignee acknowledge and agree that the assignment and assumption provided for in this Agreement shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

5. **Miscellaneous.** This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions set forth in the OTA, shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of Wisconsin and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith. This Assignment may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute but one and the same instrument. This Assignment may be executed by any party by the delivery of such party by facsimile, by portable document format via electronic mail,

or by other electronic means, a copy of the signature page of this Assignment duly executed by such party. Any copy of this Assignment so delivered by facsimile, by portable document format, or by other electronic means, shall be deemed to be an originally executed copy of this Assignment.

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

ASSIGNOR: [_____]

By: _____

Print Name: _____

Title: _____

ASSIGNEE: [_____]

By: _____

Print Name:

Title:

EXHIBIT C
ASSIGNMENT AND ASSUMPTION OF RESIDENT TRUST FUNDS AND DEPOSITS

This Assignment and Assumption Agreement (the “Assignment”) is effective as of _____, 2024 and is between [_____] (“Assignor”), and [_____] (“Assignee”).

RECITALS

A. Assignor and Assignee are parties to an Operations Transfer Agreement (the “OTA”) dated as of _____, 2024.

B. It is a condition to the Closing under the OTA that Assignor assign all of its right, title and interest in, to, and under the Resident Trust Funds to Assignee, and that Assignee assume Assignor’s obligations with respect to such Resident Trust Funds arising from and after the Closing Date.

Now, therefore, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto, intending to be bound, hereby agree to incorporate the foregoing recitals into this Assignment and further agree as follows:

1. Assignor hereby assigns, transfers and conveys all of its right, title and interest in, to, and under the Resident Trust Funds to Assignee.

2. Assignee hereby accepts and assumes all Liabilities arising from and after the Closing Date with respect to the Resident Trust Funds.

3. Except as may be expressly set forth in the OTA (and as limited thereby), Assignor makes no representations or warranties of any kind with respect to the Resident Trust Funds assigned herein.

4. Assignor and Assignee acknowledge and agree that the assignment and assumption provided for in this Agreement shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

5. This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the OTA, shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of Wisconsin and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith. This Assignment may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute but one and the same instrument. This Assignment may be executed by any party by the delivery of such party by facsimile, by portable document format via electronic mail, or by other electronic means, a copy of the signature page of this Assignment duly executed by such party. Any

copy of this Assignment so delivered by facsimile, by portable document format, or by other electronic means, shall be deemed to be an originally executed copy of this Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed and delivered this Assignment as of the date set forth above.

ASSIGNOR:

[_____]

By: _____

Print Name: _____

Title: _____

ASSIGNEE:

[_____]

By: _____

Print Name: _____

Title: _____

EXHIBIT D EXCLUDED ASSETS

- (a) All cash and cash equivalents, bank accounts, securities and accounts receivable/healthcare receivables of Existing Operator, including accounts receivable relating to Patients' fees and rents and/or services provided prior to the Closing Date, whether from any Governmental Entity, patient or any other Person;
- (b) All refunds or reimbursements of whatever nature or description which relate to or are attributable to the period prior to the Closing Date;
- (c) All claims, disputes and litigation, and all amounts of any nature or description relating thereto, to the extent such dispute, claim or litigation is related to the period prior to the Closing Date;
- (d) All notes, bonds, debt instruments, financing agreements or other Contracts for borrowed money issued by Existing Operator or to which Existing Operator is a party;
- (e) All contracts other than the Assumed Contracts;
- (f) All leased equipment to the extent the underlying lease is not an Assumed Contract;
- (g) Existing Operator's National Provider Identifier ("NPI") numbers;
- (h) Existing Operator's rights to indemnification from third parties with respect to any liability that is not an Assumed Contract;
- (i) All of the insurance policies maintained by Existing Operator, and all claims, benefits, proceeds, or premium refunds paid or payable thereunder or with respect thereto;
- (j) All past, present or future claims and rights or actions by Existing Operator against third parties to the extent relating to any Excluded Asset or the operation of the Facility prior to the Closing Date;
- (k) Existing Operator's organizational documents, minute books and other books and records relating solely to the existence of Existing Operator as a legal entity; and
- (l) All post office box addresses associated solely with the Facility.

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into as of _____, 2024 (the “Contract Date”), by and between Sauk County, a county and political subdivision of the State of Wisconsin (“Seller”), and Aria Sauk County Realty LLC, a Wisconsin limited liability company (“Purchaser”) (Seller and Purchaser shall be referred to herein singularly as a “Party” or collectively as the “Parties”).

RECITALS

WHEREAS, Seller is the fee owner of the real property situated in the State of Wisconsin, which is more particularly described in **EXHIBIT A** attached hereto, and the improvements thereon, including, without limitation, that certain nursing facility with 82 licensed and certified beds (the “Facility”) located at 1051 Clark Street, Reedsburg, WI 53959 (collectively, the “Real Property”).

WHEREAS, the Parties desire to enter into this Agreement pursuant to which Purchaser will purchase, accept and assume from Seller, and Seller will sell, convey, transfer and assign to Purchaser, the Seller’s Assets (as defined in Section 1(d) herein) (the “Transaction”).

WHEREAS, at the Closing of the Transaction, pursuant to that certain Operations Transfer Agreement dated as of even date herewith (the “OTA”) by and among Seller and Aria of Sauk County LLC, a Wisconsin limited liability company (the “New Operator”), Seller is transitioning responsibility for the operations of the Facility to New Operator (as more particularly described in the OTA);

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereto agree as follows:

1. PURCHASE AND SALE.

(a) Real Property/Facility. On the terms and conditions set forth herein, Seller shall sell to Purchaser and Purchaser shall purchase from Seller the Real Property, together with all right, title and interest of Seller in the rights, privileges, interests, easements, oil and gas and mineral rights, and appurtenances now or hereafter belonging or in any way pertaining to the Real Property and/or the Facility. Seller and Purchaser agree that the Real Property shall be legally described as part of the Survey to be obtained pursuant to Section 4(a) of this Agreement, and thereafter Exhibit A shall be modified to properly reflect the Real Property’s legal description.

(b) Personal Property. On the terms and conditions set forth herein, Seller shall sell to Purchaser and Purchaser shall purchase from Seller, all equipment, furniture, fixtures, appliances, tools, instruments, and other tangible personal property owned by Seller as of the date of this Agreement or acquired by Seller prior to the Closing Date, and located on the Real

Property or used exclusively in connection with the operation of the Facility (the “Personal Property”). To the extent that there is an existing finance agreement or credit arrangement with respect to any Personal Property (the “Leased Personal Property”), and provided Purchaser elects in writing to assume such finance agreement or credit agreement, such Leased Personal Property will be sold subject to the finance agreement or credit arrangement provided the financing lender consents to the assignment of the underlying finance agreement or credit arrangement. A listing of all such Leased Personal Property is attached hereto as Schedule 1(b).

(c) General Intangibles. On the terms and conditions set forth herein, all of Seller’s transferable interest, if any, in any lien waivers, warranties, guaranties, permits, certificates, certificates of need, approvals, nursing home bed operating rights, assignable licenses and permits, and other intangible personal property of every kind and nature whatsoever, which relate to the Facility (the “General Intangibles”) shall be transferred, assigned and conveyed by Seller to Purchaser, or at Purchaser’s option, some or all of the foregoing shall be transferred, assigned and conveyed by Seller directly to New Operator, for no additional consideration pursuant to an assignment in form and substance reasonably acceptable to Purchaser and Seller, if Seller conveys to New Operator (the “Assignment”).

(d) Seller’s Assets. The Real Property, the Facility, the Personal Property, and the General Intangibles shall sometimes collectively be referred to as “Seller’s Assets”.

(e) Excluded Assets. Notwithstanding anything in this Agreement to the contrary, Seller’s Assets shall not include the rights or properties of Seller in and to any of the property described on **EXHIBIT B** (the “Excluded Assets”).

2. PURCHASE PRICE.

(a) Payment. Subject to the terms and the conditions of this Agreement, Seller agrees to sell, and Purchaser agrees to purchase, Seller’s Assets for a total purchase price Five Million One Hundred Thousand No/100 Dollars (\$5,100,000.00) (the “Purchase Price”). The Purchase Price less the Deposit, plus or minus any costs, credits or adjustments specifically provided for in this Agreement shall be paid at Closing by wire transfer of immediately available funds.

(b) Deposit. Purchaser has delivered to Title Company, as escrow agent, an earnest money deposit in the amount of Ten Thousand and No/100 Dollars (\$10,000.00) (the “Initial Deposit”). Within five (5) business days following the Execution of this Agreement, Purchaser shall deliver to Title Company an additional deposit of One Hundred Thousand and No/100 Dollars (\$100,000.00) (the “Additional Deposit”, and together with the Initial Deposit, the “Deposit”). The Deposit shall be held by the Title Company. At Closing, the Deposit shall be released to Seller and credited towards the Purchase Price. If the Transaction does not close, the Deposit, less Five Thousand and No/100 Dollars (\$5,000.00), shall remain fully refundable to Purchaser, unless otherwise specified in Section 13 of this Agreement.

(c) Allocation of Purchase Price. Prior to the Diligence Expiration Date, Purchaser and Seller shall use commercially reasonable efforts to agree upon an allocation statement (the “Allocation Statement”) setting forth the value of the Seller’s Assets that shall be used for the allocation of the Purchase Price among the Seller’s Assets in accordance with Treasury Regulation 1.1060-1 (or any comparable provisions of state or local tax law) or any successor provision. If the Parties are able to agree upon the allocation of the Purchase Price, Purchaser and Seller shall report and file all tax returns (including any amended tax returns and claims for refund) consistent with such mutually agreed upon Purchase Price allocation, and shall take no position contrary thereto or inconsistent therewith (including in any audits or examinations by any taxing authority or any other proceedings) unless required by Applicable Law. Purchaser and Seller shall file or cause to be filed any and all forms (including U.S. Internal Revenue Service Form 8594), statements and schedules with respect to such allocation, including any required amendments to such forms. If, on the other hand, Purchaser and Seller are unable mutually to agree upon the manner in which the Purchase Price should be allocated, Purchaser and Seller shall be free to make their own respective allocations of the Purchase Price for tax purposes, in which event any information provided to the Internal Revenue Service regarding this Transaction shall reflect that the Parties have not agreed upon an allocation of the Purchase Price. Notwithstanding the foregoing, prior to Closing, Purchaser and Seller shall agree upon an allocation of the Purchase Price solely for the purpose of determining realty transfer tax in connection with the recording of the Deed, and such allocation shall not exceed 90% of the current value of the property subject to such realty transfer tax, as the same is set forth on the most recently available tax bills.

3. CLOSING.

(a) The Closing Date. Subject to the satisfaction or waiver of the conditions precedent set forth in this Agreement, the Closing of the Transaction contemplated under this Agreement (the “Closing”) shall occur on the last day of the month that is at least thirty (30) days after New Operator receives the License Confirmation (as defined in the OTA) (the “Closing Date”); provided, however that the Closing shall be effective as of 12:00:01 AM EST on the day following the Closing Date (the “Effective Time”). Notwithstanding the foregoing, if the Closing Date is not a business day, no later than the business day immediately prior to the Closing Date, each of Seller and Purchaser shall send written authorization to the Title Company authorizing the disbursement of funds and the release of all closing documents as of the opening of business on the first business day after the Closing Date (the “Disbursement Date”), and such authorizations shall be deemed irrevocable and unconditional on the part of the issuing Party and the Title Company shall be required to act in accordance with such written authorizations as of the opening of business on the Disbursement Date. The Parties acknowledge and agree that the Closing Date shall not be sooner than October 31, 2024.

(b) The Closing Process. Closing shall occur through escrow and accordingly, at or prior to the Closing Date, Purchaser and Seller shall deposit in escrow with the Title Company (or with the other Party’s counsel, as agreed upon by the Parties), all documents and monies

necessary to close this transaction as herein provided. Time is of the essence with respect to the Closing Date and this Agreement.

4. THIRD PARTY REPORTS.

(a) Title Commitment and Survey. Promptly following execution of this Agreement, Purchaser shall order (i) a commitment for issuance of an owner's policy of title insurance (the "Title Commitment") to be issued by Landmark Abstract Agency, having a notice address of 207 Rockaway Turnpike, Lawrence, NY 11559 (the "Title Company"), reflecting the status of title to the Real Property, (ii) an ALTA survey of the Real Property (the "Survey"), prepared by a professional engineer or land surveyor licensed in the State of Wisconsin and which shall be certified to Purchaser, Purchaser's lender, and to the Title Company; and (iii) a zoning report of the Real Property (the "Zoning Report"). Along with the Title Commitment, the Title Company shall deliver to Purchaser legible copies of all instruments shown as exceptions therein. Purchaser shall have until Diligence Expiration Date (as defined in Section 13 below) to object in writing to any matter disclosed in the Title Commitment, Survey and/or Zoning Report. Seller shall have ten (10) days from its receipt of written notice of title objections in which to respond with Seller's intent to remedy such objections, and thereafter 30 days to cure such objection or to obtain a revised Title Commitment insuring over such objections (the "Response Period"). If Seller fails within such Response Period to either remedy Purchaser's title objections or obtain a revised Title Commitment which insures over them, Purchaser may, at its option, by delivery of written notice no later than the ten (10) days after the expiration of the Response Period, terminate this Agreement by providing Seller with written notice of such termination. For purposes of this Agreement, "Permitted Exceptions" shall mean (i) those exceptions and limitations disclosed in the Title Commitment and not timely objected to by Purchaser or waived by Purchaser; (ii) general real estate Taxes and assessments and related charges not yet due and payable; and (iii) all matters, whether or not of record, that arise out of the actions of Purchaser or its agents, representatives or contractors. Notwithstanding anything to the contrary contained herein, Seller shall pay, or cause to be paid, all liens or encumbrances securing indebtedness for money borrowed by Seller and/or recorded against the Seller's Assets that is not a Permitted Exception, including, but not limited to, the repayment of any bond amount pursuant to the terms of any agreement entered into by Seller.

(b) Phase I and PCR. Promptly following the execution of this Agreement, Purchaser may order, from a duly licensed environmental inspection company, a Phase I environmental assessment of the Facility (the "Phase I") and/or a property condition report ("PCR"). Purchaser shall provide at least 24 hours prior notice to Seller of the date and time of the Phase I inspections or testing to be conducted at the Facility.

(c) Confidentiality. Purchaser and its agents, representatives and employees shall protect and maintain the confidentiality of all matters and information related to and contemplated by this Agreement and the acquisition of the Facility, including, but not limited to, all information collected by Purchaser pursuant to its due diligence review of the Facility (collectively, "Confidential Matters"). Furthermore, Purchaser shall cause its representatives and agents to

protect and maintain the confidentiality of all Confidential Matters. Purchaser agrees to reveal any Confidential Matters only to its and its affiliates' representatives, agents, employees, consultants, attorneys, affiliates, and advisors; to the permitted assignee of Purchaser and its members, managers or general partners and their representatives, agents, employees, consultants, attorneys, affiliates and advisors; or to any lender or investor of Purchaser or any permitted assignee, for purposes of consummating the transactions contemplated herein who are informed of the confidential nature of such Confidential Matters. Notwithstanding anything in this Agreement to the contrary, Purchaser may disclose Confidential Matters as required by Applicable Law or pursuant to court order ("Order"), Purchaser shall promptly provide Seller with written notice of such request or requirement (a "Disclosure Notice") so that Seller may seek a protective order, or Seller may, in its sole discretion, waive compliance with the provisions of this Section. Only Seller shall have the right to waive compliance under this Section. Notwithstanding the foregoing, in the event that a waiver or protective order is not timely received through no fault of Purchaser (including, but not limited to, any breach of Purchaser's obligation above to promptly provide a Disclosure Notice to Seller), and Purchaser is advised by legal counsel that it is legally obligated to disclose certain Confidential Matters, then Purchaser may disclose only such Confidential Matters that are legally required to be disclosed in response to the demand. Purchaser shall be entitled from time to time to meet with governmental officials in conducting its due diligence and to determine if the Seller's Assets are in compliance with and not in violation of, applicable zoning and building codes. The confidentiality obligations set forth in this Section shall survive any termination of this Agreement.

(d) "As Is". EXCEPT FOR THE SPECIFIC REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT AND SELLER'S CLOSING DELIVERIES, PURCHASER ACKNOWLEDGES TO AND AGREES WITH SELLER THAT PURCHASER IS PURCHASING THE SELLER'S ASSETS IN ITS "AS-IS, WHERE IS" CONDITION "WITH ALL FAULTS" AS OF THE CLOSING DATE AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, OR ANY OTHER WARRANTY OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF SELLER.

