

**Public reporting burden** for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The information is being collected to obtain the supportive documentation that must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. Response to this request for information is required in order to receive the benefits to be derived from the National Housing Act Section 232 Healthcare Facility Insurance Program. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

**Warning:** Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

**{TO BE ON FIRM LETTERHEAD}**

**{INSERT DATE OF ENDORSEMENT}**

\_\_\_\_\_, 20--

U.S. Department of Housing and Urban Development  
c/o Office of Residential Care Facilities  
451 7<sup>th</sup> Street SW  
Washington, DC 20410

[Lender]

**Re:    [--]  
      FHA Project Nos.: See Schedule I, Part B**

Dear Sir/Madam:

Certain words and terms that are used in this opinion are defined in **Schedule I** or **Schedule II** attached hereto. We are counsel to the Operators, each of which is a limited liability company organized under the laws of the State indicated on **Schedule II** (with respect to each Operator, the "**Organizational Jurisdiction**") in connection with the approval of [*describe the transaction*] with respect to the Projects (collectively, the "**Transactions**"). \_\_\_\_\_ ("**Lender**") is the holder of certain mortgage loans (each, a "**Loan**," and collectively the "**Loans**"), each of which was made to a Borrower and is secured by a Project. The proceeds of each Loan were used to refinance the existing indebtedness secured by the Healthcare Facility to

which such Loan relates. The Healthcare Facilities are located in the State of \_\_\_\_\_ (said state to be referred to herein [as to each Operator] as the "**Property Jurisdiction**"), on the applicable real property legally described in **Exhibit A-1** through **A-\_\_\_\_** hereto ("**Land**"). Each Healthcare Facility, together with the applicable Land, the improvements located thereon or to be constructed thereon, and certain other property more particularly described in the Security Instrument (defined herein) is included in each "**Project**" as that term is used herein and in the Loan Documents. The Loans are insured by the Federal Housing Administration ("**FHA**") an organizational unit of the United States Department of Housing and Urban Development ("**HUD**"), under the provisions of Section 232 of the National Housing Act and the regulations promulgated thereunder. The Borrowers and \_\_\_\_\_, LLC, a \_\_\_\_\_ limited liability company ("**Master Tenant**"), have entered into the Master Lease whereby the Master Tenant has leased all of the Projects from the Borrowers. The Master Tenant and \_\_\_\_\_, a limited liability company ("**Master Subtenant**"), have entered into the Master Sublease whereby the Master Subtenant has subleased all of the Projects from the Master Tenant. The Master Subtenant and each Operator have entered into an Operating Lease whereby each Operator has subleased its respective Project from the Master Subtenant and, in connection with the Loans to the Borrowers, and in order to secure each Operator's performance under the applicable Operating Lease, each Operator has granted or will grant to Lender a security interest in certain assets of such Operator, including accounts and healthcare insurance receivables.

The Operators have requested that we deliver this opinion letter, and the Operators have consented to reliance on this opinion letter by the Lender and HUD in connection with the approval of the Transactions.

Each initially capitalized term used, but not otherwise defined, in this opinion shall have the meaning ascribed to such term in the Operator Security Agreement or Operator Regulatory Agreement (each defined in **Schedule II**). Terms defined in the Uniform Commercial Code of any applicable state ("**UCC**") shall have the meanings set forth in the UCC. The following terms shall have the following meanings:

- I. "**Filing Collateral**" means, with respect to each Operator, such Operator's Collateral (defined in **Schedule II**) that constitutes any interest in accounts, equipment, inventory, general intangibles, instruments, or chattel paper as defined in the UCC, and for which perfection is completed by filing under Section 9-310(a) of the UCC.
- II. "**UCC Filing Office**" means, with respect to each Operator, the office of the Secretary of State of such Operator's Organizational Jurisdiction.
- III. "**Land Records Recording Office**" means, with respect to each Operator, the office of public land records of the county where the Healthcare Facility leased by such Operator is located.
- IV. "**Control Collateral**" means, with respect to each Operator, such Operator's Collateral which constitutes deposit accounts, and upon which a security interest must be perfected by control as specified in Section 9-314 of the UCC.

