

**New York State Department of Health
Health Equity Impact Assessment Requirement Criteria**

Effective June 22, 2023, a Health Equity Impact Assessment (HEIA) will be required as part of Certificate of Need (CON) applications submitted by facilities (Applicant), pursuant to Public Health Law (PHL) § 2802-b and corresponding regulations at Title 10 New York Codes, Rules and Regulations (NYCRR) § 400.26. This form must be used by the Applicant to determine if a HEIA is required as part of a CON application.

Section A. Diagnostic and Treatment Centers (D&TC) - This section should only be completed by D&TCs, all other Applicants continue to Section B.


Table A.

| Diagnostic and Treatment Centers for HEIA Requirement | Yes | No |
|--|------------|-----------|
| Is the Diagnostic and Treatment Center's patient population less than 50% patients enrolled in Medicaid and/or uninsured (combined)? | | |
| Does the Diagnostic and Treatment Center's CON application include a change in controlling person, principal stockholder, or principal member of the facility? | | |

- ***If you checked "no" for both questions in Table A, you do not have to complete Section B – this CON application is considered exempt from the HEIA requirement. This form with the completed Section A is the only HEIA-related document the Applicant will submit with this CON application. Submit this form, with the completed Section A, along with the CON application to acknowledge that a HEIA is not required.***
- ***If you checked "yes" for either question in Table A, proceed to Section B.***

Section B. All Article 28 Facilities

Table B.

| Construction or equipment | Yes | No |
|--|------------|---|
| Is the project minor construction or the purchase of equipment, subject to Limited Review, <u>AND</u> will result in one or more of the following: a. Elimination of services or care, and/or; b. Reduction of 10%* or greater in the number of certified beds, certified services, or operating hours, and/or; c. Expansion or addition of 10%* or greater in the number of certified beds, certified services or operating hours? <i>Per the Limited Review Application Instructions: Pursuant to 10 NYCRR 710.1(c)(5), minor construction projects with a total project cost of less than or equal \$15,000,000 for general hospitals and</i> | |  |

| | | |
|---|------------|-----------|
| <i>less than or equal to \$6,000,000 for all other facilities are eligible for a Limited Review.</i> | | |
| Establishment of an operator (new or change in ownership) | Yes | No |
| Is the project an establishment of a new operator or change in ownership of an existing operator providing services or care, <u>AND</u> will result in one or more of the following: a. Elimination of services or care, and/or; b. Reduction of 10%* or greater in the number of certified beds, certified services, or operating hours, and/or; c. Change in location of services or care? | | ✓ |
| Mergers, consolidations, and creation of, or changes in ownership of, an active parent entity | Yes | No |
| Is the project a transfer of ownership in the facility that will result in one or more of the following: a. Elimination of services or care, and/or; b. Reduction of 10%* or greater in the number of certified beds, certified services, or operating hours, and/or; c. Change in location of services or care? | | ✓ |
| Acquisitions | Yes | No |
| Is the project to purchase a facility that provides a new or similar range of services or care, that will result in one or more of the following: a. Elimination of services or care, and/or; b. Reduction of 10%* or greater in the number of certified beds, certified services, or operating hours, and/or; c. Change in location of services or care? | | ✓ |
| All Other Changes to the Operating Certificate | Yes | No |
| Is the project a request to amend the operating certificate that will result in one or more of the following: a. Elimination of services or care; b. Reduction of 10%* or greater in the number of certified beds, certified services, or operating hours, and/or; c. Expansion or addition of 10%* or greater in the number of certified beds, certified services or operating hours, and/or; d. Change in location of services or care? | ✓ | |

*Calculate the percentage change from the number of certified/authorized beds and/or certified/authorized services (as indicated on the facility's operating certificate) specific to the category of service or care. For example, if a residential health care facility adds two ventilator-dependent beds and the facility had none previously, this would exceed the 10% threshold. If a hospital removes 5 out of 50 maternity certified/authorized beds, this would meet the 10% threshold.