5. COSTS AND PRORATIONS.

(a) Costs and Expenses. Costs and expenses associated with the sale of Seller's Assets pursuant to this Agreement shall be allocated between the Parties as follows:

(i) Purchaser shall pay the cost of its due diligence including the cost of the Phase I, the Survey, the Zoning Report, the PCR, or any other reports that Purchaser orders;

(ii) Seller shall pay the cost of any title search, the Title Commitment, and the cost of the premium for the Owner's Title Insurance Policy (as defined below);

(iii) Purchaser shall pay the full cost of all extended coverage and endorsements to the Owner's Title Insurance Policy or any title insurance required by Purchaser's lender, if applicable;

(iv) Purchaser shall pay the full cost of the premium for the Lender's Title Insurance Policy (as defined below), as well as the cost of all extended coverage and endorsements thereto or any title insurance required by Purchaser's lender, if applicable;

(v) Purchaser shall pay all recording fees for the Deed and the formation costs of Purchaser's or New Operator's corporate entities (if applicable);

(vi) Seller shall pay the cost of obtaining and recording any releases of title encumbrances necessary to deliver title to Seller's Assets in accordance with the terms of this Agreement;

(vii) Purchaser shall pay any costs or expenses for the escrow fee, including any cost or expense incurred during the time of, or as a result of, the Escrow Holdback Amount or during the Holdback Period; and

(viii) Purchaser and Seller shall each pay their own attorney's fees and any other professional fees incurred in the Transaction.

(b) Real Property Tax. Purchaser shall be responsible for payment of all property tax applicable to Purchaser's ownership of Seller's Assets after the Closing Date.

6. POSSESSION. As of the Effective Time, Seller shall deliver to Purchaser possession of the Facility, subject only to rights of residents of the Facility and any other requirements of Applicable Law.

7. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller hereby represents and warrants as follows to Purchaser, in each case as of the Contract Date and again as of the Closing Date, unless another date is specifically indicated below, provided, however, that each and every representation and/or warranty hereunder, with the exception of Section 7(a), shall be deemed made only to the extent of Seller's Knowledge (as defined in Schedule 1) and to the extent permitted under Applicable Law:

(a) Authority, Validity and Binding Effect. Seller has all necessary power and authority to carry on its business as it is now being conducted. Seller is a Wisconsin county duly organized and in full force and effect under the laws of the State of Wisconsin. Seller has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individuals executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by Seller and is enforceable against Seller in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, moratorium, liquidation,

reorganization or other similar laws affecting the enforcement of creditors' rights in general, or as otherwise limited by Applicable Law.

(b) No Defaults. The execution and delivery of this Agreement and any documents contemplated hereby by Seller, and the performance of their obligations hereunder, does not and will not:

(i) conflict with or result in any material breach of the provisions of, or constitute a default under any corporate governance or formation documents, including, without limitation, the articles of organization, articles of incorporation, bylaws, operating agreement, or partnership agreement of Seller, as applicable;

(ii) violate any material restriction to which Seller is subject or, without the giving of notice, passage of time, or both, violate (or give rise to any right of termination, cancellation or acceleration under) any material license, authorization or permit or other material agreement or instrument to which Seller is a Party, which will not be satisfied or terminated prior to the Closing Date as a result of the transactions contemplated by this Agreement or result in the termination of any such instrument or termination of any provisions in such instruments that will result in the impairment of any of Seller's rights under such instruments; or

(iii) constitute a violation of any applicable material resolution, rule, regulation, law, statute or ordinance of any administrative agency or governmental authority, or any judgment, decree, writ, injunction or order of any court to which Seller is subject or by which its assets are bound, or any credit agreement or other financing arrangement to which Seller is a Party that is not otherwise satisfied by consummation of the Transaction.

(c) Status of Seller. Seller is a county organized and existing under the laws of the State of Wisconsin.

(d) Title to Seller's Assets. Seller has good and marketable title to Seller's Assets subject only to the Permitted Exceptions, and/or with respect to the liens that will be paid off or otherwise released on or prior the Closing Date. Except for this Agreement, or rights granted to the Existing Leases which will be terminated as of the Closing, Seller has not granted any option or other right to purchase any of Seller's Assets in favor of any third party.

(e) Real Property.

(i) There are no pending or threatened condemnation actions or special assessments of any nature with respect to the Real Property.

(ii) Seller has not granted to any Party other than Existing Operator any lease or other right to possess or occupy the Real Property.

(iii) Seller has made no contract of any kind the performance of which by the other Party thereto would give rise to any lien on any of the Real Property.

(iv) Neither Seller nor the Real Property is subject to any contract including, without limitation, any right of first refusal, option to purchase or lease granted to a third person, which could or would prevent Seller from completing or impair Seller's ability to complete the sale of any of the Seller's Assets to Purchaser, which would bind Purchaser subsequent to consummation of the transactions contemplated by this Agreement, or that would otherwise give rise to a lien on the Real Property other than Permitted Encumbrances.

(v) Seller has not received written notice of any material violation of any applicable federal, state, county and local statutes, laws, regulations, rules, ordinances, codes, standards, guidelines, or orders, as now in effect, relating to use, enjoyment, or access to the Real Property (including any improvements) by persons with a disability, or to discrimination of such persons, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et. seq.; and the Fair Sellers Act of 1968, 42 U.S.C. 3601 et seq.

(vi) Seller is not a foreign person, as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the applicable regulations (the "Code").

(f) Governmental Approvals. Except for regulatory approvals required to be obtained as a condition to the closing under the OTA, to Seller's Knowledge, no registration or filing by Seller with, or consent or approval of or other action by, any Governmental Entity is or will be necessary for the valid execution, delivery and performance by Seller of this Agreement.

(g) Litigation. Other than the matters identified on Schedule 7(g), there is no Claim pending or, to Seller's Knowledge, threatened against or affecting Seller or Seller's Assets. As used in this Agreement, "Claim(s)" means all claims, lawsuits, actions, proceedings, investigations, disputes, legal, administrative or arbitration proceedings and/or investigations, charges, liens, contracts, leases, licenses, rights, options, security interests, mortgages, encumbrances and restrictions whatsoever. Prior to the Closing Date, the matters identified on Schedule 7(g) will be resolved.

(h) Environmental Matters. Seller has not been issued any written notices of violation of any Environmental Law with respect to the Real Property and neither the Real Property nor any part thereof has ever been used by Seller as a dump site or storage site, whether permanent or temporary, for any Hazardous Materials.

(i) Taxes. Seller is exempt from Taxes.

(j) Broker's or Finder's Fees. Other than the firm of Marcus & Millichap, by Ray Giannini, no agent, broker, person or firm acting on behalf of Seller is, or will be, entitled to any commission or broker's or finder's fees from Seller or from any person controlling, controlled by or under common control with Seller in connection with any of the transactions contemplated herein.

(k) Outstanding Contracts. Except as disclosed on Schedule 7(k) or Schedule 4.12(a)(i) of the OTA, Seller is not a Party to any existing contracts, agreements, leases, commitments, licenses and franchises pertaining to the Facility that involve obligations or commitments by Seller of \$10,000 or more per year and are not cancelable by Seller without penalty within thirty (30) days or which are otherwise material to the Facility.

8. REPRESENTATIONS AND WARRANTIES OF PURCHASER. Purchaser hereby represents and warrants as follows to Seller, in each case as of the Contract Date and again as of the Closing Date, unless another date is specifically indicated below:

(a) Authority, Validity and Binding Effect. Purchaser has all necessary power and authority to carry on its business as it is now being conducted. Purchaser is duly organized and in good standing under the laws of the State of Wisconsin. Purchaser has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individuals executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by Purchaser and is enforceable against Purchaser in accordance with its terms.

(b) No Defaults. The execution and delivery of this Agreement and any documents contemplated hereby by Purchaser, and the performance of their obligations hereunder, does not and will not:

(i) conflict with or result in any material breach of the provisions of, or constitute a default under the articles of organization or operating agreement of Purchaser,

(ii) violate any material restriction to which Purchaser is subject or, without the giving of notice, passage of time, or both, violate (or give rise to any right of termination, cancellation or acceleration under) any material license, authorization or permit or other material agreement or instrument to which Purchaser is a Party,

(iii) constitute a violation of any applicable material resolution, rule, regulation, law, statute or ordinance of any administrative agency or governmental authority, or any judgment, decree, writ, injunction or order of any court to which Purchaser is subject or by which its assets are bound, or any credit agreement or other financing arrangement to which Purchaser is a Party.

(c) Litigation. There is no Claim pending or, to Purchaser's Knowledge, threatened against or affecting Purchaser which has had or would reasonably be expected to have a material adverse effect on Purchaser or Purchaser's ability to consummate the Transaction.

(d) Broker's or Finder's Fees. No agent, broker, person or firm acting on behalf of Purchaser is, or will be, entitled to any commission or broker's or finder's fees from Purchaser or from any person controlling, controlled by or under common control with Purchaser in connection with any of the transactions contemplated herein.

9. SELLER'S COVENANTS.

(a) Pre-Closing. Between the Contract Date and the Closing, except as contemplated by this Agreement or with the consent of Purchaser, Seller hereby covenants, to the extent permitted by Applicable Law, as follows:

(i) Upon twenty-four (24) hours prior email notice, Seller will provide Purchaser with full access to the Real Estate and Facility (including all rooms contained therein) and to the books and records of the Facility for the purpose of the inspection thereof; provided that Purchaser must be accompanied by Seller or Seller's representative with respect to any such access and shall not communicate with any Facility employees and residents without the Seller's explicit permission. Purchaser acknowledges and accepts that Purchaser's access to the Real Estate, the Facility, and books and records of the Facility, is subject to the rights of residents and any other restrictions set forth by Applicable Law.

(ii) Seller will not sell or agree to sell any items of machinery, equipment or other fixed assets included within Seller's Assets nor otherwise enter into an agreement materially affecting Seller's Assets;

(iii) Seller shall provide Purchaser with prompt written notice of all Claims (whether actual or, to Seller's Knowledge, threatened and whether or not material) against Seller related to the Facility; and

(b) Closing. At the Closing, Seller agrees that it will:

(i) Execute and deliver to Purchaser or to the Title Company, as appropriate, a limited warranty deed in the form of **EXHIBIT C** attached hereto and made a part hereof (the "Deed"), a bill of sale for the Personal Property and General Intangibles in the form of **EXHIBIT D** attached hereto and made a part hereof, the Assignment and such endorsements, assignments and other instruments of transfer and conveyance as shall be reasonable or necessary to transfer and assign Seller's Assets to Purchaser as herein provided;

(ii) Deliver a certification by Seller to the Title Company in a form reasonably acceptable to the Title Company and consistent with the terms of this Agreement, a

GAP indemnity with respect to the actions of Seller, and resolutions or other documents sufficient to evidence the authority of the person executing the Deed;

(iii) Deliver the Facility and the Personal Property to Purchaser free of all tenancies or persons who may be in possession of the Facility, except staff and residents;

(iv) Execute and deliver to Purchaser or to the Title Company, as appropriate, a restrictive covenant agreement preventing Seller, or a future owner from developing any skilled nursing facility or community based residential facility on any parcel identified on Exhibit A as Parcel C, Parcel D, and any portion of Parcel B that is not included as part of this Agreement that is would compete with Facility;

(v) Pay for any of the costs and expenses identified in Section 5 for which it is responsible;

(vi) Execute and deliver Seller's settlement statement to the Title Company; and

(vii) Execute and deliver such other documents as may reasonably be requested by Purchaser or Title Company to consummate the Transaction.

(c) Post-Closing. After the Closing, Seller and Purchaser each agree to take such actions and properly execute and deliver such further instruments as the other may reasonably request to evidence the Transaction.

10. PURCHASER'S COVENANTS.

(a) Pre-Closing. Between the date hereof and the Closing, except as contemplated by this Agreement or with the consent of Seller, Purchaser agrees that:

(i) Purchaser will not take any action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transaction contemplated by this Agreement;

(ii) Except as otherwise permitted by the OTA, Purchaser will not approach or communicate with any employees or residents of the Facility without the express written consent of the Seller; and

(iii) Purchaser will make all reasonable efforts, with all due diligence, to obtain all consents, approvals and licenses necessary to permit the consummation of the Transaction and/or necessary to permit Purchaser to own the Facility as of the Closing Date.

(b) Closing. At the Closing, Purchaser agrees that it will:

- (i) Pay the Purchase Price to Seller;
- (ii) Pay for any of the costs and expenses specified in Section 5 for which it is responsible;
- (iii) Execute and deliver Purchaser's settlement statement to the Title Company;
- (iv) Execute and deliver such resolutions, full force and effect certificates, and such other organizational documents as the Title Company may reasonably require to evidence Purchaser's authority to consummate the Transaction; and
- (v) Execute and deliver such other documents as may reasonably be requested by Seller or Title Company to consummate the Transaction.

(c) Post-Closing. After the Closing, Purchaser and Seller shall take such actions and properly execute and deliver such further instruments as the other party may reasonably request to evidence the transactions provided for in this Agreement.

11. MUTUAL COVENANTS. Following the execution of this Agreement, Purchaser and Seller agree:

(a) If any event should occur that would prevent fulfillment of the conditions to the obligations of any Party hereto to consummate the transaction contemplated by this Agreement, to use its or their reasonable efforts to cure the same as expeditiously as possible.

(b) To cooperate fully with each other in preparing, filing, prosecuting, and taking any other actions which are or may be reasonable and necessary to obtain the consent of any Governmental Entity or any third party or to accomplish the transaction contemplated by this Agreement.

(c) To work cooperatively and in good faith to address any reasonable request for copies of or access to any records, documents, materials to other information that Seller may require access to after the Closing Date.

(d) In the event Purchaser receives a bona fide offer to purchase the Facility and/or Real Property within ten (10) years after Closing, Purchaser shall provide written notice of the offer and terms to Seller within fifteen (15) days of Purchaser's receipt of the bona fide offer. Seller may elect to purchase the Facility and/or Real Property upon the same terms and conditions as the bona fide offer by delivering notice of its intent within fifteen (15) days of its receipt of Purchaser's notice (the "Match Notice"). Upon Purchaser's receipt of Seller's Match Notice, the Parties shall proceed with sale of the Facility and/or Real Property to Seller.

12. CONDITIONS PRECEDENT TO CLOSING

(a) Purchaser's Conditions. Purchaser's obligation to purchase Seller's Assets hereunder is subject to the following conditions, any one or all of which may be waived by Purchaser:

(i) Title Insurance. The Title Company shall issue with respect to the Real Property and the Facility as of the Closing Date (A) a title insurance policy insuring title to the Real Property and the Facility in Purchaser's name, consistent with the provisions of Section 4(a) of this Agreement (the "Owner's Title Insurance Policy").

(ii) No Defaults. Seller shall not be in material default, where said default cannot be cured by Closing or with a reasonable extension to the Closing (not to exceed 30 days) in order to cure any such default, under any mortgage, contract, lease or other agreement affecting the Seller's Assets and which would prevent the satisfaction of Purchaser's other conditions to Closing.

(iii) Seller's Performance. Seller shall have performed, in all material respects, its obligations under this Agreement that are to be performed prior to or at Closing to the extent the same have not been waived by Purchaser in accordance with the terms hereof.

(iv) Seller's Representations and Warranties. Seller's representations and warranties as set forth in this Agreement shall be true in all material respects at and as of the Closing Date as though such representations and warranties were then again made.

(v) No Actions, Suits or Proceedings. As of the Closing Date, no action, suit, survey, investigation or proceeding brought by any person, corporation, governmental agency or other entity shall be pending or threatened, before any court or governmental body to restrain, prohibit, restrict or delay, or to obtain damages or a discovery order in respect of this Agreement or the consummation of the transactions contemplated hereby. No order, decree or judgment of any court or governmental body shall be outstanding, the effect of which is to restrain, prohibit, restrict or delay the consummation of the transactions contemplated by this Agreement. No insolvency proceeding of any character, including without limitation, bankruptcy, receivership, reorganization, dissolution or arrangement with creditors, voluntary or involuntary, shall have been commenced by or against Seller and remain outstanding.

(vi) Operations Transfer Agreement. The conditions to close in favor of New Operator under the OTA shall be satisfied or waived by New Operator.

(vii) Restrictive Covenant. A restrictive covenant agreement preventing Seller or future owner from developing any skilled nursing facility or community based residential facility on any parcel identified on Exhibit A as Parcel C, Parcel D, and any portion of Parcel B that is not included as part of this Agreement that would compete with Facility;

(b) Seller's Conditions. Seller's obligation to sell Seller's Assets hereunder is subject to the fulfillment of each of the following conditions, any one or all of which may be waived by Seller in writing:

(i) Purchaser's Representations and Warranties. Purchaser's representations and warranties contained in this Agreement shall be true in all material respects at and as of the Closing Date as though such representations and warranties were then again made.

(ii) Purchaser's Performance.¹ Purchaser shall have performed, in all material respects, its obligations under this Agreement that are to be performed prior to or at Closing to the extent the same have not been waived by Seller in accordance with the terms hereof.

(iii) Operations Transfer Agreement. The conditions to close in favor of Existing Operator under the OTA shall be satisfied or waived by Existing Operator on or prior to the Outside Date.