In our capacity as counsel to the Operators, we have reviewed executed copies of the documents referenced in **Schedule II** with respect to each Loan, each Operator, and each Project.

All of the documents listed in **Schedule II** are referred to collectively as the "**Documents**". The documents listed in B through **[H]** in **Schedule II**, including the Intercreditor Agreements, but excluding the AR Documents, are referred to collectively as the "**Operator HUD Documents**"; provided that those documents listed on **Exhibit B** hereto are referred to collectively as the "**AR Loan Documents**" and the "**Affiliated Credit Documents**", respectively. Operator's accounts receivable loan evidenced by the AR Loan Documents is hereinafter referred as the "**AR Loan**." The Operator HUD Documents are sometimes hereafter alternatively referred to as the "**Transaction Documents**."

In basing opinions set forth herein on "our knowledge", the words "our knowledge" signify that, in the course of our representation of the Operators, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters. Further, the words "our knowledge" as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been involved in representing the Operators in any capacity, including but not limited to, in connection with the Operating Leases, Transaction Documents, and/or AR Documents. We have no reason to believe that any of the documents on which we have relied contain matters which, or the assumptions contained herein, are untrue, contrary to known facts, or unreasonable.

In reaching the opinion set forth below, we have assumed, and to our knowledge there are no facts inconsistent with, the following:

AA. Each of the parties to the Documents, other than the Operators or the Master Subtenant (and any person executing any of the Documents on behalf of any of the Operators or the Master Subtenant), has duly and validly executed and delivered each such instrument, document and agreement to be executed in connection with any of the Loans to which such party is a signatory, and such party's obligations set forth in the Transaction Documents are its legal, valid, and binding obligations, enforceable in accordance with their respective terms.

BB. Each person executing any of the Transaction Documents, other than the Operators and the Master Subtenant (and any person executing any of the Transaction Documents on behalf of any of the Operators or the Master Subtenant), whether individually or on behalf of an entity, is duly authorized to do so.

CC. Each natural person executing any of the Transaction Documents is legally competent to do so.

DD. All signatures of parties other than the Operators and the Master Subtenant (and any person executing any of the Transaction Documents on behalf of any of the Operators) and the Master Subtenant are genuine.

EE. All Transaction Documents which were submitted to us as originals are authentic; all Transaction Documents which were submitted to us as certified or photostatic copies conform to the original document; and all public records reviewed are accurate and complete.

FF. All applicable Transaction Documents have been duly filed, indexed, and recorded among the appropriate official records, and all fees, charges, and taxes due and owing in connection therewith as of this date have been paid.

GG. The parties to the Transaction Documents and their successors and/or assigns will: (i) act in good faith and in a commercially reasonable manner in the exercise of any rights or enforcement of any remedies under the Transaction Documents; (ii) not engage in any conduct in the exercise of such rights or enforcement of such remedies that would constitute other than fair and impartial dealing; and (iii) comply with all requirements of applicable procedural and substantive law in exercising any rights or enforcing any remedies under the Transaction Documents.

HH. The exercise of any rights or enforcement of any remedies under the Transaction Documents would not be unconscionable, result in a breach of the peace, or otherwise be contrary to public policy.

II. Value has been given to each Operator in consideration of the security interest to be granted by such Operator under its Operator Security Agreement, and, where any Operator's Collateral is to be acquired after the date hereof, a security interest is created under the after-acquired property clause of the applicable Operator Security Agreement.

JJ. Each Operator has rights in its Operator's Collateral or the power to transfer rights in its Operator's Collateral to a secured party, including rights to the related Project's accounts and deposit accounts for accounts receivables subject to the **[Control Agreements DAISAs]**.