- **If you checked "yes" for one or more questions in Table B**, the following HEIA documents are required to be completed and submitted along with the CON application:
 - HEIA Requirement Criteria with Section B completed
 - HEIA Conflict-of-Interest

- HEIA Contract with Independent Entity
 - HEIA Template
 - HEIA Data Tables
 - Full version of the CON Application with redactions, to be shared publicly
- ***If you checked “no” for all questions in Table B***, this form with the completed Section B is the only HEIA-related document the Applicant will submit with this CON application. Submit this form, with the completed Section B, along with the CON application to acknowledge that a HEIA is not required.

Schedule 1

All CON Applications

Contents:

- **Acknowledgement and Attestation**
- **General Information**
- **Contacts**
- **Affiliated Facilities/Agencies**

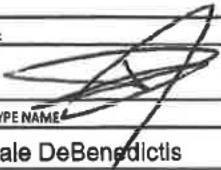
New York State Department of Health Certificate of Need Application

Schedule 1

Acknowledgement and Attestation

I hereby certify, under penalty of perjury, that I am duly authorized to subscribe and submit this application on behalf of the applicant: Village Acquisition I LLC

I further certify that the information contained in this application and its accompanying schedules and attachments are accurate, true and complete in all material respects. I acknowledge and agree that this application will be processed in accordance with the provisions of articles 28, 36 and 40 of the public health law and implementing regulations, as applicable.

| | |
|---|------------------|
| SIGNATURE: | DATE |
|  | 2-12-2025 |
| PRINT OR TYPE NAME | TITLE |
| Pasquale DeBenedictis | Manager / Member |

General Information

Title of Attachment:

| | | |
|---|---|------|
| Is the applicant an existing facility? If yes, attach a photocopy of the resolution or consent of partners, corporate directors, or LLC managers authorizing the project. | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | 1A-1 |
| Is the applicant part of an "established PHL Article 28* network" as defined in section 401.1(j) of 10 NYCRR? If yes, attach a statement that identifies the network and describes the applicant's affiliation. Attach an organizational chart. | YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | |

Contacts

The Primary and Alternate contacts are the only two contacts who will receive email notifications of correspondence in NYSE-CON. **At least one of these two contacts should be a member of the applicant.** The other may be the applicant's representative (e.g., consultant, attorney, etc.). What is entered here for the Primary and Alternate contacts should be the same as what is entered onto the General Tab in NYSE-CON.

| | | | |
|-----------------|----------------------------------|--------------------------|-------|
| Primary Contact | NAME AND TITLE OF CONTACT PERSON | CONTACT PERSON'S COMPANY | |
| | Consultant | Censeli LLC | |
| | BUSINESS STREET ADDRESS | | |
| | 65 Locust Ave, Suite 200 | | |
| | CITY | STATE | ZIP |
| | New Canaan | CT | 06840 |
| | TELEPHONE | E-MAIL ADDRESS | |
| 914-215-1648 | ablatt@censeli.com | | |

| | | | |
|-------------------|----------------------------------|--------------------------|-------|
| Alternate Contact | NAME AND TITLE OF CONTACT PERSON | CONTACT PERSON'S COMPANY | |
| | Angela Bellizza, Esq. | Cassena Care | |
| | BUSINESS STREET ADDRESS | | |
| | 225 Crossways Park Drive | | |
| | CITY | STATE | ZIP |
| | Woodbury | New York | 11797 |
| | TELEPHONE | E-MAIL ADDRESS | |
| 516-224-5086 | abellizza@cassenacare.com | | |

New York State Department of Health Certificate of Need Application

Schedule 1

The applicant must identify the operator's chief executive officer, or equivalent official.

| | | | |
|------------------------|--------------------------------|----------------|-------|
| CHIEF EXECUTIVE | NAME AND TITLE | | |
| | Pasquale DeBenedictis, Manager | | |
| | BUSINESS STREET ADDRESS | | |
| | 225 Crossways Park Drive | | |
| | CITY | STATE | ZIP |
| | Woodbury | New York | 11797 |
| | TELEPHONE | E-MAIL ADDRESS | |
| 516-4227818 | pd@cassenacare.com | | |