(c) **DAMAGE AND CONDEMNATION**. Prior to the Closing Date, the risk of physical loss to Seller's Assets shall be borne by Seller. Accordingly, it shall be a condition to Purchaser's obligation hereunder that prior to the Closing Date, no Material portion of the Facility nor any Material portion of the Real Property or Personal Property shall have been damaged or destroyed by fire or other casualty, or shall have been taken or condemned by any public or quasi-public authority under the power of eminent domain. In the event of any such Material damage or condemnation, within fifteen (15) days of receipt of both: (a) written notice of such occurrence; and (b) reasonably detailed information describing the scope of the damage or condemnation, Purchaser may, at its option (exercisable in its sole discretion), elect to terminate this Agreement and obtain a refund of the Deposit. If Purchaser does not elect to terminate this Agreement upon the occurrence of any such Material damage or condemnation, or if there shall have occurred any damage or condemnation that is not Material, then: (i) if permitted by Seller's insurance policy and approved by Seller's insurance carrier, at Closing Seller shall pay or assign to Purchaser all Seller's right to any insurance proceeds, or the proceeds of any condemnation award in connection therewith and the Purchase Price shall not be reduced; and (ii) Seller shall consult with and include Purchaser in any and all communications with Seller's insurance carrier with respect to any such damage or condemnation. For purposes of this Section 13 only, the term

“Material” shall mean casualty damage or a condemnation taking in excess of a value of \$400,000.

13. TERMINATION AND REMEDIES.

(a) Termination. This Agreement may be terminated and the transaction contemplated herein abandoned at any time prior to Closing:

- (i) By mutual written agreement of the Parties;
- (ii) By Purchaser, if any of the conditions set forth in Section 12(a) shall have become incapable of fulfillment prior to the Closing Date through no fault of Purchaser, and the same shall not have been waived by Purchaser;
- (iii) By Seller, if any of the conditions set forth in Section 12(b) shall have become incapable of fulfillment prior to the Closing Date through no fault of Seller, and the same shall not have been waived by Seller;
- (iv) By either Seller or Purchaser in the event of a material breach by the other Party of its obligations hereunder that is not cured within fifteen (15) days’ of receipt of written notice of such breach;
- (v) By either Seller or Purchaser in the event of the termination of the OTA in accordance with Section 6.1(a) of the OTA;
- (vi) By Purchaser in the event of the termination of the OTA in accordance with Section 6.1(c) of the OTA;
- (vii) By Seller in the event of the termination of the OTA in accordance with Section 6.1(b) of the OTA;
- (viii) By Purchaser at any time prior to the close of business on the date that is forty-five (45) days after the complete execution of this Agreement (the “Diligence Expiration Date”), by delivering written notice of the same to Seller, for any reason or no reason.

(b) Seller’s Remedies. In the event of the termination of this Agreement by Seller pursuant to Section 13(a)(iv) or 13(a)(vii), Seller acknowledges and agrees that Seller’s sole remedy shall be to terminate this Agreement and to retain the Deposit as full and complete liquidated damages, the Parties acknowledge and agree that the amount of damages which Seller may incur as a result of such termination may be difficult to ascertain and that the amount of the Deposit is a reasonable and fair estimate thereof, after which the Parties shall have no further rights or obligations hereunder.

(c) Purchaser's Remedies. In the event of the termination of this Agreement by Purchaser pursuant to Section 13(a)(ii), 13(a)(vi), or Section 13(a)(viii) or in the event of the termination of this Agreement by either Party pursuant to Section 13(a)(i), 13(a)(iii), or 13(a)(v), Purchaser acknowledges and agrees that Purchaser's sole remedy shall be a refund of the Additional Deposit, after which the Parties shall have no further rights or obligations hereunder. In the event of the termination of this Agreement by Purchaser pursuant to 13(a)(iv), or 13(a)(vi), Purchaser acknowledges and agrees that Purchaser's sole remedy shall be, at its option, to either (1) terminate this Agreement, obtain a refund of the Additional Deposit, and require Seller to reimburse Purchaser for all of Purchaser's out of pocket transaction related expenses (including reasonable attorneys' fees) incurred by Purchaser in connection with this Agreement in an amount not to exceed \$50,000, or (2) pursue Seller for specific performance of Seller's obligations under this Agreement, in which event Seller shall be required to reimburse Purchaser for all reasonable attorneys' fees and expenses incurred by Purchaser in prosecuting such action for specific performance if Purchaser prevails at trial in an amount not to exceed \$50,000.

14. INDEMNITY.

(a) Indemnification by Seller. Seller shall indemnify and defend Purchaser, its Affiliates, representatives, elected officials, employees and agents (collectively, the "Purchaser Indemnified Parties") against, and hold all of them harmless from, all Losses (the "Purchaser Indemnified Losses") arising, directly or indirectly, from or in connection with (i) any breach of any representation or warranty made by Seller in this Agreement; (ii) any breach by Seller of any covenant, agreement or obligation of Seller in this Agreement; and/or (iii) any and all Actions brought by a third party against Purchaser in connection with the ownership of Seller's Assets before the Closing Date.

(b) Indemnification by Purchaser. Purchaser shall indemnify and defend Seller, its Affiliates, representatives, elected officials, employees and agents (collectively, the "Seller Indemnified Parties") against, and hold all of them harmless from, all Losses (the "Seller Indemnified Losses") arising directly or indirectly, from or in connection with (i) any breach of any representation or warranty made by Purchaser in this Agreement, (ii) any breach by Purchaser of any covenant, agreement or obligation of Purchaser in this Agreement, and/or (iii) any and all Actions brought by a third party against Seller in connection with the ownership of Seller's Assets on or after the Closing Date, or relating to any acts of Purchaser, Affiliates, representatives, elected officials, employees or agents taken pursuant to this Agreement or in consummation of the Transaction contemplated by this Agreement, regardless of whether the Transaction closes.

(c) Indemnity Claims.

(i) If any indemnity Claim (an "Indemnity Claim") is asserted by a party as to which such party may be entitled to indemnification hereunder, such party (an "Indemnified Party") shall notify (the "Claims Notice") the other party (an "Indemnifying Party") required by the terms of this Agreement to indemnify the Indemnified Party within ten (10) Business Days; provided, however, the failure or delay by an Indemnified Party

to give prompt notice of any Indemnity Claim (if given prior to the expiration of any applicable survival periods) shall not release, waive or otherwise affect an Indemnifying Party's obligations with respect to the Indemnity Claim, except to the extent that the Indemnifying Party can demonstrate actual material loss or prejudice as a result of such failure or delay.

(ii) The Claims Notice shall describe the Indemnity Claim and the specific facts and circumstances in reasonable detail, shall include copies of any notices received by Indemnified Party relating to such Indemnity Claim, and shall indicate the amount, if known, or an estimate, if possible, of Losses that have been or may be incurred or suffered.

(iii) The Indemnifying Party shall defend and may compromise (subject to the limitations set forth below) any Claim by a third Party ("Third Party Claim"), at its own expense and by its own counsel, who shall be reasonably acceptable to the Indemnified Party. The Indemnified Party may participate, at its own expense, in the defense of any Claim assumed by the Indemnifying Party. Without the approval of the Indemnified Party, which approval shall not be unreasonably withheld or delayed, the Indemnifying Party shall not compromise a Claim defended by the Indemnifying Party which would require the Indemnified Party to perform or take any action or to refrain from performing or taking any action or to pay any additional Persons in the future.

(iv) Notwithstanding anything in this Section 14 to the contrary, in the event that the Indemnifying Party fails or refuses to indemnify, save, defend, protect, or hold the Indemnified Party harmless from and against a Claim (or in the event sufficient funds are not available for such indemnification) and/or to diligently pursue the same to its conclusion, or in the event that an Indemnifying Party fails to timely report to the Indemnified Party the status of its efforts to reach a final resolution of a Claim, or if an Indemnified Party determines in good faith that there is a reasonable probability that a proceeding will affect it or its affiliates adversely other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle such proceeding, but the Indemnifying Party will not be bound by any determination of a proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld or delayed).

(v) If, within ten (10) Business Days of the Indemnifying Party's receipt of a Claim Notice involving a Third Party Claim, the Indemnifying Party has not notified the Indemnified Party that the Indemnifying Party will assume the defense, the Indemnified Party may assume control of the defense or compromise of such Indemnity Claim, and the costs and expenses of such defense, including costs of investigation and reasonable attorneys' fees, shall be added to the damages associated with the Indemnity Claim. The Indemnified Party shall have the right to compromise such Indemnity Claim without the consent of the Indemnifying Party.

(vi) The party assuming the defense of any Indemnity Claim shall keep the other party reasonably informed at all times of the progress and development of the party's defense of and compromise efforts related to such Claim and shall furnish the other party with copies of all relevant pleadings, correspondence and other papers. In addition, the Parties shall cooperate with each other, and make available to each other and their representatives all available relevant records or other materials required by them for their use in defending, compromising or contesting any Claim.

(d) Survival. Subject to the limitations and other provisions of this Agreement, the representations, warranties, covenants and agreements contained herein shall survive the Closing and shall remain in full force and effect until the date that is thirty-six (36) months from the Closing Date ("Survival Period"). Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the Survival Period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until fully and finally resolved.

(e) Baskets and Caps. In no event shall the aggregate liability for indemnification claims paid by Seller under this Agreement and Existing Operator under the OTA collectively exceed \$510,000.00 (the "Cap"). Seller shall only be liable for any indemnification obligation under Section 14(a)(i) of this Agreement unless and until the aggregate amount of Purchaser Indemnified Losses under Section 14(a)(i) of this Agreement and New Operator Indemnified Losses under Section 5.1(i) of the OTA, excluding reasonable attorneys' fees, exceeds Fifteen Thousand Dollars (\$15,000) (the "Basket"). Notwithstanding the foregoing, Seller's indemnification obligations to the extent that any Purchaser Indemnified Losses are the result of actual fraud, misconduct, intentional acts, or Recoupments (as defined in the OTA) shall not be limited by the Cap or Basket.

(f) No Duplication of Recovery. In no event shall Purchaser and New Operator or Seller be entitled to duplication of recovery under the PSA and OTA for the same Losses.

15. MISCELLANEOUS.

(a) Acknowledgement of Seller Status. Purchaser acknowledges and accepts that Seller is a county pursuant to Wis. Stat. Ch. 59 and is therefore bound by certain legal obligations and restrictions. Purchaser agrees to be bound by any restrictions or obligations that may extend to Purchaser, its Affiliates or Representatives by virtue of this Agreement, including but not limited to the Wisconsin Open Meetings law and the Wisconsin Public Records Law set forth in Wis. Stat. Ch. 19.

(b) Further Assurances. Each of the Parties hereto agrees to execute and deliver any and all further agreements, documents or instruments reasonably necessary to effectuate this

Agreement and the transactions referred to herein, contemplated hereby or reasonably requested by the other Party to perfect or evidence their rights hereunder.

(c) Notices. All notices, requests, consents, approvals, waivers, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be (a)(i) hand delivered, or (ii) sent by a nationally recognized overnight delivery service, and (b) sent by email, in each case, addressed as follows, or to such other address, Person as any party may designate by notice to the others in accordance herewith:

If to Seller:

[Sauk County Administrator
Attn: Brent Miller]
[Sauk County West Square Building
Room #134
505 Broadway
Baraboo, WI 53913
Email: brent.miller@saukcountywi.gov

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

Sauk County Corporation Counsel
Attn: Brian Desmond
Sauk County West Square Building
Room #315
505 Broadway
Baraboo, WI 53913
Email: brian.desmond@saukcountywi.gov

and

Attolles Law, S.C.
222 E Erie Street, Suite 210
Milwaukee, WI 53202
Attn: Rebecca J. Roeker, Esq.
Email: rroeker@attolles.com

If to Purchaser:

c/o Aria Healthcare
5454 W. Fargo
Skokie, IL 60077
Attn: Akiva Brandman

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

Benesch
127 Public Square, Suite 4900
Cleveland, Ohio 44140
Attn: Daniel J. O'Brien
Email: dobrien@beneschlaw.com

or to such other person or address as any Party hereto shall furnish to the other Parties hereto in writing pursuant to this Section 15.

(d) Payment of Expenses. Except as may be otherwise set forth in this Agreement, Seller and Purchaser will each bear its own legal, accounting and other expenses incurred in connection with the preparation of this Agreement and/or the consummation of the Transaction, whether or not the Transaction is consummated.

(e) Entire Agreement; Amendment; Waiver. This Agreement, together with the OTA as it relates to the Parties' obligations herein, constitutes the entire understanding between the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. This Agreement may not be modified or amended except in writing signed by the Parties hereto. Any waiver by any Party of any violation of, breach of or default under any provision of this Agreement or any exhibit, schedule or other document referred to in this Agreement by any other Party shall not be effective unless in writing signed by the Party granting the waiver. Further, no such waiver shall be construed as or constitute a waiver of any subsequent violation, breach of, or default under that provision or any other provision of this Agreement, or any exhibit or schedule or other document referred to in this Agreement.

(f) Assignment. Neither this Agreement nor the rights, duties or obligations arising hereunder shall be assignable or delegable (including by transfer of equity) by either Party hereto without the express prior written consent of the other Party hereto; provided, however, that Purchaser may assign its right to receive the Seller's Assets to any of its subsidiaries or affiliates which are owned by Purchaser's principals without the consent of Seller so long as Purchaser provides Seller prior written notice and Purchaser remains primarily liable and responsible for performance of all Purchaser's obligations under this Agreement and all Purchaser's indemnification obligations under this Agreement.

(g) Joint Venture. Nothing contained herein shall be construed as forming a joint venture or partnership between the Parties hereto with respect to the subject matter hereof.

(h) Representation By Counsel. The Parties hereto acknowledge that they have been represented by independent legal counsel of their choosing throughout all of the negotiations which preceded the execution of this Agreement, and that each Party has executed this Agreement with the consent and on the advice of such independent legal counsel. This Agreement is a

negotiated document. As a result, any rule of construction providing for any ambiguity in the terms of this Agreement to be construed against the draftsman of this Agreement shall be inapplicable to the interpretation of this Agreement.

(i) Captions. The section headings contained herein are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

(j) Counterparts. This Agreement may be executed in any number of multiple counterparts, each of which shall be deemed to be an original copy and all of which shall constitute one agreement, binding on all Parties hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic means (including in "PDF" format) shall be effective as delivery of a manually executed counterpart of this Agreement. The words "executed", "execution", "signed", "signature", and words of like import in this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

(k) Governing Law. This Agreement shall be governed by the laws of the State of Wisconsin as to, including, but not limited to, matters of validity, construction, effect and performance but exclusive of its conflicts of laws provisions.

(l) Venue; Choice of Law. THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN WITHOUT REGARD TO CONFLICTS OF LAW. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF SAUK, STATE OF WISCONSIN, OR THE UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF WISCONSIN, AS THE CASE MAY BE. PURCHASER AND SELLER WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT UNDER THIS AGREEMENT.

(m) Calculation of Time Periods. Any reference in this Agreement to a "business day" shall mean every day other than Saturdays, Sundays, all days observed by the federal or

Wisconsin State government as legal holidays and all days on which commercial banks in Wisconsin are required by law to be closed, and the following Jewish Holidays: Passover, Shavout, Rosh Hashana, Yom Kippur (eve and day of), Sukkot, Shmini Atzeret, Simchat Torah, and Jewish days of fasting. Unless otherwise specified, in computing any period of time described herein, the day of the act or event on which the designated period of time begins to run shall not be included and the last day of the period so computed shall be included. Any reference in this Agreement to a “day” or a number of “days” (other than references to a “business day” or “business days”) shall mean a calendar day or calendar days, provided that if the calendar day or last calendar day to perform any act or give any notice or approval shall fall on a calendar day that is not a business day, such act or notice may be timely performed or given on the next succeeding business day.

(n) Third Party Beneficiary. Except with respect to Indemnity claims, nothing in this Agreement express or implied is intended to and shall not be construed to confer upon or create in any Person (other than the Parties hereto) any rights or remedies under or by reason of this Agreement, including without limitation, any right to enforce this Agreement.

[SIGNATURE PAGES FOLLOW]

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

SELLER:

Sauk County

By: _____
Brent Miller, County Administrator

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

PURCHASER:

Aria Sauk County Realty LLC,
a Wisconsin limited liability company

By: _____

SCHEDULES & EXHIBITS

SCHEDULE 1 – Definitions

SCHEDULE 1(b) – Leased Personal Property

SCHEDULE 7(g) – Litigation

SCHEDULE 7(k) - Contracts

EXHIBIT A – Real Property Description

EXHIBIT B – Excluded Assets

EXHIBIT C – Form of Deed

EXHIBIT D – Form of Bill of Sale

SCHEDULE 1

DEFINITIONS

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

“Affiliates” shall mean a Person controlling, controlled by or under common control with another Person and immediate family members of any Persons and their Affiliates.

“Applicable Laws” any statute, law, ordinance, regulation, rule, code, Governmental Order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Entity.

“Environmental Law(s)” shall mean any Applicable Laws relating to or imposing liability or standards of conduct concerning any Hazardous Materials, as now or at any time hereafter in effect.

“Governmental Entity” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or quasi-governmental authority having jurisdiction over this Transaction or having jurisdiction over the subject matter of this Transaction.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, settlement, determination or award entered by or with any Governmental Entity.