KK. In rendering this opinion, we also have assumed that the Transaction Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We also have assumed that the terms and the conditions of each of the Loans have not been amended, modified, or supplemented, directly or indirectly, by any other agreement or understanding of the parties, or waiver of any of the material provisions of the documents comprising or embodying same. After reasonable inquiry of each of the Operators, we have no knowledge of any facts or information that would lead us to believe that the assumptions in this paragraph are not justified.

LL. In rendering our opinion, we have, with your approval, relied as to certain matters of fact set forth in the Operators' Opinion Certification, the Good Standing Certificates, the Licenses, the Transaction Documents and certain other specified Documents, as set forth herein. After reasonable inquiry of the Operators as to the accuracy and completeness of the Operators' Opinion Certification, and other such Documents, we have no knowledge of any facts or information that would lead us to believe that such reliance is not justified.

MM. The Subordination Agreement [,] [and] the Cross-Default Guaranty [and the Subordinate Guaranty] are governed by the laws of the State of \_\_\_\_\_ and the laws of

the United States of America. Each of the other Transaction Documents is governed by the laws of the [applicable] Property Jurisdiction and the laws of the United States of America.

Subject to the foregoing assumptions, and the exceptions and qualifications hereinafter contained, we are of the opinion with respect to each Operator, each Project, and each Loan that, under applicable law in effect on the date of this Opinion:

1. Based solely on the Good Standing Certificates, (a) each Operator is a limited liability company duly formed and validly existing under the laws of the Organizational Jurisdiction applicable to such Operator, and (b) each Operator is duly qualified to do business and is in good standing under the laws of the applicable Property Jurisdiction applicable to such Operator.

2. Each Operator has all the necessary power and authority of a limited liability company, and possesses all necessary governmental certificates, permits, licenses, qualifications and approvals to lease and operate the applicable Project, and to carry out all of the transactions required by the Transaction Documents to which such Operator is a party. A list of such certificates, permits, licenses, qualifications and approvals are attached hereto as **Exhibit E**. To the extent any of the Nursing Home Licenses (as defined below) have not been issued on the date of this Opinion, our opinion is subject to the following: based solely on the nursing home licensure applications prepared by and provided to us by \_\_\_\_\_ with respect to each Operator and its applicable Healthcare Facility, as listed in **Part B of Schedule I** (the "**Applications**"), our communications with \_\_\_\_\_, Division of \_\_\_\_\_, \_\_\_\_\_ Department of \_\_\_\_\_ on \_\_\_\_\_, 20--, \_\_\_\_\_ of the \_\_\_\_\_ Department of \_\_\_\_\_, on \_\_\_\_\_, 20-- and \_\_\_\_\_, \_\_\_\_\_ Department of \_\_\_\_\_, on \_\_\_\_\_, 20--, regarding such Applications, and the Certification of Operators attached as **Exhibit C**, (i) a health facility licensure application for each Operator and for its applicable Healthcare Facility was submitted to the appropriate agency on a timely basis under applicable law; and (ii) we know of no reasonable basis to believe that valid health facility licenses ("**Nursing Home Licenses**") will not be issued in the regular course with an effective date as of \_\_\_\_\_, 20--.

3. The execution and delivery by or on behalf of each Operator of the Transaction Documents to which such Operator is a party, and the consummation by such Operator of the transactions contemplated thereby, and the performance by such Operator of its obligations thereunder, have been duly and validly authorized by all necessary action as a limited liability company by, or on behalf of, such Operator.

4. Each of the Transaction Documents has been duly executed and delivered by each Operator named therein and constitutes the valid and legally binding promises or obligations of each such Operator. Each of the Transaction Documents is enforceable against each such Operator in accordance with its terms, subject to the following qualifications:

(i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally;

(ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity); and

(iii) certain remedies, waivers, and other provisions of the Transaction Documents may not be enforceable, but, subject to the qualifications set forth in this paragraph at (i) and (ii) above, such unenforceability will not preclude Lender from the practical realization of the principal benefits of the remedies provided for therein in event of a breach thereunder.