The applicant's lead attorney should be identified:

| | | | | |
|-----------------|------------------|--|-----------|-------------------------|
| ATTORNEY | NAME | | FIRM | BUSINESS STREET ADDRESS |
| | | | | |
| | CITY, STATE, ZIP | | TELEPHONE | E-MAIL ADDRESS |
| | | | | |

If a consultant prepared the application, the consultant should be identified:

| | | | | |
|-------------------|----------------------|--|--------------|--------------------------|
| CONSULTANT | NAME | | FIRM | BUSINESS STREET ADDRESS |
| | Andrew Blatt | | Censeli LLC | 65 Locust Ave, Suite 200 |
| | CITY, STATE, ZIP | | TELEPHONE | E-MAIL ADDRESS |
| | New Canaan, CT 06840 | | 914-215-1648 | ablatt@censeli.com |

The applicant's lead accountant should be identified:

| | | | | |
|-------------------|------------------|--|-----------|-------------------------|
| ACCOUNTANT | NAME | | FIRM | BUSINESS STREET ADDRESS |
| | | | | |
| | CITY, STATE, ZIP | | TELEPHONE | E-MAIL ADDRESS |
| | | | | |

Please list all Architects and Engineer contacts:

| | | | | |
|--|------------------------|--|------------------------------|-------------------------|
| ARCHITECT and/or ENGINEER | NAME | | FIRM | BUSINESS STREET ADDRESS |
| | Joseph J. Pallante, RA | | Pallante Design Architecture | 109 Leonard Street |
| | CITY, STATE, ZIP | | TELEPHONE | E-MAIL ADDRESS |
| | Red Bank, NJ 07701 | | 973-494-9001 | jjp@pallantedesign.com |

| | | | | |
|--|------------------|--|-----------|-------------------------|
| ARCHITECT and/or ENGINEER | NAME | | FIRM | BUSINESS STREET ADDRESS |
| | | | | |
| | CITY, STATE, ZIP | | TELEPHONE | E-MAIL ADDRESS |
| | | | | |

New York State Department of Health Certificate of Need Application

Schedule 1

Other Facilities Owned or Controlled by the Applicant

Establishment (with or without Construction) Applications only

NYS Affiliated Facilities/Agencies

NOT APPLICABLE

Does the applicant legal entity or any related entity (parent, member or subsidiary corporation) operate or control any of the following in New York State?

| FACILITY TYPE - NEW YORK STATE | FACILITY TYPE | |
|------------------------------------|---------------|--|
| Hospital | HOSP | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Nursing Home | NH | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Diagnostic and Treatment Center | DTC | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Midwifery Birth Center | MBC | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Licensed Home Care Services Agency | LHCSA | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Certified Home Health Agency | CHHA | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Hospice | HSP | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Adult Home | ADH | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Assisted Living Program | ALP | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Long Term Home Health Care Program | LTHHCP | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Enriched Housing Program | EHP | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Health Maintenance Organization | HMO | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Other Health Care Entity | OTH | Yes <input type="checkbox"/> No <input type="checkbox"/> |

Upload as an attachment to Schedule 1, the list of facilities/agencies referenced above, in the format depicted below:

| Facility Type | Facility Name | Operating Certificate or License Number | Facility ID (PFI) |
|---------------|---------------|---|-------------------|
|---------------|---------------|---|-------------------|

Out-of-State Affiliated Facilities/Agencies

NOT APPLICABLE

In addition to in-state facilities, please upload, as an attachment to Schedule 1, a list of all health care, adult care, behavioral, or mental health facilities, programs or agencies located outside New York State that are affiliated with the applicant legal entity, as well as with parent, member and subsidiary corporations, in the format depicted below.

| Facility Type | Name | Address | State/Country | Services Provided |
|---------------|------|---------|---------------|-------------------|
|---------------|------|---------|---------------|-------------------|

In conjunction with this list, you will need to provide documentation from the regulatory agency in the state(s) where affiliations are noted, reflecting that the facilities/programs/agencies have operated in substantial compliance with applicable codes, rules and regulations for the past ten (10) years (or for the period of the affiliation, whichever is shorter). More information regarding this requirement can be found in Schedule 2D.