“Hazardous Materials” shall have the meaning ascribed in any Environmental Law to any hazardous, toxic or dangerous waste, substance, pollutant or material, whether liquid, solid or gaseous, and in any event shall include all substances identified or characterized as “hazardous substances,” “hazardous wastes,” “pollutants,” or “contaminants” in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 *et seq.* and the regulations promulgated thereunder (as amended from time to time); the Clean Air Act, 42 U.S.C. 7401, *et seq.* and the regulations promulgated thereunder (as amended from time to time); the Resource, Conservation and Recovery Act, 42 U.S.C. 6901 *et seq.* and the regulations promulgated thereunder (as amended from time to time); or the Oil Pollution Act of 1990, 33 U.S.C. 2701 *et seq.* and the regulations promulgated thereunder (as amended from time to time); any other material, waste, pollutant, contaminant or substance designated as hazardous, toxic or dangerous by Congress or by the United States Environmental Protection Agency (EPA) or by any federal, state, or local statute, law, code, ordinance, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous material, waste, pollutant, contaminant or substance, as such statutes, laws, ordinances, codes, rules, regulations or decrees are now or at any time hereafter in effect; and oil, oil waste, and used oil as those terms are defined in the Clean Water Act, 33 U.S.C. 1251 *et seq.* and the regulations

promulgated thereunder (as amended from time to time). Notwithstanding anything to the contrary contained herein, the term “Hazardous Materials” shall not include medical waste generated at the Facility in the ordinary course of business and disposed of in accordance with Applicable Laws.

“Knowledge of Seller” or “Seller’s Knowledge” or any other similar knowledge qualification means the actual knowledge of Brent Miller, County Administrator and Emily Greenwood, the Facility’s Administrator.

“Liabilities” means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“Losses” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; *provided, however*, that “Losses” shall not include punitive damages, except in the case of fraud or to the extent actually awarded to a Governmental Entity or other third party.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Entity, unincorporated organization, trust, association or other entity.

“Representative” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“Tax” or “Taxes” means any and all (a) domestic or foreign, federal, state or local taxes, charges, fees, levies, imposts, escheat for unclaimed property, duties and governmental fees or other like assessments or charges of any kind whatsoever, including income taxes (whether imposed on or measured by net income, gross income, income as specially defined, earnings, profits, or selected items of income, earnings, or profits), capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, value added taxes, goods and services taxes, accumulated earnings taxes, fuel taxes, transfer taxes, franchise taxes, license taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, excise taxes, severance taxes, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, ad valorem taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, franchise permit fee or “bed taxes,” and customs duties, (b) interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with (i) any item described in clause (a) or (ii) the failure to comply with any requirement imposed with respect to any Tax Returns and (c) liabilities in respect of any items described in clause (a) or clause (b) payable by reason of contract, assumption, transferee liability, operation of law or otherwise.

“Tax Return” means any report, return, statement or other written information, including any schedules or attachments thereto and any amendment thereof, supplied or required to be supplied to a taxing authority in connection with Taxes.

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

Parcels A and E, as depicted below, which shall be legally described prior to Closing.

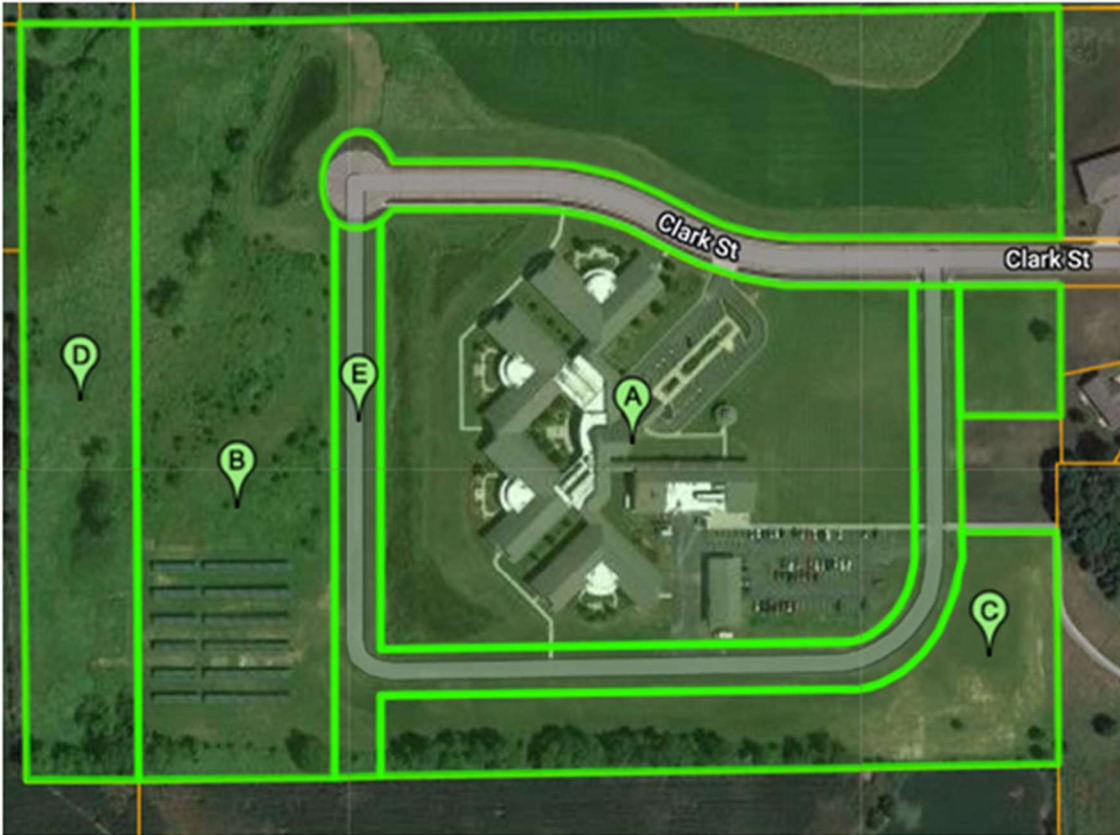


EXHIBIT B

EXCLUDED ASSETS

- (i) All of Seller's bank accounts, demand deposit accounts, insurance policies, cash (including petty cash), general intangibles, utility deposits, accounts receivable that are older than thirty (30) days, credits against accounts payable, cash equivalents and securities, and all actions, suits, claims, rights and choses in action, and promissory notes.
- (ii) Rights to payments, credits, reserves, reimbursements or refunds from the United States of America, any state, any insurer, lender, creditor, municipality, public utility or other agency, individual or entity, including, without limitation, real estate and personal property tax refunds, payments, rate adjustments, reimbursements and deposits with respect to the Facility which relate to the period prior to Closing.
- (iii) Seller's organizational documents, minute books and other books and records relating to Seller as an entity.
- (iv) Any personal property in which Seller has no interest, including all personal property owned by (a) the supplier, lessor, vendor, licensor or other party under any contracts, (b) any employees, (c) any residents, guests, licensees or invitees of the Facility, or (d) the counterparty to any lease.
- (v) All IT manuals, training materials and video tapes, policies, procedures and materials related thereto with respect to the operation of the Facility, check scanners, time clocks, any leased or licensed computers, computer software, computer disks and related items, routers, firewalls, managed switches, wireless access points and other leased information technology equipment and software leased to Seller or Existing Operator and any proprietary data or other digital information created or modified by Seller or Existing Operator.
- (vi) All of the following owned by Seller or any of its affiliates: (a) trade names, trademarks, service marks, trade dress, fictitious names, corporate names, and registrations and applications for registration thereof, and all signs, signage, printed material and other items with respect thereto, (b) copyrights (registered or unregistered), registrations and applications for registration thereof, including all renewals, derivative works, enhancements, modifications, updates, new releases or other revisions thereof, (c) all proprietary software, email addresses, domain names, websites (including the content and source code thereof) and other intellectual property, and (d) all brochures, pamphlets, flyers, mailers and all other promotional material relating to the marketing and advertising of the Facility, all marketing and sales studies, referral leads, analyses and similar materials related to the Facility and the market or potential market therefor and any other materials, data or information related to prospective residents thereof.

- (ix) All other assets described as “Excluded Assets” under the OTA.
- (x) Any of Seller’s Personal Property that is located at, or used exclusively in connection with, any facilities other than the Facility.
- (xi) The Leased Personal Property, unless Purchaser has agreed to assume such agreement with the consent of the financing company or lender.

EXHIBIT C

Form of Deed

State Bar of Wisconsin
Form 6-2003
SPECIAL WARRANTY DEED

Document Number

Document Name

This Deed, made between _____ = (“Grantor,” whether one or more), and to _____, a Wisconsin limited liability company (“Grantee,” whether one or more).

Grantor, for a valuable consideration, conveys to Grantee the following described real estate, together with the rents, profits, fixtures and other appurtenant interests, in Brown County, State of Wisconsin (the “Property”) (if more space is needed, please attach addendum):

See Exhibit A attached hereto.

Recording Area

Name and Return Address:

Parcel Identification Number (PIN)

This is not a homestead property

Grantor warrants that the title to the Property is good, indefeasible, in fee simple and free and clear of encumbrances arising by, through or under Grantor, except: subject to easements and restrictions of record, as listed on **Exhibit B**, attached hereto.

Dated this ____ day of, 2024.

GRANTOR:

By: _____
Name: _____
Title: _____

TITLE: MEMBER STATE BAR OF WISCONSIN
(If not, _____ authorized by § 706.06, Wis. Stats.)

THIS INSTRUMENT WAS DRAFTED BY:

ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2024, by _____, as of Grantor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public
Printed Name: _____
My commission expires: _____

(Signatures may be authenticated or acknowledged. Both are not necessary)
NOTE: THIS IS A STANDARD FORM. ANY MODIFICATIONS TO THIS FORM SHOULD BE CLEARLY IDENTIFIED.
SPECIAL WARRANTY DEED **© 2003 STATE BAR OF WISCONSIN** **FORM NO. 6-2003**
* Type name below signatures

EXHIBIT “A”

PROPERTY DESCRIPTION

EXHIBIT “B”

PERMITTED EXCEPTIONS

EXHIBIT D

Form of Bill of Sale (Personal Property)

In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, an _____ (“Seller”), does hereby grant, bargain, sell, convey, assigns and transfer to [_____] LLC a _____ limited liability company (“Purchaser”), the Personal Property and General Intangibles as those terms are defined in that certain Purchase and Sale Agreement, dated _____, 2024 by and between Seller and Purchaser.

TO HAVE AND TO HOLD, all and singular, the Personal Property and General Intangibles hereby sold, assigned, transferred and conveyed to Purchaser, its successors and assigns, to and for its own use and benefit.

This Bill of Sale is dated as of _____, 2024.

SELLER:

By: _____
Name:
Title:

Health Care Center

Department Vision - Where the department would ideally like to be			
To provide an innovative care delivery system that will ensure that Sauk County Health Care Center remain the leader in the area. We will continue to build upon our high quality care and services for the citizens of Sauk County and surrounding areas.			
Department Mission - Major reasons for the department's existence and purpose in County government			
Sauk County Health Care Center is dedicated to being a leader by providing high-quality care to Sauk County and surrounding area residents. We continue to strengthen our reputation by providing innovative, resident centered, rehabilitative and long-term care in a culturally diverse setting. We continue to look for options for campus expansion that will best serve the residents of Sauk County. Sauk County Health Care Center focuses on a team-oriented environment while remaining fiscally responsible and serving as a resource to the community.			
Elements of Countywide Mission Fulfilled			
Provide fiscally responsible / essential services			
Promote safe community			
Development of cultural, social, and community values			
Strategic Issues Addressed - Fundamental policy choices or critical challenges as defined by the Sauk County Board			
General Government - Energy savings and lower carbon footprint			
General Government - Cooperation			
Health and Human Services - Commitment to Health Care Center			
Core Values			
Diversity			
Evidence Based Practices			
Holistic, Resident-Centered Care			
Honesty, integrity, and fairness			
Safe & cooperative work environments			
Partnerships with educational systems, community organizations and government			
Wise use of technology & resources entrusted to us			
Financial stewardship			
Goals - Desired results for department	Measures - How to tell if goals are being met	Objectives - Specific projects	Completion Date
Reduce Dependency on County Tax Levy	Facility will require less levy to support annual operating budget; Meet or exceed budget expectations	Meet or exceed budgeted Census projections; Manage labor and supply costs within budget; Evaluate Supply/Service Cost Opportunities without sacrificing quality; Evaluate alternative uses for vacant Sandstone Wing; Reduce use of agency staff.	On going
Continuous Improvement in Quality of Care	Maintain Five Star Quality Measures;	Ensure active Process Improvement Plans are in place for quality areas including areas identified in Quality Measure Report and through QAPI committee; Evaluate audits and ensure sufficient audits are being conducted to monitor quality of care and services; partner with Superior Health (QIO) to evaluate systems, processes, policies and procedures for best practice.	On going
Achieve High Standards of Regulatory Compliance	Maintain 5-Star Rating for Health Inspection; deficiency free or low number and low scope and severity of citations, better than state or national average	Conduct routine compliance audits and rounds, mock surveys; Continue to review staff education and training program and opportunities to heighten staff knowledge and training related to policies and procedures and regulatory compliance.	On going
Improve Staff Recruitment and Retention	Increased hiring and less turnover; fewer open positions; less use of agency staff	Recruitment work team established and meeting weekly to develop and implement recruitments initiatives to attract new employees. Recognition team established to develop recognition calendar and other activities for staff participation and engagement; Participate in the County Retention Committee and implement activities at the Health Care Center	On going

EXHIBIT K

Health Care Center

Program Evaluation						
Program Title	Program Description	Mandates and References	2024	FTE's	Key Outcome Indicator(s)	
Business Office	Oversees all billing and revenue collections of the Sauk County Health Care Center. Responsible for cost reporting, accounts payable, accounts receivable, and resident trust accounts.	Wis Admin Code DHS 132	User Fees / Bad Debt / Misc.	\$0	3.00	Accounts Receivable Aging
			Grants	\$0		
			Sales Tax from General Fund for Debt Service	\$1,119,990		
			Other Revenues & Bed Tax	(\$86,455)		
			Use of Retained Earnings	\$950,000		
			TOTAL REVENUES	\$1,983,535		
			Wages & Benefits	\$271,832		
			Operating Expenses	\$805,224		
			Debt Service	\$1,119,990		
			TOTAL EXPENSES	\$2,197,046		
	COUNTY LEVY	\$213,511				
Human Resources	Responsible for assisting department heads with the resolution of employee issues, hiring and orienting new employees, and payroll and benefits tasks.	Wis Admin Code DHS 132	Wages & Benefits	\$94,080	1.00	Employee turnover rate Facility overtime hours
			Operating Expenses	\$10,503		
			TOTAL EXPENSES	\$104,583		
			COUNTY LEVY	\$104,583		
Skilled Nursing Facility	Provides skilled nursing for short and long term rehabilitative care to Sauk County and surrounding communities' residents.	Wis Admin Code DHS 132	User Fees / Misc.	\$8,600,627	54.20	Rehospitalization rate; quality metric measurements; annual survey outcomes
			Grants	\$7,200		
			TOTAL REVENUES	\$8,607,827		
			Wages & Benefits	\$4,787,086		
			Operating Expenses	\$1,005,622		
			TOTAL EXPENSES	\$5,792,708		
	COUNTY LEVY	(\$2,815,119)				
Occupational Therapy	Enhances the lives of residents by keeping them at their highest functional level by providing skilled therapy and restorative care.		Wages & Benefits	\$0	-	% of short term residents who improve function prior to discharge
			Operating Expenses	\$65,600		
			TOTAL EXPENSES	\$65,600		
			COUNTY LEVY	\$65,600		
Activity Therapy	Enhances the lives of residents by providing activities for residents and their families. Oversees the volunteer program and plays a vital role in the public relations of the Sauk County Health Care Center.	Wis Admin Code DHS 132	User Fees / Misc.	\$0	3.00	% of short term residents who improve function prior to discharge
			TOTAL REVENUES	\$0		
			Wages & Benefits	\$255,903		
			Operating Expenses	\$7,149		
			TOTAL EXPENSES	\$263,052		
				COUNTY LEVY		
Medical Doctor	Physician monitoring	Wis Admin Code DHS 132	Wages & Benefits	\$0	-	
			Operating Expenses	\$11,520		
			TOTAL EXPENSES	\$11,520		
			COUNTY LEVY	\$11,520		
Medical Records	Medical records/privacy documentation	Wis Admin Code DHS 132	Wages & Benefits	\$99,038	1.00	Remain compliant with HIPPA
			Operating Expenses	\$900		
			TOTAL EXPENSES	\$99,938		
			COUNTY LEVY	\$99,938		
Social Work	Responsible for discharge planning and resource referrals, psychosocial assistance, and aiding residents with transitional placement issues.	Wis Admin Code DHS 132	Wages & Benefits	\$112,031	1.00	Successful discharges to community
			Operating Expenses	\$500		
			TOTAL EXPENSES	\$112,531		
			COUNTY LEVY	\$112,531		
Dietary	Prepare and distribute nutritious, good tasting meals while adhering to physician ordered diets.	Wis Admin Code DHS 132	User Fees / Misc.	\$46,080	13.55	Reduce and stay below state wide average of survey citations
			TOTAL REVENUES	\$46,080		
			Wages & Benefits	\$865,123		
			Operating Expenses	\$279,750		
			TOTAL EXPENSES	\$1,144,873		
	COUNTY LEVY	\$1,098,793				
Maintenance	Maintain physical plant and grounds of the Sauk County Health Care Center.	Life safety code	User Fees / Misc.	\$0	3.50	Reduce and stay below state wide average of life safety violations
			TOTAL REVENUES	\$0		
			Wages & Benefits	\$330,921		
			Operating Expenses	\$310,274		
			TOTAL EXPENSES	\$641,195		
	COUNTY LEVY	\$641,195				
Environmental Services	Maintain housekeeping tasks for facility and residents. Launder clothes and linens for facility and residents.		Wages & Benefits	\$666,080	11.20	
			Operating Expenses	\$54,675		
			TOTAL EXPENSES	\$720,755		
			COUNTY LEVY	\$720,755		

Health Care Center

Administration	Manage oversight of skilled nursing facility	Wis Admin Code DHS 132	User Fees / Misc.	\$0	2.00	Occupancy rate Resident survey results show satisfaction with facility Operating tax levy per patient day to remain at lowest possible while
			TOTAL REVENUES	\$0		
			Wages & Benefits	\$262,928		
			Operating Expenses	\$5,200		
			TOTAL EXPENSES	\$268,128		
Home Care	Service discontinued at the end of 2016. Some expenditures remaining for computer system access.		COUNTY LEVY	\$268,128	-	
			Use of Retained Earnings	\$13,860		
			TOTAL REVENUES	\$13,860		
			Wages & Benefits	\$0		
			Operating Expenses	\$17,460		
Outlay	Nursing Equipment Full Body Stand Lift with Scale Siding Replacement Camera Security RTU replacements with infection control Dishwashers (2) Water Heater Replacement (set aside) Boiler Roof Top Unit Replacements - Grant Funds CF Roof Replacement (Allocate \$20,000 per year 2023-2027 and \$40,000 the project year of 2028)	\$9,000 \$5,500 \$20,000 \$10,000 \$1,370,000 \$18,400 \$35,000 \$23,000 \$20,000	TOTAL EXPENSES	\$17,460	-	
			COUNTY LEVY	\$3,600		
			Carryforward	\$140,900		
			Other Revenues	\$1,370,000		
			Use of Retained Earnings	0		
Totals			TOTAL REVENUES	\$12,162,202	93.45	
			TOTAL EXPENSES	\$12,950,289		
			COUNTY LEVY	\$788,087		

Output Measures - How much are we doing?