5. The execution and delivery by each Operator of, and the performance of its obligations under, the Transaction Documents will not violate the Organizational Documents of such Operator.

6. Based solely on (a) our knowledge and (b) the Operators' Opinion Certification, the execution and delivery of the Transaction Documents will not: (i) cause any Operator to be in violation of, or constitute a default under the provisions of, any agreement to which any Operator is a party or by which any Operator is bound, (ii) conflict with, or result in the breach of, any court judgment, decree, or order of any governmental body to which any Operator is subject, or (iii) result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever on any of the property or assets of any Operator, except for such lien, charge or encumbrance contemplated by the Transaction Documents.

7. Each Operator Security Agreement is effective to create a security interest in the Operator's Collateral of such Operator in favor of the Lender and HUD (hereinafter sometimes collectively referred to as the "**Secured Party**") in those items of Operator's Collateral of such Operator consisting of personal property in which a security interest can be created under Article 9 of the UCC, subject to the following qualification: no opinion is expressed concerning the creation or validity of any security interest in any health care licenses, provider agreements, certificates of need or healthcare receivables or any interest therein (collectively the "**Healthcare Entitlements**") to the extent that, directly or indirectly, assigning, transferring, pledging, hypothecating or otherwise conveying all or any portion of the Healthcare Entitlements is prohibited under relevant federal, state, or local law.

8. The Lender's security interest in the Control Collateral of each Operator described in such Operator's [Second Lien Control Agreement/DAISA] will be perfected upon (i) execution and delivery of such Operator's Operator Security Agreement by all parties thereto and (ii) execution and delivery of such [Second Lien Control Agreement/DAISA] by all parties thereto.

9. Based solely upon our review of the Transaction Documents, AR Loan Documents, and the Operator's Opinion Certification (attached as **Exhibit C** hereto), the accounts receivable and related deposit account collateral provided by Operator to AR Lender under the AR Loan Documents and to Lender under the Transaction Documents are not subject to a security interest or otherwise provided as collateral or encumbered in favor of AR Lender to secure any indebtedness or obligation to AR Lender other than the obligations arising under the AR Loan Documents.

10. Based solely on (a) our knowledge [,] [and] (b) the Operators' Opinion Certification [and (c) the Docket Searches], there is no litigation or other claim pending before any court or administrative or other governmental body or threatened in writing against any of

the Operators or any of the Projects, except as identified in the List of Litigation (attached hereto as **Exhibit F**).

In addition to the foregoing opinions, we confirm that (a) the jurisdiction of the Depository Bank, for purposes of each Control Agreement/DAISA, within the meaning of Section 9-304 ("**Section 9-304**") of the UCC is the state of \_\_\_\_\_ ("**Control Collateral State**"); and (b) under Section 9-304, each Control Agreement/DAISA, the law governing perfection and priority relating to the deposit accounts designated in such Control Agreement/DAISA is the Uniform Commercial Code of the Control Collateral State.

In addition to the assumptions, qualifications and confirmation set forth above, the opinions set forth above are also subject to the following additional qualifications:

(i) With respect to each Operator, the Uniform Commercial Code, as adopted in the law of the state of the UCC Filing Office, requires the periodic filing of continuation statements with the UCC Filing Office not more than six months prior to and not later than the expiration of the 5-year period from the date of filing of each such Operator's Operator Financing Statement and the expiration of each subsequent 5-year period after the original filing, in order to maintain the perfection and priority of security interests and to keep such Operator's Operator Financing Statement in effect.

(ii) We express no opinion as to the laws of any jurisdiction other than (a) the laws of the Organizational Jurisdiction [, the Property Jurisdiction[s], the State of \_\_\_\_\_ and the State of \_\_\_\_\_,] (b) Sections 9-304 and 9-314 of the Uniform Commercial Code of the Control Collateral State, and (c) the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of these state laws, and the laws of the United States of America as currently in effect. We assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if we become aware of any facts that might change the opinions expressed above after the date of this opinion.