VILLAGE ACQUISITION I, LLC
D/B/A WEST VILLAGE REHABILITATION AND
NURSING CENTER
ATTACHMENT 1A-1
MANAGER'S RESOLUTION

Village Acquisition I, LLC D/B/A West Village Rehabilitation and Nursing Center

Manager's Resolution

RESOLVED at a meeting of the managers of Village Acquisition I, LLC that Pasquale DeBenedictis, is authorized as follows:

- Submit a Certificate of Need Application for Full Review to the New York State Department of Health for approval by the Public Health and Health Planning Council for the expansion of the existing 105 bed residential health care facility, located at 215 West Houston Street, New York, New York 10014. West Village Rehabilitation and Nursing Center is seeking approval for an additional twenty (20) residential health care facility beds, whereas upon completion, the total certified capacity will be 125 residential health care facility beds.

Pasquale DeBenedictis is authorized to undertake this effort on behalf of Village Acquisition I, LLC.

Signed by:
PASQUALE DEBENEDICTIS
01538F3AEC05400...
By: Pasquale DeBenedictis

2/13/2025
Date

DocuSigned by:
[Signature]
EF3B3736F3D747D...
By: Alex Solovey

2/13/2025
Date

DocuSigned by:
[Signature]
1478F030FE9E4DB...
By: Jimmy Solovey

2/12/2025
Date

DocuSigned by:
[Signature]
82DAB04DE029433...
By: Solomon Rutenberg

2/12/2025
Date

DocuSigned by:
[Signature]
23F297CE0068481...
By: Michael Schrieber

2/12/2025
Date

DocuSigned by:
Joseph Carillo
E72C8651CF5741Z...
By: Joseph F. Carillo II

2/12/2025
Date

VILLAGE ACQUISITION I, LLC
D/B/A WEST VILLAGE REHABILITATION AND
NURSING CENTER
ATTACHMENT 1A-2
PROJECT NARRATIVE

Village Acquisition I LLC
d/b/a West Village Rehabilitation and Nursing Center
Project Narrative

Village Acquisition I LLC, doing business as West Village Rehabilitation and Nursing Center, is submitting a Certificate of Need application for Full Review to the New York State Department of Health for approval of the Construction and Expansion of the existing 105-bed skilled nursing facility located at 214 West Houston Street, New York, NY 10014 (New York County) to 125 beds.

Upon completion of the project, the number of residential beds will be 125. The operator wishes to add a 6-story with Cellar addition on the Downing Street side of the existing facility. The client has purchased the neighboring property and will demolish the building that currently sits on the site. The addition shall be a gross square foot of 8,162, inclusive of the cellar.

The cellar of the new addition will provide increased storage for the facility, while the first floor will expand the existing Physical Therapy/ Occupational Therapy suite. The 2nd through 6th floors will provide 4 new beds per floor in the form of 2 double-bedded rooms for a total of 20 new beds. The new patient rooms will be semi-private with an exterior window allocated for each bed. Each new room will have a full toilet and shower room. This expansion will allow the facility to serve the community more efficiently and to satisfy unmet need.

The members of West Village are as follows:

| Shareholders of Village Acquisition I LLC | | |
|---|-----|----------------|
| Pasquale DeBenedictis | 35% | Member/Manager |
| Alex Solovey | 35% | Member/Manager |
| Soloman Rutenberg | 15% | Member/Manager |
| Jimmy Solovey | 5% | Member/Manager |
| Michael Schrieber | 5% | Member/Manager |
| Joseph Carillo II | 5% | Member/Manager |

Mr. DeBenedictis, Alex Solovey, Rutenberg, Schrieber, Carillo II and Jimmy Solovey are previously approved and vetted members of this entity and have interests in several other well-rated health facilities.