Description	2022 Actual	2023 Estimate	2024 Budget
Re-certification survey below state and national average	1 citation	Deficiency free survey	Deficiency free survey
Occupancy as a % of licensed beds (82)	69%	65%	73%
Complaint surveys	1	1	0
Reduce number of life safety code citations	5	4	0
Annual Resident days /Avg Daily Census	19036 / 52.15	19119 / 52.38	20651 / 56.42
Number of meals prepared for congregate and home delivery	15,757	14,523	14,573

Key Outcome Indicators / Selected Results - How well are we doing?

Description	What do the results mean?	2022 Actual	2023 Estimate	2024 Budget
Rehospitalization rate	Lower hospitalization rates make Skilled Nursing Facilities (SNF) more attractive to Accountable Care Organizations to ensure referrals for services continue.	19.2% (State Avg. 20.9%/ National Avg. 22.2%)	21.6% (State Avg. 20.2%/ National Avg. 22.3%)	< (State Avg 20.2%/National Avg. 22.3%)
Operating tax levy per patient day	This is the amount of tax levy needed to support the HCC per patient day served.	\$58.26	\$42.41	\$38.16
Percent of patient days with Medicare as a payer source	Increased number of residents served will show continued need for skilled nursing care.	10%	6%	7%
Percent of patient days with Medicaid as a payer source	Increased number of residents served will show continued need for skilled nursing facility that provides for the indigent populations requiring nursing home placement.	79.0%	80.1%	81.2%
Successful discharges to community	Discharge planning that is successful leads to less readmissions to ER/Hospital reducing overall burden to healthcare and county systems. Improvement efforts have increase with nursing and social services initiating discharge phone calls and setting up MD appointments prior to discharge to help minimize rehospitalization.	53.8% (National Avg. 52.9%)	54% (National Avg. 52.7%)	> 52% (National Avg. 52%)
Employee turnover rate	Employees are engaged and satisfied in their work for the county.	43.3%	40.0%	35.0%
Staffing Rating	Higher staffing levels help indicate the quality of care nursing home residents receive. A higher star rating means, there are more nursing staff.	Four Stars out of Five Stars	Four Stars out of Five Stars	Four Stars out of Five Stars
% of short term residents who improve function prior to discharge	Successful rehabilitation services are being provided at the HCC.	88.5% (State Avg. 75.3%/ National Avg. 70.5%)	88.4% (State Avg.76.5%/National Avg. 74.6%)	> State Avg.(76.4%) & National Avg. (74.6%)

Health Care Center

Oversight Committee: **Health Care Center**

**Health Care Center
Administrator**
1.00 FTE

Enviromental Service Manager
1.00 FTE

**Director of Nursing - Registered
Nurse (RN)**
1.00 FTE

Activities Manager
1.00 FTE

Social Worker
1.00 FTE

Business Manager
1.00 FTE

**Environmental Services/ Central
Supply Lead**
1.00 FTE

Maintenance / Security
3.50 FTE

**Assistant Director of Nursing -
RN**
1.00 FTE

Activity Assistant
2.00 FTE

Medical Records Coordinator
1.00 FTE

Billing Specialist
2.00 FTE

**Environmental Services
Assistant**
10.20 FTE

**Staff Development Coordinator -
RN**
1.00 FTE

Human Resource Specialist
1.00 FTE

RN Supervisor
4.20 FTE

Dietary Service Manager
1.00 FTE

Admissions Coordinator
1.00 FTE

Staff Nurse
Regular 7.90 FTE

Cook
4.60 FTE

Licensed Practical Nurse (LPN)
4.50 FTE

Dining Assistant
7.95 FTE

**Certified Nursing Assistant
(CNA)**
Regular 23.60 FTE
Casual 2.5 FTE

Hospitality Aides
6.00 FTE

Unit Coordinator
1.50 FTE

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
FTE Change	-0.70	-4.67	-2.60	-21.50	-7.42
FTE Balance	129.64	124.97	122.37	100.87	93.45

	2020 Actual	2021 Actual	2022 Actual	2023 Amended Budget	Estimated Year End Actual as of August 2023	2024 Budget	\$ Change from 2023 Amended to 2024 Budget	% Change from 2023 Amended to 2024 Budget	Outlay	Total Expense Amount	Property Tax Levy Impact
HEALTH CARE CENTER											
<u>Revenues</u>											
Tax Levy	1,543,829	1,198,185	1,114,320	810,813	810,813	788,087	(22,726)	-2.80%	Full Body/Stand Lift Scale	5,500	0
Grants & Aids	1,831,575	1,283,563	780,500	1,600,000	310,000	1,370,000	(230,000)	-14.38%	Nursing Equipment	9,000	0
User Fees	5,455,658	5,407,612	5,599,198	6,864,620	6,091,926	8,444,172	1,579,552	23.01%	Cameras-Security Monitoring System	10,000	0
Intergovernmental	158,034	160,618	51,189	80,000	41,080	41,080	(38,920)	-48.65%	Water Heater Replacement	35,000	0
Donations	8,805	8,025	5,335	1,000	0	0	(1,000)	-100.00%	Roof Replacement	20,000	0
Interest	15,308	2,230	54,950	15,005	100,000	75,000	59,995	399.83%	Boiler Heating Replacement	23,000	0
Rent	0	0	-	0	0	0	0	0.00%	RTU Replacements (set-aside)	1,370,000	0
Miscellaneous	(2,868)	640	(1,606)	900	0	0	(900)	-100.00%	2 Dishwashers	18,400	0
Transfer from other Funds	1,033,810	1,062,548	1,028,673	1,039,846	1,039,846	1,119,990	80,144	7.71%	Exterior building Siding	20,000	0
Bond Proceeds	0	0	0	0	0	0	0	0.00%			
Use of Fund Balance	0	0	0	2,438,617	238,853	1,111,960	(1,326,657)	-54.40%	2024 Total	1,510,900	0
Total Revenues	10,044,151	9,123,421	8,632,559	12,850,801	8,632,518	12,950,289	99,488	0.77%			
<u>Expenses</u>											
Labor	4,644,083	4,225,070	4,094,091	5,322,347	3,406,940	5,430,676	108,329	2.04%	2025	57,500	0
Labor Benefits	1,973,328	1,458,157	1,009,322	2,196,875	1,201,239	2,314,346	117,471	5.35%	2026	61,400	0
Supplies & Services	1,874,350	1,791,784	1,985,918	2,204,476	2,522,593	2,499,377	294,901	13.38%	2027	43,000	0
Principal Redemption	0	0	0	900,000	900,000	900,000	0	0.00%	2028	63,000	0
Interest Payments	214,561	172,547	128,672	139,846	139,846	219,990	80,144	57.31%			
Capital Outlay	10,256	9,358	14,122	2,072,257	361,900	1,510,900	(561,357)	-27.09%			
Transfer to General Fund	15,305	2,224	54,943	15,000	100,000	75,000	60,000	400.00%			
Addition to Fund Balance	1,312,268	1,464,281	1,345,491	0	0	0	0	0.00%			
Total Expenses	10,044,151	9,123,421	8,632,559	12,850,801	8,632,518	12,950,289	99,488	0.77%			
Beginning of Year Fund Balance	6,549,868	7,862,136	9,326,417		10,671,908	10,433,055					
End of Year Fund Balance	7,862,136	9,326,417	10,671,908		10,433,055	9,321,095					

The Health Care Center is required by accounting standards to record outlay purchases as assets, not expenditures. The amounts shown for outlay expenditures are for budget purposes only.

2024 Highlights & Issues on the Horizon

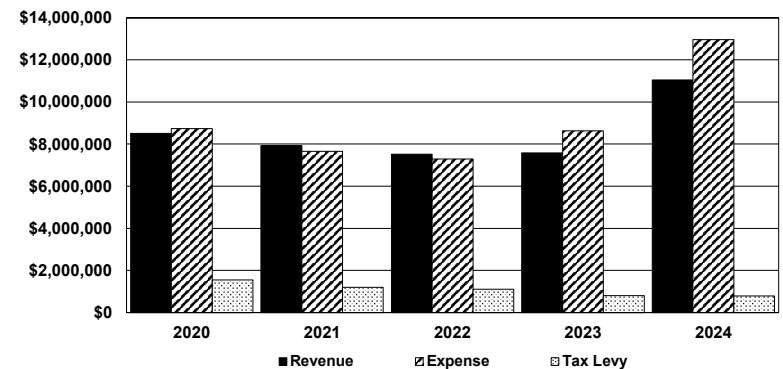
Revenues were budgeted based on a significant increase in Medical Assistance (MA) rates. The MA new payment methodology aims to reimburse facilities based at 75% of their direct care costs. The MA rate reflects approximately an \$80 per day increase. Private room rates are also budgeted at a 10% increase (\$31/day) to keep pace with increased costs.

Budgeted revenue was based on 2023 census goals with opening up the closed unit. Overall 2023 budgeted revenues were decreased from 2022, staffing and expenses have been adjusted to meet the census estimate.

Outlay costs for capital projects are decreased from 2023 with the exception of the use of American Rescue Plan Act funds for the Roof Top Units replacements.

Looking beyond 2024, staffing challenges will continue. Wages have been on the rise as facilities attempt to compete for the staff. These trends have been seen at both the state/local level and also at the national level. As facilities have been forced to use contracted agencies which come at a financial premium. As the state is attempting to reduce the level of closure of nursing homes by paying a more equitable MA reimbursement, hospitals are equally challenged to find open beds to discharge patients to long term care facilities.

Revenue, Expense and Tax Levy



Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months Actual	Originally Adopted Budget	Amended Budget	Estimated	Amended To 2024	2023
60007110 HCC ACCOUNTING ADMINISTRATIVE									
514100 FICA & MEDICARE TAX	191	356	436	253	482	482	500	522	40
514600 WORKERS COMPENSATION	2	4	4	3	4	4	6	4	0
515800 PER DIEM COMMITTEE	2,500	4,650	5,700	3,300	6,300	6,300	6,600	6,825	525
522500 TELEPHONE	22,327	22,596	16,173	11,798	18,000	18,000	17,000	17,000	-1,000
523400 COLLECTION AGENCY FEES	0	0	29,456	0	10,000	10,000	7,270	7,270	-2,730
531800 MIS DEPARTMENT CHARGEBACKS	72,746	90,988	74,205	35,634	91,556	91,556	91,556	114,269	22,713
532200 SUBSCRIPTIONS	12,355	12,685	13,415	0	13,000	13,000	14,153	15,500	2,500
533200 MILEAGE	621	536	976	468	1,000	1,000	1,112	1,150	150
537900 LICENSE RENEWALS	672	492	180	0	800	800	672	680	-120
551100 INSURANCE-BLDGS/CONTENTS/EXTEN	10,487	10,858	11,173	11,308	11,300	11,300	11,500	11,500	200
551200 INSURANCE-VEHICLE LIABILITY	3,021	2,599	1,662	1,583	1,700	1,700	1,700	1,700	0
551900 INSURANCE-GENERAL LIABILITY	25,222	25,925	24,528	25,625	25,500	25,500	26,000	26,000	500
552100 OFFICIALS BONDS	1,081	1,064	164	900	175	175	200	200	25
552400 INSURANCE-VOLUNTEERS	39	44	26	23	28	28	45	45	17
554000 DEPRECIATION EXPENSE	463,143	474,830	500,764	237,500	475,000	475,000	500,000	500,000	25,000
581900 CAPITAL OUTLAY	10,256	9,358	14,122	20,695	939,900	2,072,257	361,900	1,510,900	-561,357
TOTAL HCC ACCOUNTING ADMINISTRATIVE	624,663	656,983	692,985	349,089	1,594,745	2,727,102	1,040,214	2,213,565	-513,537
60007420 ACCOUNTING LABOR									
511100 SALARIES PERMANENT REGULAR	129,540	132,321	150,912	77,908	165,741	165,741	165,741	186,373	20,632
511800 SALARIES-NONPRODUCTIVE	18,790	24,317	10,756	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	855	895	935	0	1,015	1,015	1,015	1,075	60
514100 FICA & MEDICARE TAX	10,390	11,230	11,469	5,529	12,757	12,757	12,757	14,340	1,583
514200 RETIREMENT-COUNTY SHARE	9,860	10,451	10,507	5,298	11,340	11,340	11,340	12,934	1,594
514201 ACTUARIAL PENSION	-106	-13,974	-19,529	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	30,820	27,553	47,235	22,860	46,610	46,610	46,610	49,537	2,927
514401 ACTUARIAL OPEB HEALTH	320	227	-1,727	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	78	88	109	55	108	108	108	110	2
514501 ACTUARIAL OPEB LIFE	1,209	1,616	-8,687	0	0	0	0	0	0
514600 WORKERS COMPENSATION	106	130	113	47	100	100	100	112	12
TOTAL ACCOUNTING LABOR	201,862	194,853	202,092	111,696	237,671	237,671	237,671	264,481	26,810
60007425 ACCOUNTING OPERATIONS									
520900 CONTRACTED SERVICES	20,125	20,652	20,899	8,801	20,000	20,000	22,509	24,000	4,000
531100 POSTAGE AND BOX RENT	3,269	2,718	2,508	2,500	3,500	3,500	3,500	3,500	0
531200 OFFICE SUPPLIES AND EXPENSE	5,529	6,232	6,731	2,944	6,000	6,000	6,528	6,600	600
532800 TRAINING AND INSERVICE	0	0	75	0	500	500	500	500	0
533200 MILEAGE	0	0	0	0	50	50	50	50	0
539800 EQUIPMENT LEASE	1,468	260	260	82	350	350	240	260	-90