The foregoing confirmations and opinions are for the exclusive reliance of HUD and Lender, and have been made, presented, and delivered for the purpose of influencing an official action of HUD in approving the Transactions and may be relied upon by HUD.

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

Attachments:

Schedule I – Portfolio Information Schedule  
Schedule II – List of Documents  
Exhibit "A" – Legal Descriptions

- Exhibit "B" – AR Loan Documents
- Exhibit "C" – Certification of Operators
- Exhibit "D" – Certificates of Good Standing [/Foreign Qualification Certificates]
- Exhibit "E" – Lists of Permits and Approvals
- Exhibit "F" – Lists of Litigation, if any



**SCHEDULE I**

**PART A**

The following words and terms shall have the meanings set forth below:

"**Loans**" means the \_\_\_\_\_ (\_\_\_\_) mortgage loans held by Lender, one of which was made to each Borrower, in the respective amounts set forth in **Part B** of this **Schedule I**.

"**Borrowers**" means the borrowers identified in **Part B** of this **Schedule I**.

"**Projects**" or "**Healthcare Facilities**" means the skilled-nursing home facilities/assisted living facilities identified in **Part B** of this **Schedule I**.

"**Operators**" means the operators identified below in **Part B** of this **Schedule I**.

**PART B**

<b>Project</b>	<b>FHA Project No.</b>	<b>Project Location</b>	<b>Borrower</b>	<b>Operator</b>	<b>Loan Amount</b>

## SCHEDULE II

We have reviewed the following documents with respect to each Operator, each Project and each Loan:

A. The following documents with respect to each Operator: Certificate of the Officer on behalf of such Operator, dated as of \_\_\_\_\_, 20--, authenticating the following organizational documents and resolutions: such Operator's articles of organization filed with the Secretary of State or similar office in the [applicable] Organizational Jurisdiction on the dates set forth below; the executed Operating Agreement of such Operator, dated as set forth below; and the resolutions of such Operator dated as of \_\_\_\_\_, 20-- (collectively, "**Organizational Documents**");

<u>Operator Name</u>	<u>Date articles of organization filed</u>	<u>Date of LLC agreement</u>	<u>Date of last amendment to LLC agreement</u>	<u>Organizational Jurisdiction</u>

B. A Healthcare Regulatory Agreement - Operator (HUD-92466A-ORCF) by and between HUD and such Operator dated as of \_\_\_\_\_, 20--, with respect to each Project (each, an "**Operator Regulatory Agreement**");

C. An Operator Security Agreement (HUD-92323-ORCF), dated as of \_\_\_\_\_, 20--, with respect to each Project, executed by such Operator as debtor in favor of Lender and HUD as secured parties (each, an "**Operator Security Agreement**"), and covering the various items of collateral described therein ("**Operator's Collateral**"); and an Assignment of Leases and Rents, dated as of \_\_\_\_\_, 20--, with respect to each Project, executed by such Operator in favor of Lender and HUD (each, an "**Assignment of Leases**");

D. A [Blocked Deposit Accounts Agreement for each Project (each, a "**First Lien Control Agreement**"), dated as of as of \_\_\_\_\_, 20--, by and among such Operator, \_\_\_\_\_, a \_\_\_\_\_, in its capacity as accounts receivable financing lender (the "**AR Lender**"), and \_\_\_\_\_, a \_\_\_\_\_, in its capacity as the depository bank (the "**Depository Bank**");

E. A [Blocked Deposit Accounts Agreement (Second Lien) for each Project dated as of \_\_\_\_\_, 20--, by and among such Operator, Lender, AR Lender, and Depository Bank (each, a "[**Second Lien Control Agreement/DAISA**]"; and together with the First Lien Control Agreement/DAISA, each a "**Control Agreement/DAISA**" and collectively, the "**Control Agreements/DAISAs**");