II. PROJECT

Village Acquisition I LLC, doing business as West Village Rehabilitation and Nursing Center ("West Village") is proposing to expand the 105-bed skilled nursing facility located at 214 West Houston Street, New York NY 10014.

Village Acquisition I LLC
d/b/a West Village Rehabilitation and Nursing Center
Project Narrative

Data reported by Claritas Reports reveals a decline in overall population in the zip codes around the skilled nursing facility (roughly Community District 2) from 2020 to 2030, which is the service area for this application. The percentage of the population of those 65 years and older will increase. Currently, residents who are 65 and older comprise 18.3% and it is projected that 19.8% of adults will 65+ by 2030.

| | LOCAL POPULATION BY AGE | | | | | | |
|----------------------|-------------------------|------------------|---------------|------------------|-----------------|------------------|-------------------|
| | 2020 Census | | 2025 Estimate | | 2030 Projection | | |
| Manhattan CD 1 and 2 | Population | Percent of Total | Population | Percent of Total | Population | Percent of Total | Change (25 -> 30) |
| Total Population | 143,532 | 100.00% | 133,297 | 100.00% | 131,335 | 100.00% | -1.5% |
| 0-64 | 120,545 | 83.98% | 108,871 | 81.68% | 105,307 | 80.18% | -3.3% |
| 65-74 | 13,365 | 9.31% | 12,693 | 9.52% | 12,433 | 9.47% | -2.0% |
| 75-84 | 6,844 | 4.77% | 8,431 | 6.32% | 9,847 | 7.50% | 16.8% |
| 85 PLUS | 2,878 | 2.01% | 3,302 | 2.48% | 3,748 | 2.85% | 13.5% |
| 65 PLUS | 22,987 | 16.02% | 24,426 | 18.32% | 26,028 | 19.82% | 6.6% |
| | | | | | | | |
| | | | | | | | |

New York County (Manhattan) is comprised of 18.8% residents over 65, and that percentage is expected to grow.

In 2016, New York City had an unmet need of 9,778 beds. This project will add 20 beds to this 105-bed facility.

2024 utilization at West Village was 94.4%. The operators of this CMS 5-star rated facility believe this expansion, coupled with service improvements, will result in higher utilization and continued high ratings.

In addition to the unmet need in New York City, this facility is currently turning away significant referrals due to lack of available beds (so far this year, the facility is at capacity.) 2024 Medicare utilization was 77% while the Medicare usage was 1%. This factor and the pattern of referrals strongly suggests the need for more short-term rehabilitation beds at this facility. Of 1,715 admissions in 2024, 540 were from New York Presbyterian-Cornell Weill Medical Center, 435 from Lenox Hill Hospital, 255 from NYU Langone and 139 from Mt Sinai, or 80% of admissions. The additional beds will allow for more admissions from the local community, who will still benefit from

Village Acquisition I LLC
d/b/a West Village Rehabilitation and Nursing Center
Project Narrative

the intimacy of a 125 bed SNF during their short-term rehabilitation stays. This project will also update and upgrade the Physical and Occupational Therapy suites.

The project is expected to cost 4.26 million dollars, funded by current operations.

The scope of work is as follows:

- Demolition of the building that currently sits on the corner next to the original site (Downing Street.)
- Building an 8,162 square foot/ six story (with cellar) addition to the current facility
- The cellar will be used for additional storage.
- The first floor will expand and update the existing Physical Therapy/ Occupational Therapy suite.
- The 2nd through 6th floor will provide 4 new beds per floor in the form of 2 double-bedded rooms for a total of 20 new beds. The new patient rooms will be semi-private with an exterior window allocated for each bed. Each new room will have a full toilet and shower room.
- Programmatic requirements will be in compliance with the 2018 FGI Guidelines for Design and Construction of Residential Health, Care, and Support Facilities, chapters 3.1 and 3.2
- New mechanical systems for the addition will be installed. The existing building's Fire Alarm and Sprinkler Systems will be expanded to accommodate the new area. All work will be installed in substantial compliance with the provisions of the State Hospital Code and NYC Building Codes, which are in effect at the time of this application, and is submitted as well as the 2010 ADA Standards for Accessible Design
- The cost of the construction for the above-mentioned is estimated at \$4,255,900.
- It is estimated that the project construction time will be 18 months.