Fund: HEALTH CARE CENTER									\$ Change
Department: ACCOUNTING	2020	2021	2022	2023	2023	2023	2023	2024	2023
	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated		Amended To
				Actual	Adopted	Budget			2024
					Budget				
60007425 ACCOUNTING OPERATIONS									
561000 PRINCIPAL REDEMPTION	0	0	0	0	935,000	935,000	935,000	995,000	60,000
562000 INTEREST EXPENSE	290,938	248,923	205,048	85,930	168,752	168,752	168,752	151,485	-17,267
TOTAL ACCOUNTING OPERATIONS	321,328	278,786	235,521	100,257	1,134,152	1,134,152	1,137,079	1,181,395	47,243
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	1,147,853	1,130,621	1,130,598	561,042	2,966,568	4,098,925	2,414,964	3,659,441	-439,484
-ADDITION TO / USE OF FUND BALANCE	1,147,853	1,130,621	1,130,598	561,042	17,799,408	4,098,925	2,414,964	3,659,441	
60011420 PERSONNEL LABOR									
511100 SALARIES PERMANENT REGULAR	46,638	33,606	45,967	21,678	48,080	48,080	48,080	56,444	8,364
511200 SALARIES-PERMANENT-OVERTIME	242	1,628	200	0	0	0	0	793	793
511800 SALARIES-NONPRODUCTIVE	4,493	5,312	1,009	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	0	174	0	0	0	0	0	0	0
512100 WAGES-PART TIME	0	3,836	1,644	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	3,108	3,365	3,543	1,544	3,678	3,678	3,678	4,379	701
514200 RETIREMENT-COUNTY SHARE	3,221	2,751	3,070	1,318	3,269	3,269	3,269	3,949	680
514201 ACTUARIAL PENSION	-34	-3,678	-5,706	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	17,920	14,093	20,035	5,682	19,522	19,522	19,522	20,748	1,226
514401 ACTUARIAL OPEB HEALTH	0	5	0	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	8	1	6	2	0	0	7	7	7
514501 ACTUARIAL OPEB LIFE	117	12	-515	0	0	0	0	0	0
514600 WORKERS COMPENSATION	35	47	34	13	29	29	32	34	5
533200 MILEAGE	0	0	278	128	0	0	300	300	300
TOTAL PERSONNEL LABOR	75,747	61,152	69,566	30,365	74,578	74,578	74,888	86,654	12,076
60011425 PERSONNEL OPERATIONS									
519200 PHYSICALS / OTHER BENEFITS	1,498	5,066	6,598	0	0	0	6,500	7,725	7,725
520900 CONTRACTED SERVICES	3,678	2,416	4,985	910	3,500	3,500	1,800	2,000	-1,500
532600 ADVERTISING	1,560	498	501	370	1,000	1,000	2,000	3,000	2,000
532800 TRAINING AND INSERVICE	0	0	0	0	200	200	200	200	0
536100 REFERENCE CHECKS	0	0	0	0	100	100	100	2,004	1,904
536500 EMPLOYEE RECOGNITION	0	0	0	0	0	0	1,000	3,000	3,000
TOTAL PERSONNEL OPERATIONS	6,736	7,980	12,084	1,280	4,800	4,800	11,600	17,929	13,129
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	82,483	69,132	81,650	31,645	79,378	79,378	86,488	104,583	25,205
-ADDITION TO / USE OF FUND BALANCE	82,483	69,132	81,650	31,645	476,268	79,378	86,488	104,583	

Fund: HEALTH CARE CENTER									\$ Change
Department: ACCOUNTING	2020	2021	2022	2023	2023	2023	2023	2024	2023
	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated		Amended To
				Actual	Adopted	Budget			2024
					Budget				
60041 HOME CARE									
411100 GENERAL PROPERTY TAXES	-4,700	-3,500	-1,200	-1,800	-3,600	-3,600	-3,600	-3,600	0
TOTAL HOME CARE	-4,700	-3,500	-1,200	-1,800	-3,600	-3,600	-3,600	-3,600	0
60041483 HOME NURSING PROGRAM									
531800 MIS DEPARTMENT CHARGEBACKS	3,609	3,527	2,818	1,051	3,600	3,600	3,600	3,600	0
554000 DEPRECIATION EXPENSE-HM CARE	13,860	13,860	13,860	0	13,860	13,860	13,860	13,860	0
TOTAL HOME NURSING PROGRAM	17,469	17,387	16,678	1,051	17,460	17,460	17,460	17,460	0
TOTAL DEPARTMENT REVENUE	-4,700	-3,500	-1,200	-1,800	-3,600	-3,600	-3,600	-3,600	0
TOTAL DEPARTMENT EXPENSE	17,469	17,387	16,678	1,051	17,460	17,460	17,460	17,460	0
-ADDITION TO / USE OF FUND BALANCE	12,769	13,887	15,478	-749	83,160	13,860	13,860	13,860	
60065421 NURSING CNA LABOR									
511100 SALARIES PERMANENT REGULAR	587,714	516,793	617,152	378,398	1,556,366	1,556,366	756,795	1,449,267	-107,099
511200 SALARIES-PERMANENT-OVERTIME	132,301	93,028	130,922	47,078	121,105	121,105	94,156	106,220	-14,885
511800 FT-WAGES NONPRODUCTIVE	114,906	103,064	44,151	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	3,019	2,929	3,327	0	4,237	4,237	7,000	3,881	-356
512100 WAGES-PART TIME	305,087	315,804	126,876	0	0	27,500	0	0	-27,500
512200 WAGES-PART TIME-OVERTIME	55,575	49,858	17,700	0	0	0	0	0	0
512800 PT WAGES NONPRODUCTIVE	29,517	27,838	7,193	0	0	0	0	0	0
512900 LONGEVITY-PART TIME	1,138	1,241	0	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	87,754	80,689	70,083	31,155	128,650	128,650	62,309	119,290	-9,360
514200 RETIREMENT-COUNTY SHARE	78,338	66,515	56,439	24,511	102,538	102,538	49,021	100,004	-2,534
514201 ACTUARIAL PENSION	-839	-88,934	-104,906	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	361,098	293,631	229,511	86,660	386,348	386,348	173,321	459,922	73,574
514401 ACTUARIAL OPEB HEALTH	3,334	2,247	-17,092	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	401	319	237	107	520	520	214	394	-126
514501 ACTUARIAL OPEB LIFE	6,225	5,886	-18,813	0	0	0	0	0	0
514600 WORKERS COMPENSATION	18,340	18,390	14,648	5,184	21,021	21,021	10,368	18,244	-2,777
514800 UNEMPLOYMENT	2,288	124	9,108	673	7,000	7,000	2,000	7,000	0
519000 CLASS & COMP IMPLEMENTATION	0	0	0	0	0	0	0	0	0
TOTAL NURSING CNA LABOR	1,786,197	1,489,421	1,186,536	573,765	2,327,785	2,355,285	1,155,184	2,264,222	-91,063
60065422 LICENSED PRACTICAL NURSE LABOR									
511100 SALARIES PERMANENT REGULAR	65,929	49,753	58,554	11,570	213,718	213,718	23,141	254,864	41,146
511200 SALARIES-PERMANENT-OVERTIME	8,315	7,391	12,347	1,155	11,210	11,210	2,310	9,719	-1,491
511800 SALARIES-NONPRODUCTIVE	5,888	9,297	3,800	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	154	80	0	0	140	140	140	0	-140
512100 WAGES-PART TIME	125,095	77,746	22,347	0	0	0	0	0	0

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2024	2023
				Actual	Adopted	Budget			Amended To
					Budget				2024
60065422 LICENSED PRACTICAL NURSE LABOR									
512200 WAGES-PART TIME-OVERTIME	13,919	3,891	597	0	0	0	0	0	0
512800 WAGES PART TIME NONPRODUCTIVE	36,715	14,891	2,469	0	0	0	0	0	0
512900 LONGEVITY-PART TIME	1,157	204	0	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	20,011	12,465	7,921	887	17,218	17,218	1,774	20,241	3,023
514200 RETIREMENT-COUNTY SHARE	17,846	11,071	6,547	821	15,305	15,305	1,641	17,422	2,117
514201 ACTUARIAL PENSION	-191	-14,802	-12,169	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	54,495	34,555	4,246	1,931	46,610	46,610	3,861	68,576	21,966
514500 LIFE INSURANCE COUNTY SHARE	81	22	10	-2	44	44	16	16	-28
514501 ACTUARIAL OPEB LIFE	1,256	397	-806	0	0	0	0	0	0
514600 WORKERS COMPENSATION	4,086	2,812	1,610	159	2,813	2,813	318	3,096	283
TOTAL LICENSED PRACTICAL NURSE LABOR	354,756	209,773	107,475	16,521	307,058	307,058	33,201	373,934	66,876
60065423 REGISTERED NURSES LABOR									
511100 SALARIES PERMANENT REGULAR	380,513	376,043	791,645	368,420	1,330,183	1,330,183	736,840	1,275,670	-54,513
511200 SALARIES-PERMANENT-OVERTIME	28,305	17,373	156,553	90,644	118,900	118,900	181,287	204,590	85,690
511800 SALARIES-NONPRODUCTIVE	66,662	80,349	41,076	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	862	1,000	1,460	0	2,479	2,479	800	1,183	-1,296
512100 WAGES-PART TIME	615,426	556,131	278,540	0	0	0	0	0	0
512200 WAGES-PART TIME-OVERTIME	46,134	55,037	46,603	0	0	0	0	0	0
512800 WAGES PART TIME NONPRODUCTIVE	121,618	104,165	21,464	0	0	0	0	0	0
512900 LONGEVITY-PART TIME	1,145	1,048	0	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	92,391	88,409	102,035	34,022	111,045	111,045	68,043	113,330	2,285
514200 RETIREMENT-COUNTY SHARE	82,763	79,407	84,040	29,843	98,706	98,706	59,687	102,219	3,513
514201 ACTUARIAL PENSION	-886	-106,170	-156,210	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	215,803	234,192	193,925	50,043	237,439	237,439	14,770	303,215	65,776
514500 LIFE INSURANCE COUNTY SHARE	255	265	249	29	295	295	2	172	-123
514501 ACTUARIAL OPEB LIFE	3,960	4,887	-19,771	0	0	0	0	0	0
514600 WORKERS COMPENSATION	18,890	19,922	21,190	5,738	18,145	18,145	623	17,332	-813
514800 UNEMPLOYMENT	0	0	1,480	0	0	0	0	0	0
533200 MILEAGE	0	20	182	234	0	0	0	0	0
TOTAL REGISTERED NURSES LABOR	1,673,841	1,512,079	1,564,461	578,973	1,917,192	1,917,192	1,062,052	2,017,711	100,519
60065424 HEALTH UNIT COORDINATOR									
511100 SALARIES PERMANENT REGULAR	56,432	31,911	46,911	20,777	32,814	32,814	41,553	67,714	34,900
511200 SALARIES-PERMANENT-OVERTIME	3,570	808	4,385	4,143	0	0	8,286	13,999	13,999
511800 SALARIES-NONPRODUCTIVE	13,217	7,627	4,032	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	294	160	244	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	5,012	3,141	3,445	1,751	2,510	2,510	3,502	6,251	3,741
514200 RETIREMENT-COUNTY SHARE	5,025	3,130	3,014	1,695	2,231	2,231	3,389	5,638	3,407
514201 ACTUARIAL PENSION	-54	-4,186	-5,602	0	0	0	0	0	0

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2023	Amended To
				Actual	Adopted	Budget		Amended	2024
					Budget				
60065424 HEALTH UNIT COORDINATOR									
514400 HEALTH INSURANCE COUNTY SHARE	34,824	23,904	15,291	7,385	39,044	39,044	14,770	36,662	-2,382
514500 LIFE INSURANCE COUNTY SHARE	6	6	4	1	6	6	2	0	-6
514501 ACTUARIAL OPEB LIFE	87	103	-336	0	0	0	0	0	0
514600 WORKERS COMPENSATION	1,108	763	745	311	410	410	180	956	546
TOTAL HEALTH UNIT COORDINATOR	119,521	67,367	72,132	36,062	77,015	77,015	71,682	131,220	54,205
60065425 NURSING OPERATIONS									
520900 CONTRACTED SERVICES	32,790	16,932	320,925	276,848	175,000	175,000	800,000	652,021	477,021
529100 PHARMACY SERVICES	175	0	0	0	500	500	2,100	4,500	4,000
529200 PHARMACY EQUIPMENT RENTAL	100	0	0	0	500	500	500	500	0
529300 SPEECH THERAPY	50,330	32,420	41,303	16,336	50,000	50,000	35,000	45,000	-5,000
529350 RESTORATIVE THERAPY	0	0	0	1,044	0	0	9,100	18,200	18,200
529500 PHYSICAL THERAPY PURCHASE SVCS	87,894	90,473	61,243	24,637	95,000	95,000	60,000	75,000	-20,000
529550 PHYSICAL THERAPY SMALL EQUIP	0	0	0	0	500	500	0	0	-500
531200 OFFICE SUPPLIES AND EXPENSE	0	0	0	26	0	0	0	0	0
531400 SMALL EQUIPMENT	16,054	2,061	2,158	455	5,000	5,000	2,200	2,500	-2,500
532800 TRAINING AND INSERVICE	3,559	2,034	4,361	3,784	7,000	7,000	9,000	14,200	7,200
533200 MILEAGE	0	0	0	0	500	500	200	200	-300
533900 TRANSPORTATION	7,336	6,675	5,111	2,442	7,500	7,500	4,000	5,000	-2,500
535900 EQUIPMENT AND MAINTENANCE	7,074	3,423	3,935	1,892	5,000	5,000	4,000	5,000	0
538100 NON-CHARGEABLE SUPPLIES	105,839	95,130	80,098	28,050	80,000	80,000	65,000	75,000	-5,000
538200 INCONTINENT SUPPLIES	42,784	39,006	39,142	20,258	45,000	45,000	43,000	48,000	3,000
538300 OXYGEN EXPENSE	2,322	2,215	3,437	726	4,500	4,500	2,000	2,500	-2,000
538500 LAB & X-RAY & ANALGESICS	13,936	14,139	12,161	1,628	20,000	20,000	2,500	12,000	-8,000
538600 PHARMACY DRUGS	43,451	58,101	26,024	4,966	70,000	70,000	15,000	25,000	-45,000
538700 OTC DRUGS	25,564	23,625	17,111	6,255	25,000	25,000	17,000	21,000	-4,000
539800 EQUIPMENT LEASE	39	6,963	0	0	5,000	5,000	0	0	-5,000
TOTAL NURSING OPERATIONS	439,249	393,196	617,008	389,347	596,000	596,000	1,070,600	1,005,621	409,621
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	4,373,564	3,671,836	3,547,611	1,594,669	5,225,050	5,252,550	3,392,719	5,792,708	540,158
-ADDITION TO / USE OF FUND BALANCE	4,373,564	3,671,836	3,547,611	1,594,669	31,350,300	5,252,550	3,392,719	5,792,708	
60080 HEALTH CARE CENTER REVENUE									
424295 COVID-19 RELIEF	-553,883	0	0	0	0	0	0	0	0
424296 ROUTES TO RECOVERY COVID	-127,330	0	0	0	0	0	0	0	0
424297 COVID PPE	-35,567	-88,811	0	0	0	0	0	0	0
424298 NH CARES PYMT PROG PARTICIP	-31,900	-6,167	0	0	0	0	0	0	0
424299 AMERICAN RESCUE PLAN ACT	0	0	0	0	-600,000	-600,000	0	-1,370,000	770,000

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2023	Amended To
				Actual	Adopted	Budget			2024
					Budget				
60080 HEALTH CARE CENTER REVENUE									
424592 DEPT HEALTH & FAMILY SERVICES	0	0	-2,750	0	0	0	0	0	0
425010 RM BRD MEDICARE A	-613,828	-738,489	-593,829	-171,935	-1,700,000	-1,700,000	-343,870	-533,941	-1,166,059
425020 RM BRD MEDICAID	-4,748,297	-4,610,163	-4,799,405	-2,456,647	-5,000,000	-5,000,000	-4,913,294	-5,756,498	756,498
425030 RM BRD INSURANCE	-12,115	-27,701	0	-6,740	0	0	0	0	0
425040 RM BRD SWFA	-474,960	-501,789	-514,069	-373,440	-350,000	-350,000	-746,880	-893,402	543,402
425050 RM BRD RPLCMT A	-8,235	-48,847	-6,795	0	0	0	0	-203,394	203,394
425200 CONTRACTUAL-MEDICARE A	-151,104	-213,886	-133,250	-11,448	120,000	120,000	22,896	0	120,000
425220 CONTRACTUAL-RPLCMT A	-2,019	-45,770	-3,846	-273	10,000	10,000	546	0	10,000
425250 MC COST REPORT SETTLEMENT	0	0	-8,819	-54	0	0	0	0	0
425252 MA COST REPORT SETTLEMENT	0	0	0	-3,665	0	0	0	0	0
425254 MCO COST SETTLEMENT	0	0	0	-2,452	0	0	0	0	0
451650 COPIER/POSTAGE/MISC	-405	-126	-90	-31	-250	-250	-62	-125	-125
455200 SAUK CO HEALTH CARE CENTER	0	0	21	973	0	0	0	0	0
455401 OUTPT PHYSICAL THER-MEDICARE B	-404	0	0	-585	-2,500	-2,500	0	0	-2,500
455411 OUTPT OCCUP THER-MEDICARE B	0	0	0	0	-1,500	-1,500	0	0	-1,500
465191 HOSPICE MEDICAID REVENUE	-91,195	-586	-22,974	-11,365	-25,000	-25,000	0	0	-25,000
465192 HOSPICE SELF PAY REVENUE	-58,105	0	-51,158	-56,279	-15,000	-15,000	0	0	-15,000
465280 TRANSPORTATION REVENUE	-3,250	-5,051	-6,208	-1,649	-7,000	-7,000	-4,000	-5,000	-2,000
465290 RM BRD SELF PAY	-715,571	-514,868	-667,772	-378,721	-860,000	-860,000	-748,648	-812,520	-47,480
465300 RADIOLOGY MEDICARE A	-1,965	-3,353	-2,849	-2,649	-5,000	-5,000	-5,298	-7,410	2,410
465310 PHARMACY MEDICARE A	-26,481	-33,527	-24,596	-6,396	-30,000	-30,000	-12,792	-17,891	-12,109
465330 PHYSICAL THERAPY MEDICARE A	-135,675	-158,040	-123,390	-34,965	-275,000	-275,000	-69,930	-97,807	-177,193
465331 PHYSICAL THERAPY-MEDICARE B	-87,816	-64,829	-46,380	-28,263	-90,000	-90,000	-56,526	-60,991	-29,009
465334 PHYSICAL THERAPY-RPLC A	-1,890	-18,810	-135	0	-5,000	-5,000	0	0	-5,000
465335 PHYSICAL THERAPY-INS	-4,455	-6,975	0	-1,350	-5,000	-5,000	0	0	-5,000
465336 PHYSICAL THERAPY-RPLC B	-585	-900	-2,565	-7,076	-2,500	-2,500	0	0	-2,500
465370 OCC THERAPY MEDICARE A	-139,815	-157,860	-116,235	-35,370	-300,000	-300,000	-70,740	-98,939	-201,061
465371 OCC THERAPY MEDICARE B	-117,910	-60,787	-33,672	-30,480	-75,000	-75,000	-60,960	-65,775	-9,225
465374 OCC THERAPY RPLCMT A	-2,070	-19,215	-225	0	-5,000	-5,000	0	0	-5,000
465375 OCC THERAPY INSURANCE	-4,590	-7,425	0	-1,305	-5,000	-5,000	0	0	-5,000
465376 OCC THERAPY RPLCMNT B	-1,430	-874	0	-4,631	-3,000	-3,000	0	0	-3,000
465377 OCC THERAPY SWFA	-485	0	0	0	0	0	0	0	0
465380 SPEECH THERAPY PART A	-90,812	-47,650	-67,358	-14,825	-60,000	-60,000	-29,650	-41,470	-18,530
465381 SPEECH THERAPY MEDICARE B	-40,134	-16,960	-26,584	-14,058	-30,000	-30,000	-28,116	-30,337	337
465383 SPEECH THERAPY MEDICAID	0	0	0	0	-100	-100	0	0	-100
465384 SPEECH THERAPY RPLCMT A	0	-5,925	0	0	-1,000	-1,000	0	0	-1,000
465385 SPEECH THERAPY INSURANCE	0	-4,075	0	0	0	0	0	0	0
465386 SPEECH THERAPY RPLCMT B	-8,125	-3,321	0	-2,750	-1,250	-1,250	0	0	-1,250
465387 SPEECH THERAPY SWFA	-550	0	0	0	0	0	0	0	0
465400 BED TAX ASSESSMENT	167,280	167,280	167,280	69,700	167,280	167,280	167,280	167,280	0
465401 BAD DEBT HOSPICE MCO	0	0	1,000	0	0	0	0	0	0