F. Master Lease Subordination, Non-Disturbance and Attornment Agreement (HUD-92333-ORCF) executed by the Borrowers, Master Tenant, Lender, Master Subtenant, and the Operators, dated as of \_\_\_\_\_, 20-- (the "**Subordination Agreement**");

G. Cross-Default Guaranty of Subtenants (HUD-92331-ORCF), from Operators in favor of Master Subtenant, dated as of \_\_\_\_\_, 20-- (the "**Cross-Default Guaranty**"), [and Subordinate Cross-Default Guaranty of Subtenants from the operators of facilities financed with loans from \_\_\_\_\_ [insert name of other Lender], in favor of Master Subtenant, dated as of \_\_\_\_\_, 20-- (the "**Subordinate Guaranty**")];

H. An Intercreditor Agreement (HUD-92322-ORCF) (each, an "**Intercreditor**"), for each Project dated as of \_\_\_\_\_, 20--, executed by and among Borrower, Lender, such Operator, and AR Lender, and those certain accounts receivable loan documents executed by Operator, Borrower and AR Lender, as listed in **Exhibit B** hereto (the "**AR Loan Documents**");

I. Certification of Operators, pertaining to certain factual matters as relied upon by us in rendering this opinion, of even date herewith, a copy of which is attached hereto as **Exhibit C ("Operators' Opinion Certification")**;

J. Certificate [of Good Standing] of each Operator issued by the Secretary of State of the [applicable] Organizational Jurisdiction, dated \_\_\_\_\_, 20-- with respect to Operators organized in the State of \_\_\_\_\_ and dated \_\_\_\_\_, 20-- with respect to the Operators organized in the State of \_\_\_\_\_ and a Certificate of [Good Standing] of each Operator issued by the Secretary of State of the [applicable] Project Jurisdiction dated \_\_\_\_\_, 20-- with respect to the Operators of Projects located in the State of \_\_\_\_\_ [and dated \_\_\_\_\_, 20-- with respect to the Operators of Projects located in the State of \_\_\_\_\_] (collectively, the "**Good Standing Certificates**"), attached hereto as **Exhibit D [NOTE: WILL NEED TO ADD FOREIGN QUALIFICATION CERTIFICATES IF OPERATOR IS NOT ORGANIZED IN PROPERTY JURISDICTION]**;

K. The license for such Healthcare Facility issued to such Operator by the applicable State Department of \_\_\_\_\_ (each, a "**License**") and the Certificate of Need, if any, applicable to such Project. The number for such License is set forth below in this **Schedule II**;

L. The Administrator's License issued to the administrator for such Project, by the applicable State Department of \_\_\_\_\_ (each, an "**Administrator's License**"). The number for such Administrator's License is set forth below in this **Schedule II**;

<u>Project</u>	<u>Operator</u>	<u>Nursing Home License Number</u>	<u>Administrator's License Number</u>

M. Two (2) UCC-1 Financing Statements naming such Operator as debtor and naming Lender and HUD as the secured parties ("**Operator Financing Statements**") to be filed in the UCC Filing Office and the applicable Land Records Recording Office;

N. [Searches, as specified in Program Obligations, conducted by \_\_\_\_\_ dated as of the date(s) set forth below, of the public records of the federal District Court and

State and local courts in: (i) the jurisdiction where the Project is located; and (ii) the jurisdiction(s) where the Operator is located and does business ("**Docket Searches**";]

<u>Name Searched</u>	<u>Court Docket Searched</u>	<u>Date of Docket Search</u>

O. [Searches conducted by \_\_\_\_\_ dated as of the date(s) set forth below, of the financing statement records located in: (i) the applicable Land Records Recording Office; and (ii) the UCC Filing Office (the "**UCC Search**";]

<u>Name Searched</u>	<u>UCC Filing Office Searched</u>	<u>Date of Search</u>

P. A [Sub-Sublease] for each Project dated as of \_\_\_\_\_, 20--, by and between Master Subtenant and such Operator (each, an "**Operating Lease**"), and each associated Estoppel Certificate furnished by Master Subtenant and such Operator to Lender and HUD dated of even date herewith;