West Village has begun the exhaustive process of receiving the required approvals for the noted addition. As with all projects, West Village will need approval from the New York City Building Department, which is not anticipated to be a concern. West Village has already received approval from the New York City Community Board No. 2, Manhattan, for a Zoning Resolution to Amend a

Village Acquisition I LLC
d/b/a West Village Rehabilitation and Nursing Center
Project Narrative

previous granted variance to expand an existing Residential Health Care Facility, West Village Nursing and Rehabilitation Center. A copy of the resolution, dated January 31, 2025, is attached.

In conclusion, Village Acquisition I LLC, doing business as West Village Rehabilitation and Nursing Center, is submitting this Certificate of Need application for Full Review to the New York State Department of health for approval of the Construction & Expansion of the existing 105-bed skilled nursing facility to 125 beds.

Susan Kent, Chair
Valerie De La Rosa, First Vice Chair
Eugene Yoo, Second Vice Chair

Antony Wong, Treasurer
Emma Smith, Secretary
Brian Pape, Assistant Secretary
Mark Diller, District Manager



COMMUNITY BOARD NO. 2, MANHATTAN

3 WASHINGTON SQUARE VILLAGE
NEW YORK, NY 10012-1899

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Greenwich Village ♦ Little Italy ♦ SoHo ♦ NoHo ♦ Hudson Square ♦ Chinatown ♦ Gansevoort Market

January 31, 2025

Champa Shanda, Chair
NYC Board of Standards & Appeals
22 Reade Street, Main Floor
New York, NY 10007

Dear Chair Shanda;

At its Full Board meeting on January 23, 2025, Community Board 2 / Manhattan adopted the following resolution:

Resolution Concerning 214-218 West Houston Street aka 58 Downing Street – Application to the Board of Standards & Appeals pursuant to sections 72-01 and 72-22 of the Zoning Resolution to Amend a Previously Granted Variance to Expand an Existing Residential Health Care Facility.

Whereas:

1. Village Acquisition II, LLC, currently operating as “West Village Rehabilitation and Nursing Center” and formerly known as “Village Care of New York” (“Village Care”), a not-for-profit corporation constructed its Existing Building at 214-218 West Houston to provide Rehabilitation and Nursing Care. This construction required modification of applicable height and setback, rear yard equivalent, and coverage regulations to meet Village Care’s programmatic needs. Now, Village Care is seeking an amendment to the Variance to allow an enlargement of the Existing Building onto adjacent Lot 27 (50-58 Downing Street) to accommodate 20 additional beds as well as much needed additional physical and occupational therapy space, which would not comply with applicable floor area ratio, height and setback, rear yard, and lot coverage regulations.
2. The proposed enlargement is necessary because of changes in the nursing home regulatory regime, enhancements in industry best practices that have occurred in the twenty years since the Variance was granted in 2005, and the extreme demand for nursing home beds in Lower Manhattan that means that, for every patient currently offered care in the Existing Building, three potential patients must be turned away (totaling 3,465 people in need of rehabilitation and nursing

home care that cannot be accommodated in the facility each year).