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2024	2023
				Actual	Adopted	Budget			Amended To
					Budget				2024
60080 HEALTH CARE CENTER REVENUE									
465402 BAD DEBT HOSPICE MEDICAID	0	0	1,000	0	0	0	0	0	0
465406 BAD DEBT OUTPT SELF PAY	173	0	0	0	0	0	0	0	0
465410 BAD DEBT SWFA	-5,000	5,000	0	0	0	0	0	0	0
465411 BAD DEBT MEDICAID	-4,845	10,341	10,000	0	5,000	5,000	0	0	5,000
465412 BAD DEBT MEDICARE A	21,501	-10,101	1,480	0	4,000	4,000	0	0	4,000
465413 BAD DEBT SELF PAY	7,256	113,751	-23,000	543	5,000	5,000	0	0	5,000
465414 BAD DEBT INSURANCE	-720	-1,336	10,148	0	5,000	5,000	0	0	5,000
465415 BAD DEBT MEDICARE B	-2,436	184	1,198	0	1,000	1,000	0	0	1,000
465417 BAD DEBT MEDICARE RPLCMT	57,156	-46,544	15,136	0	5,000	5,000	0	0	5,000
465418 BAD DEBT PSYCH SERVICES	163	0	0	0	0	0	0	0	0
465420 LABORATORY	-7,114	-6,138	-5,109	-1,106	-12,000	-12,000	-10,894	-12,000	0
465428 VACCINATIONS	-5,183	-16,459	-9,799	-194	-7,500	-7,500	-7,300	-10,000	2,500
465467 CONTRACTUAL MED B MPPR	22,559	12,529	8,012	7,883	25,000	25,000	0	0	25,000
465469 CONTRACTUAL OP MED B MPPR	60	0	0	40	500	500	0	0	500
465470 CONTRACTUAL MEDICAID	1,563,687	1,418,964	1,284,805	355,882	1,500,000	1,500,000	711,764	0	1,500,000
465471 CONTRACTUAL SWFA	170,371	208,261	156,559	39,745	100,000	100,000	79,490	0	100,000
465472 CONTRACTUAL MEDICARE B	76,687	53,671	34,873	21,706	50,000	50,000	43,412	46,748	3,252
465473 CONTRACTUAL-MED B RPLCMT	3,526	977	1,036	5,159	2,000	2,000	0	0	2,000
465475 CONTRACTUAL OUTPT MECICARE B	184	0	0	264	1,000	1,000	0	0	1,000
465481 CONTRACTUAL HOSPICE MCO	0	0	-5,541	0	0	0	0	0	0
465482 CONTRACTUAL HOSPICE MEDICAID	28,587	0	5,633	3,061	10,000	10,000	0	0	10,000
465510 LEVEL 1 SCREEN	-1,560	-1,770	-1,050	-600	-4,000	-4,000	-1,300	-1,700	-2,300
465520 NA TRAINING	0	0	0	-1,000	0	0	-2,000	-4,000	4,000
465531 INSURANCE CONTRACT ADJ	-2,237	1,851	0	949	2,500	2,500	0	0	2,500
465550 GUEST MEALS	-1,479	-271	-623	-2,527	-300	-300	-5,054	-5,000	4,700
474010 DEPARTMENTAL CHARGES	-158,035	-160,618	-51,210	-24,352	-80,000	-80,000	-41,080	-41,080	-38,920
481100 INTEREST ON INVESTMENTS	-3	-5	-7	-6	-5	-5	0	0	-5
481250 INSURANCE INTEREST	0	0	-8	-9	0	0	0	0	0
483100 GAIN/LOSS FIXED ASSETS DIV	5,648	0	1,373	0	0	0	0	0	0
483310 BAKE SALES	-155	-546	-295	-100	-500	-500	0	0	-500
483330 CRAFT SALES	-55	-95	-118	-50	-250	-250	0	0	-250
483340 RECYCLING REVENUES	-41	0	-42	0	-150	-150	0	0	-150
484110 MISCELLANEOUS PUBLIC CHARGES	0	0	-31	0	0	0	0	0	0
484175 FOCUS ON ENERGY	-685	0	0	0	0	0	0	0	0
484176 SOLAR UNDERPERFORMANCE REBATE	-1,844	0	0	0	0	0	0	0	0
485020 GERIATRICS DONATIONS	-1,178	-1,295	-545	0	-1,000	-1,000	0	0	-1,000
493160 USE OF RETAINED EARNINGS	0	0	0	0	-1,278,760	-2,438,617	0	-1,111,960	-1,326,657
TOTAL HEALTH CARE CENTER REVENUE	-6,360,684	-5,665,148	-5,652,780	-3,183,442	-8,825,285	-9,985,142	-6,133,006	-10,967,212	982,070
TOTAL DEPARTMENT REVENUE	-6,360,684	-5,665,148	-5,652,780	-3,183,442	-8,825,285	-9,985,142	-6,133,006	-10,967,212	982,070

Fund: HEALTH CARE CENTER									\$ Change
Department: ACCOUNTING	2020	2021	2022	2023	2023	2023	2023	2024	2023
	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated		Amended To
				Actual	Adopted	Budget			2024
					Budget				
TOTAL DEPARTMENT EXPENSE	0	0	0	0	0	0	0	0	0
-ADDITION TO / USE OF FUND BALANCE	-6,360,684	-5,665,148	-5,652,780	-3,183,442	-52,951,710	-9,985,142	-6,133,006	-10,967,212	
 60085420 OCCUP THERAPY LABOR									
511100 SALARIES PERMANENT REGULAR	41,631	43,444	51,350	22,459	56,814	56,814	22,450	0	-56,814
511200 SALARIES-PERMANENT-OVERTIME	9	39	40	10	0	0	10	0	0
511800 SALARIES-NONPRODUCTIVE	9,828	9,723	3,822	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	842	862	882	451	922	922	451	0	-922
514100 FICA & MEDICARE TAX	3,494	3,675	3,783	1,570	4,417	4,417	1,570	0	-4,417
514200 RETIREMENT-COUNTY SHARE	3,535	3,657	3,662	1,278	3,926	3,926	1,278	0	-3,926
514201 ACTUARIAL PENSION	-38	-4,889	-6,807	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	17,920	18,665	19,839	6,490	19,522	19,522	6,590	0	-19,522
514401 ACTUARIAL OPEB HEALTH	167	106	-488	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	46	52	64	22	62	62	22	0	-62
514501 ACTUARIAL OPEB LIFE	717	958	-5,119	0	0	0	0	0	0
514600 WORKERS COMPENSATION	781	898	871	287	722	722	286	0	-722
TOTAL OCCUP THERAPY LABOR	78,933	77,188	71,899	32,567	86,385	86,385	32,657	0	-86,385
 60085425 OCCUP THERAPY OPERATIONS									
520900 CONTRACTED SERVICES	99,870	85,199	52,446	23,649	110,000	110,000	55,000	60,000	-50,000
531400 SMALL EQUIPMENT	2,438	4,442	4,413	2,296	3,500	3,500	4,600	4,600	1,100
532800 TRAINING AND INSERVICE	0	0	0	0	500	500	0	0	-500
533200 MILEAGE	0	0	0	0	50	50	0	0	-50
535900 EQUIPMENT AND MAINTENANCE	284	188	400	0	1,500	1,500	1,000	1,000	-500
TOTAL OCCUP THERAPY OPERATIONS	102,592	89,829	57,260	25,945	115,550	115,550	60,600	65,600	-49,950
 TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	181,524	167,017	129,159	58,512	201,935	201,935	93,257	65,600	-136,335
-ADDITION TO / USE OF FUND BALANCE	181,524	167,017	129,159	58,512	1,211,610	201,935	93,257	65,600	
 60086420 ACTIVITY THERAPY LABOR COSTS									
511100 SALARIES PERMANENT REGULAR	132,295	141,642	148,559	72,797	170,980	170,980	145,594	176,910	5,930
511200 SALARIES-PERMANENT-OVERTIME	4,991	4,135	3,936	4,694	0	0	9,387	0	0
511800 SALARIES-NONPRODUCTIVE	22,788	24,251	10,102	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	1,587	1,647	1,277	0	1,827	1,827	1,280	1,357	-470
512100 WAGES-PART TIME	24,244	32,920	12,842	0	0	0	0	0	0
512200 WAGES-PART TIME-OVERTIME	158	1,664	880	0	0	0	0	0	0
512800 WAGES PART TIME NONPRODUCTIVE	13,847	3,022	2,315	0	0	0	0	0	0
512900 LONGEVITY-PART TIME	119	138	0	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	14,458	14,905	13,577	5,521	13,219	13,219	11,042	13,637	418

Fund: HEALTH CARE CENTER									\$ Change
Department: ACCOUNTING	2020	2021	2022	2023	2023	2023	2023	2024	2023
	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated		Amended To
				Actual	Adopted	Budget			2024
					Budget				
60086420 ACTIVITY THERAPY LABOR COSTS									
514200 RETIREMENT-COUNTY SHARE	13,416	13,846	11,625	5,269	11,751	11,751	10,539	12,300	549
514201 ACTUARIAL PENSION	-144	-18,513	-21,608	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	67,210	73,808	57,140	24,494	58,565	58,565	48,989	49,537	-9,028
514401 ACTUARIAL OPEB HEALTH	586	429	-3,007	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	31	30	32	17	28	28	33	74	46
514501 ACTUARIAL OPEB LIFE	478	558	-2,579	0	0	0	0	0	0
514600 WORKERS COMPENSATION	2,959	3,375	2,893	969	2,160	2,160	1,937	2,086	-74
TOTAL ACTIVITY THERAPY LABOR COSTS	299,024	297,855	237,985	113,760	258,530	258,530	228,801	255,901	-2,629
60086425 ACTIVITY THERAPY OPERATIONS									
520900 CONTRACTED SERVICES	359	573	1,651	0	2,000	2,000	0	500	-1,500
531400 SMALL EQUIPMENT	334	0	0	0	250	250	0	250	0
532200 SUBSCRIPTIONS	729	1,520	236	175	2,000	2,000	1,500	1,699	-301
532600 ADVERTISING	0	0	0	0	500	500	0	0	-500
532800 TRAINING AND INSERVICE	100	0	528	0	1,000	1,000	500	500	-500
533200 MILEAGE	0	0	106	0	0	0	0	0	0
534000 OPERATING/MEETING SUPPLIES	2,436	2,239	1,806	1,740	4,000	4,000	4,000	4,000	0
535900 EQUIPMENT AND MAINTENANCE	0	0	517	0	600	600	0	200	-400
TOTAL ACTIVITY THERAPY OPERATIONS	3,958	4,332	4,843	1,915	10,350	10,350	6,000	7,149	-3,201
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	302,981	302,187	242,828	115,676	268,880	268,880	234,801	263,050	-5,830
-ADDITION TO / USE OF FUND BALANCE	302,981	302,187	242,828	115,676	1,613,280	268,880	234,801	263,050	
60087425 PHYSICIAN									
528700 PHYSICIANS SERVICES	10,200	10,200	7,970	1,760	11,600	11,600	9,600	11,520	-80
529700 PSYCHIATRIST	0	0	0	0	500	500	0	0	-500
TOTAL PHYSICIAN	10,200	10,200	7,970	1,760	12,100	12,100	9,600	11,520	-580
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	10,200	10,200	7,970	1,760	12,100	12,100	9,600	11,520	-580
-ADDITION TO / USE OF FUND BALANCE	10,200	10,200	7,970	1,760	72,600	12,100	9,600	11,520	
60088420 SOCIAL WORKERS LABOR COSTS									
511100 SALARIES PERMANENT REGULAR	64,303	47,099	60,099	35,450	66,022	66,022	70,899	78,850	12,828
511200 SALARIES-PERMANENT-OVERTIME	0	0	0	0	0	0	273	0	0
511800 SALARIES-NONPRODUCTIVE	9,736	4,004	1,105	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	320	142	0	0	0	0	0	0	0

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2024	2023
				Actual	Adopted	Budget			Amended To
					Budget				2024
60088420 SOCIAL WORKERS LABOR COSTS									
514100 FICA & MEDICARE TAX	5,210	6,203	4,192	2,558	5,051	5,051	12,832	6,032	981
514200 RETIREMENT-COUNTY SHARE	4,926	3,667	3,812	2,411	4,489	4,489	7,000	5,441	952
514201 ACTUARIAL PENSION	-53	-4,904	-7,085	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	17,920	14,130	14,850	9,741	19,522	19,522	19,522	20,748	1,226
514401 ACTUARIAL OPEB HEALTH	-43	-21	0	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	91	31	28	19	7	7	70	38	31
514501 ACTUARIAL OPEB LIFE	1,413	573	-2,219	0	0	0	0	0	0
514600 WORKERS COMPENSATION	1,086	1,369	904	443	825	825	900	923	98
TOTAL SOCIAL WORKERS LABOR COSTS	104,910	72,293	75,685	50,621	95,916	95,916	111,496	112,032	16,116
60088425 SOCIAL WORKERS OPERATIONS									
532800 TRAINING AND INSERVICE	150	275	85	0	1,000	1,000	500	500	-500
533200 MILEAGE	0	0	0	0	150	150	0	0	-150
TOTAL SOCIAL WORKERS OPERATIONS	150	275	85	0	1,150	1,150	500	500	-650
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	105,060	72,568	75,770	50,621	97,066	97,066	111,996	112,532	15,466
-ADDITION TO / USE OF FUND BALANCE	105,060	72,568	75,770	50,621	582,396	97,066	111,996	112,532	
60089420 MEDICAL RECORDS LABOR COSTS									
511100 SALARIES PERMANENT REGULAR	54,113	66,987	70,573	29,586	97,363	97,363	30,000	68,310	-29,053
511200 SALARIES-PERMANENT-OVERTIME	0	0	6	0	0	0	0	0	0
511800 SALARIES-NONPRODUCTIVE	19,171	8,387	3,166	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	1,015	160	0	0	220	220	0	0	-220
512100 WAGES-PART TIME	0	18,356	3,794	24	0	0	0	0	0
512800 WAGES PART TIME NONPRODUCTIVE	0	1,212	26	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	6,598	6,812	6,501	2,265	7,465	7,465	5,000	5,226	-2,239
514200 RETIREMENT-COUNTY SHARE	3,871	6,169	5,117	2,000	6,635	6,635	4,000	4,713	-1,922
514201 ACTUARIAL PENSION	-41	-8,248	-9,511	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	24,331	18,665	15,775	0	27,089	27,089	0	20,748	-6,341
514401 ACTUARIAL OPEB HEALTH	362	52	-458	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	16	22	23	16	25	25	30	0	-25
514501 ACTUARIAL OPEB LIFE	254	398	-1,863	0	0	0	0	0	0
514600 WORKERS COMPENSATION	65	77	61	18	58	58	41	41	-17
TOTAL MEDICAL RECORDS LABOR COSTS	109,755	119,049	93,210	33,909	138,855	138,855	39,071	99,038	-39,817
60089425 MEDICAL RECORDS OPERATIONS									