Q. The [Master Lease and Security Agreement] by and among the Borrowers and Master Tenant dated \_\_\_\_\_, 20--(the "**Master Lease**"), and each associated Estoppel Certificate furnished by Master Tenant and the applicable Borrower to Lender and HUD dated as of even date herewith; and the [Master Sublease] by and among the Master Subtenant and Master Tenant dated \_\_\_\_\_, 20-- (the "**Master Sublease**"), and each associated Estoppel Certificate furnished by Master Subtenant and the Master Tenant to Lender and HUD dated as of even date herewith; and

R. A Memorandum of [Sublease] for each Project dated as of \_\_\_\_\_, 20--, by and between Master Subtenant and such Operator.

EXHIBIT "A-1"

LEGAL DESCRIPTION OF ---

[ADD A-1, A-2, A-3, ETC.]

**EXHIBIT "B"**

**AR LOAN DOCUMENTS AND AFFILIATED CREDIT DOCUMENTS**

1. AR Loan Documents

*[Insert schedule of applicable AR Loan Documents]*

2. Affiliated Credit Documents

*[Insert schedule of applicable Affiliated Credit Documents]*

## EXHIBIT "C"

### CERTIFICATION OF OPERATORS

This Certification of Operators is made the \_\_\_\_ day of \_\_\_\_\_, 20-- by those Operators signing below (collectively, the "Operators") for reliance upon by \_\_\_\_\_ [and \_\_\_\_\_] ([together,] "**Operators' Counsel**") in connection with the issuance of an opinion letter dated of even date herewith (the "**Operators' Opinion Letter**") by Operators' Counsel as a condition for the HUD approval of the Transactions. In connection with the Operators' Opinion Letter, each Operator hereby certifies to Operators' Counsel for its reliance, the truth, accuracy and completeness of the following matters:

1. The Organizational Documents of such Operator are the only documents creating such Operator or authorizing such Operator's execution of the Documents to which it is a party, and the Organizational Documents of such Operator have not been amended or modified except as stated in the Operators' Opinion Letter.

2. The execution and delivery of the Documents by such Operator will not (i) cause such Operator to be in violation of, or constitute a material default under the provisions of any agreement to which such Operator is a party or by which such Operator is bound, (ii) conflict with, or result in the breach of, any court judgment, decree or order of any governmental body to which such Operator is subject, and (iii) result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of such Operator, except as specifically contemplated by the Transaction Documents.

3. The License and the Administrator's License with respect to the Project leased by such Operator are in good standing and in force without modification or revocation, and are not subject to any consent order or judgment.

4. There is no litigation or other claim pending before any court or administrative or other governmental body or threatened against such Operator [, the Healthcare Facility that is leased by such Operator], or any other properties of such Operator, except as identified in **Exhibit F**, List of Litigation, in the Operators' Opinion Letter.

5. The terms and conditions of the AR Loan as reflected in the AR Loan Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the AR Loan Documents.

6. The accounts receivable and related bank deposit account collateral provided by the Operators to AR Lender under the AR Loan Documents, if any, and to Lender under the HUD Documents are not subject to a security interest or otherwise provided as collateral or encumbered in favor of AR Lender to secure any indebtedness or obligation to AR Lender other than the obligations arising under the AR Loan Documents.

All capitalized terms not defined herein shall have the meanings set forth in the Operators' Opinion Letter.

IN WITNESS WHEREOF, each Operator has executed this Certification of Operators effective as of the date set forth above.

OPERATORS:

*[Insert name, type of entity and organizational jurisdiction of each Operator]*

By: \_\_\_\_\_  
[name], the [title] of each



**EXHIBIT "D"**

**ATTACH CERTIFICATE(S) OF GOOD STANDING - OPERATORS**

**EXHIBIT "E"**

**ATTACH List of Permits and Approvals — OPERATORS**

**EXHIBIT "F"**

**ATTACH List of Litigation — OPERATORS**