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2024	2023
				Actual	Adopted	Budget			Amended To
					Budget				2024
60089425 MEDICAL RECORDS OPERATIONS									
520900 CONTRACTED SERVICES	0	0	0	0	100	100	0	0	-100
531400 SMALL EQUIPMENT	0	10	0	0	250	250	250	250	0
532200 SUBSCRIPTIONS	196	196	424	0	100	100	150	150	50
532800 TRAINING AND INSERVICE	80	0	0	0	500	500	200	500	0
533200 MILEAGE	0	25	0	0	100	100	0	0	-100
TOTAL MEDICAL RECORDS OPERATIONS	276	231	424	0	1,050	1,050	600	900	-150
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	110,031	119,280	93,634	33,909	139,905	139,905	39,671	99,938	-39,967
-ADDITION TO / USE OF FUND BALANCE	110,031	119,280	93,634	33,909	839,430	139,905	39,671	99,938	
60092420 KITCHEN LABOR COSTS									
511100 SALARIES PERMANENT REGULAR	204,160	163,767	261,484	190,058	505,424	505,424	400,000	569,292	63,868
511200 SALARIES-PERMANENT-OVERTIME	6,055	9,240	21,609	6,999	18,605	18,605	14,000	25,674	7,069
511800 SALARIES-NONPRODUCTIVE	29,779	24,718	11,618	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	647	489	849	0	1,574	1,574	0	862	-712
512100 WAGES-PART TIME	180,480	175,938	79,838	0	0	0	0	0	0
512200 WAGES-PART TIME-OVERTIME	8,728	9,701	3,494	0	0	0	0	0	0
512800 WAGES PART TIME NONPRODUCTIVE	29,396	19,433	5,191	0	0	0	0	0	0
512900 LONGEVITY-PART TIME	493	434	0	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	32,146	29,879	26,530	13,849	40,208	40,208	28,000	45,581	5,373
514200 RETIREMENT-COUNTY SHARE	30,434	27,413	24,233	12,833	35,741	35,741	25,000	41,112	5,371
514201 ACTUARIAL PENSION	-326	-36,652	-45,043	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	126,571	130,238	110,939	65,122	177,663	177,663	132,000	175,526	-2,137
514401 ACTUARIAL OPEB HEALTH	419	350	-1,474	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	75	94	92	50	90	90	180	104	14
514501 ACTUARIAL OPEB LIFE	1,162	1,734	-7,310	0	0	0	0	0	0
514600 WORKERS COMPENSATION	6,737	6,889	5,741	2,449	6,570	6,570	5,000	6,972	402
514800 UNEMPLOYMENT	944	0	-944	1,189	0	0	0	0	0
TOTAL KITCHEN LABOR COSTS	657,900	563,664	496,847	292,548	785,875	785,875	604,180	865,123	79,248
60092425 KITCHEN OPERATIONS									

Fund: HEALTH CARE CENTER									\$ Change
Department: ACCOUNTING	2020	2021	2022	2023	2023	2023	2023	2024	2023
	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated		Amended To
				Actual	Adopted	Budget			2024
					Budget				
60092425 KITCHEN OPERATIONS									
520900 CONTRACTED SERVICES	6,812	7,425	4,496	0	12,000	12,000	10,400	12,000	0
532800 TRAINING AND INSERVICE	0	15	15	1,243	750	750	1,373	750	0
534300 FOOD	308,805	272,773	215,972	85,735	350,000	350,000	230,000	241,500	-108,500
535900 EQUIPMENT AND MAINTENANCE	20,375	2,613	2,901	2,293	7,500	7,500	5,500	6,000	-1,500
539000 DIETARY SUPPLIES	25,594	22,108	18,450	7,045	25,000	25,000	18,250	19,500	-5,500
TOTAL KITCHEN OPERATIONS	361,586	304,934	241,835	96,316	395,250	395,250	265,523	279,750	-115,500
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	1,019,486	868,599	738,682	388,864	1,181,125	1,181,125	869,703	1,144,873	-36,252
-ADDITION TO / USE OF FUND BALANCE	1,019,486	868,599	738,682	388,864	7,086,750	1,181,125	869,703	1,144,873	
60093420 MAINTENANCE LABOR COSTS									
511100 SALARIES PERMANENT REGULAR	116,281	107,958	152,535	91,054	199,989	199,989	182,108	225,533	25,544
511200 SALARIES-PERMANENT-OVERTIME	103	629	746	137	2,990	2,990	274	5,997	3,007
511800 SALARIES-NONPRODUCTIVE	23,422	19,195	10,423	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	831	280	607	0	713	713	500	587	-126
512100 WAGES-PART TIME	47,591	52,585	22,550	0	0	0	0	0	0
512200 WAGES-PART TIME-OVERTIME	65	295	0	0	0	0	0	0	0
512800 WAGES PART TIME NONPRODUCTIVE	7,262	8,090	2,341	0	0	0	0	0	0
512900 LONGEVITY-PART TIME	251	269	0	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	14,370	13,018	13,972	6,416	15,583	15,583	12,832	17,757	2,174
514200 RETIREMENT-COUNTY SHARE	13,304	12,633	12,282	6,114	13,851	13,851	2,228	16,016	2,165
514201 ACTUARIAL PENSION	-142	-16,891	-22,829	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	54,738	56,164	57,561	29,222	66,132	66,132	58,444	62,243	-3,889
514401 ACTUARIAL OPEB HEALTH	231	140	-2,204	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	72	59	68	42	65	65	5	73	8
514501 ACTUARIAL OPEB LIFE	1,117	1,087	-5,394	0	0	0	0	0	0
514600 WORKERS COMPENSATION	3,025	3,091	3,041	1,142	2,546	2,546	2,546	2,716	170
519200 PHYSICALS / OTHER BENEFITS	0	99	74	145	0	0	0	0	0
TOTAL MAINTENANCE LABOR COSTS	282,521	258,700	245,772	134,271	301,869	301,869	258,937	330,922	29,053
60093425 MAINTENANCE OPERATIONS									
520900 CONTRACTED SERVICES	22,466	26,184	26,210	12,574	30,000	30,000	28,000	30,000	0
522100 WATER TREATMENT	19,732	18,590	17,141	7,287	23,000	23,000	20,000	21,000	-2,000
522200 ELECTRIC	97,441	101,597	102,483	30,712	100,000	100,000	103,000	104,000	4,000

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2023	Amended To
				Actual	Adopted	Budget		Amended To	2024
					Budget				
60093425 MAINTENANCE OPERATIONS									
522400 GAS (HEATING)	40,081	44,940	75,506	36,858	80,000	80,000	74,000	80,000	0
522600 FUEL OIL	1,621	6,111	3,492	367	7,000	7,000	3,000	5,500	-1,500
522901 UTILITIES-SOLAR	21,927	22,533	22,335	2,993	22,860	22,860	23,664	24,374	1,514
525000 BLDG/PROPERTY MAINT AND REPAIR	17,498	13,118	22,384	13,239	22,000	22,000	26,500	27,000	5,000
531400 SMALL EQUIPMENT	3,220	943	3,474	1,944	6,700	6,700	4,800	6,000	-700
532800 TRAINING AND INSERVICE	0	0	0	120	500	500	500	500	0
534000 OPERATING/MEETING SUPPLIES	5,546	5,044	5,761	1,360	2,497	2,497	5,300	5,400	2,903
535200 VEHICLE MAINTENANCE AND REPAIR	978	686	873	869	1,000	1,000	2,500	3,000	2,000
535900 EQUIPMENT AND MAINTENANCE	1,801	2,530	3,492	10	4,500	4,500	2,500	3,500	-1,000
TOTAL MAINTENANCE OPERATIONS	232,311	242,274	283,150	108,333	300,057	300,057	293,764	310,274	10,217
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	514,832	500,974	528,922	242,604	601,926	601,926	552,701	641,196	39,270
-ADDITION TO / USE OF FUND BALANCE	514,832	500,974	528,922	242,604	3,611,556	601,926	552,701	641,196	
60094420 HOUSEKEEPING LABOR COSTS									
511100 SALARIES PERMANENT REGULAR	242,895	215,529	256,040	157,488	380,944	380,944	314,975	422,033	41,089
511200 SALARIES-PERMANENT-OVERTIME	8,258	8,711	13,473	4,261	4,066	4,066	8,522	4,291	225
511800 SALARIES-NONPRODUCTIVE	37,365	38,913	13,910	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	1,963	1,421	1,611	37	2,106	2,106	1,200	1,514	-592
512100 WAGES-PART TIME	79,343	65,338	29,762	0	0	0	0	0	0
512200 WAGES-PART TIME-OVERTIME	3,028	2,626	886	0	0	0	0	0	0
512800 WAGES PART TIME NONPRODUCTIVE	18,937	10,241	2,595	0	0	0	0	0	0
512900 LONGEVITY-PART TIME	376	429	0	0	0	0	0	0	0
514100 FICA & MEDICARE TAX	26,560	24,582	21,939	10,930	29,614	29,614	21,860	32,729	3,115
514200 RETIREMENT-COUNTY SHARE	25,838	23,451	20,914	10,084	26,324	26,324	20,168	28,266	1,942
514201 ACTUARIAL PENSION	-277	-31,355	-38,874	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	178,772	171,782	157,161	75,841	202,784	202,784	151,682	172,150	-30,634
514401 ACTUARIAL OPEB HEALTH	3,113	2,004	-3,382	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	111	75	78	34	99	99	68	91	-8
514501 ACTUARIAL OPEB LIFE	1,721	1,384	-6,187	0	0	0	0	0	0
514600 WORKERS COMPENSATION	5,729	5,883	4,940	2,022	4,839	4,839	4,045	5,006	167
514800 UNEMPLOYMENT	0	0	2,778	0	0	0	0	0	0
TOTAL HOUSEKEEPING LABOR COSTS	633,732	541,012	477,644	260,697	650,776	650,776	522,520	666,080	15,304
60094425 HOUSEKEEPING OPERATIONS									

Fund: HEALTH CARE CENTER									\$ Change
Department: ACCOUNTING	2020	2021	2022	2023	2023	2023	2023	2024	2023
	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated		Amended To
				Actual	Adopted	Budget			2024
					Budget				
60094425 HOUSEKEEPING OPERATIONS									
520900 CONTRACTED SERVICES	1,231	1,262	1,342	568	1,500	1,500	1,361	1,425	-75
531400 SMALL EQUIPMENT	0	-3,316	300	1,033	1,500	1,500	1,500	1,500	0
532800 TRAINING AND INSERVICE	0	0	0	0	250	250	0	250	0
534000 OPERATING/MEETING SUPPLIES	45,896	39,371	38,412	13,089	42,500	42,500	38,000	41,000	-1,500
535000 REPAIRS AND MAINTENANCE	2,417	885	423	266	5,000	5,000	1,500	2,500	-2,500
539700 LAUNDRY, LINENS & BEDDING	6,802	14,970	-2,215	3,060	10,000	10,000	7,500	8,000	-2,000
TOTAL HOUSEKEEPING OPERATIONS	56,347	53,172	38,261	18,016	60,750	60,750	49,861	54,675	-6,075
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	690,079	594,184	515,905	278,713	711,526	711,526	572,381	720,755	9,229
-ADDITION TO / USE OF FUND BALANCE	690,079	594,184	515,905	278,713	4,269,156	711,526	572,381	720,755	
60097 HEALTH CARE NON-OPER REVENUE									
411100 GENERAL PROPERTY TAXES	-1,539,129	-1,194,685	-1,113,120	-403,907	-807,213	-807,213	-807,213	-784,487	-22,726
424150 SP REIMBURSEMENT	-1,082,896	-1,188,585	-777,750	0	-1,000,000	-1,000,000	-310,000	0	-1,000,000
481100 INTEREST ON INVESTMENTS	-15,305	-2,225	-54,943	-82,145	-15,000	-15,000	-100,000	-75,000	60,000
489012 PRIVATE CONTRIB CAPITAL REVENU	-7,627	-6,730	-4,790	0	0	0	0	0	0
492100 TRANSFER FROM GENERAL FUND	-1,033,810	-1,062,548	-1,028,673	-519,923	-1,039,846	-1,039,846	-1,039,846	-1,119,990	80,144
TOTAL HEALTH CARE NON-OPER REVENUE	-3,678,767	-3,454,773	-2,979,276	-1,005,974	-2,862,059	-2,862,059	-2,257,059	-1,979,477	-882,582
60097425 NON-OPERATING REV/EXP									
564000 DEBT PREMIUM AMORTIZATION	-76,376	-76,376	-76,376	-38,188	-63,906	-63,906	-63,906	-26,495	37,411
TOTAL NON-OPERATING REV/EXP	-76,376	-76,376	-76,376	-38,188	-63,906	-63,906	-63,906	-26,495	37,411
60097900 TRANSFERS TO OTHER FUNDS									
591000 TRANSFER TO GENERAL FUND	15,305	2,225	54,943	82,145	15,000	15,000	100,000	75,000	60,000
TOTAL TRANSFERS TO OTHER FUNDS	15,305	2,225	54,943	82,145	15,000	15,000	100,000	75,000	60,000
TOTAL DEPARTMENT REVENUE	-3,678,767	-3,454,773	-2,979,276	-1,005,974	-2,862,059	-2,862,059	-2,257,059	-1,979,477	-882,582
TOTAL DEPARTMENT EXPENSE	-61,071	-74,152	-21,433	43,956	-48,906	-48,906	36,094	48,505	97,411
-ADDITION TO / USE OF FUND BALANCE	-3,739,839	-3,528,924	-3,000,709	-962,018	-17,465,790	-2,910,965	-2,220,965	-1,930,972	

Fund: HEALTH CARE CENTER	2020	2021	2022	2023	2023	2023	2023	2024	\$ Change
Department: ACCOUNTING	Actual	Actual	Actual	6 Months	Originally	Amended	Estimated	2024	2023
				Actual	Adopted	Budget			Amended To
					Budget				2024
60098420 ADMINISTRATION - LABOR									
511100 SALARIES PERMANENT REGULAR	141,173	141,844	150,513	57,861	171,451	171,451	115,722	182,169	10,718
511200 SALARIES-PERMANENT-OVERTIME	0	357	2,707	2,012	0	0	8,522	20,406	20,406
511800 SALARIES-NONPRODUCTIVE	28,405	18,766	9,881	0	0	0	0	0	0
511900 LONGEVITY-FULL TIME	638	678	509	0	549	549	529	549	0
514100 FICA & MEDICARE TAX	12,220	12,635	11,974	4,434	13,158	13,158	8,868	15,539	2,381
514200 RETIREMENT-COUNTY SHARE	11,335	11,193	10,624	3,820	11,696	11,696	7,636	14,016	2,320
514201 ACTUARIAL PENSION	-121	-14,966	-19,748	0	0	0	0	0	0
514400 HEALTH INSURANCE COUNTY SHARE	38,510	35,567	24,561	10,110	27,088	27,088	20,221	28,789	1,701
514401 ACTUARIAL OPEB HEALTH	236	178	-984	0	0	0	0	0	0
514500 LIFE INSURANCE COUNTY SHARE	30	31	24	6	41	41	12	19	-22
514501 ACTUARIAL OPEB LIFE	467	574	-1,910	0	0	0	0	0	0
514600 WORKERS COMPENSATION	1,629	1,907	1,680	513	1,448	1,448	1,023	1,441	-7
TOTAL ADMINISTRATION - LABOR	234,522	208,765	189,832	78,756	225,431	225,431	162,533	262,928	37,497
60098425 ADMINISTRATION-OPERATIONS									
520900 CONTRACTED SERVICES	0	0	0	15,482	0	0	33,450	0	0
524000 MISCELLANEOUS EXPENSES	2,215	911	6,868	969	5,000	5,000	2,000	2,500	-2,500
532800 TRAINING AND INSERVICE	595	-370	2,396	195	5,000	5,000	2,500	2,500	-2,500
533200 MILEAGE	29	0	0	0	1,500	1,500	200	200	-1,300
534000 OPERATING/MTING SUPPL-COVID XT	33	0	0	0	0	0	0	0	0
TOTAL ADMINISTRATION-OPERATIONS	2,871	541	9,264	16,645	11,500	11,500	38,150	5,200	-6,300
TOTAL DEPARTMENT REVENUE	0	0	0	0	0	0	0	0	0
TOTAL DEPARTMENT EXPENSE	237,394	209,306	199,096	95,402	236,931	236,931	200,683	268,128	31,197
-ADDITION TO / USE OF FUND BALANCE	237,394	209,306	199,096	95,402	1,421,586	236,931	200,683	268,128	
TOTAL FUND REVENUE	-10,044,152	-9,123,421	-8,633,256	-4,191,216	-11,690,944	-12,850,801	-8,393,665	-12,950,289	99,488
TOTAL FUND EXPENSE	8,731,884	7,659,140	7,287,068	3,498,423	11,690,944	12,850,801	8,632,518	12,950,289	99,488
-ADDITION TO / USE OF FUND BALANCE	-1,312,268	-1,464,281	-1,346,188	-692,793	0	0	238,853	0	