3. The Proposed Building would be a 4.83 FAR (12,272 sf) six-story facility that would include demolition of the existing building on Lot 27 and its replacement with an enlargement of the Existing Building with a total of 6,402 sf of additional floor area. The Proposed Enlargement would have a shallow rear yard with varying depth between 3'-10" and 10'-9" . As with the Existing Building, the Proposed Building would have a maximum height of 77'-3" without setback, and the 1,630 square foot landscaped courtyard located on the eastern side of the Existing Building would be maintained. As noted above and detailed below, the Proposed Enlargement would reflect the minimum variances necessary to construct a financially feasible number of additional beds (an increase of 20 beds, for a total of 125 beds).
4. The Community Board is satisfied that the Applicant has met the satisfied required findings.
5. Any new mechanicals for the enlargement will be situated on the roof of the existing structure at 214-218 Houston. Previous neighborhood concerns about the noise from the mechanicals have been solved and the new mechanicals will be screened and baffled in the same manner so as to prevent any disturbance to nearby residences.
6. Downing Street is a small historic street. There was concern that entrance and egress from the enlargement might disturb the community. The applicant assured the community that there will be no entrance or egress on Downing Street.
7. 50-58 Downing Street is currently a vacant single-family home. The Applicant plans to reuse materials from its original façade in the enlargement. There was support for following the original aesthetic and a suggestion to be thoughtful and creative with the façade so as to fit into the street without being monolithic.
8. CB2 Manhattan approved a 2005 variance which allowed the construction of 214-218 Houston Street.
9. The Current Village Care facility is well-respected in the community. Many neighbors have needed to use this facility and have spoken highly of its services. Moreover, they are grateful that it is convenient to their friends and families. The committee pointed out that it provides housing for our community during times of medical need.

Therefore be it resolved, that:

1. CB2 Manhattan supports the granting of this variance and welcomes additional and sorely-needed rehabilitation and nursing care beds in our district.
2. CB2 Manhattan also encourages the applicant to be attentive to creating a façade which reflects the nature of this street, acknowledges the townhouse being replaced, and acknowledges the context of the surrounding buildings.

Resolution Adopted, with 37 votes in favor, 1 opposed (A. Fernandez), and no abstentions or recusals

Respectfully submitted,



Eugene Yoo, Chair, CB2 Land Use & Housing Committee



Susan Kent, Chair, Community Board 2/Manhattan

Copy:

Hon. Mark Levine, Manhattan Borough President
Hon. Erik Bottcher, NYC Council, 3rd District
Hon. Brian Kavanagh, NY State Senate, 27th District
Hon. Deborah J. Glick, NY State Assembly, 66th District

Schedule 5

Working Capital Plan

Contents:

- **Schedule 5 - Working Capital Plan**

Working Capital Financing Plan

1. Working Capital Financing Plan and Pro Forma Balance Sheet:

This section should be completed in conjunction with Schedule 13. The general guidelines for working capital requirements are two months of first year expenses for changes of ownership and two months of third year expenses for new establishments, construction projects or when the first year budget indicates a net operating loss. Any deviation from these guidelines must be supported by the monthly cash flow analysis. If working capital is required for the project, all sources of working capital must be indicated clearly. Borrowed funds are limited to 50% of total working capital requirements and cannot be a line of credit. Terms of the borrowing cannot be longer than 5 years or less than 1 year. If borrowed funds are a source of working capital, please summarize the terms below, and attach a letter of interest from the intended source of funds, to include an estimate of the principal, term, interest rate and payout period being considered. Also, describe and document the source(s) of working capital equity.

| Titles of Attachments Related to Borrowed Funds | Filenames of Attachments |
|--|--|
| Example: <i>First borrowed fund source</i> | Example: <i>first_bor_fund.pdf</i> |
| Working Capital will be provided from existing operations. | Attachment 9-2 for financial statements for existing operations. |
| | |
| | |
| | |
| | |
| | |

In the section below, briefly describe and document the source(s) of working capital equity

Working Capital Financing will be provided in conformance with State Health Department guidelines of two (2) months of first (1st) year operating expenses. Working Capital, estimated to be \$845,011 will be funded with existing operations. Please refer to Attachment 9-2 for the financial statements reflective of existing operations.

2. Pro Forma Balance Sheet

This section should be completed for all new establishment and change in ownership applications. On a separate attachment identified below, provide a pro forma (opening day) balance sheet. If the operation and real estate are to be owned by separate entities, provide a pro forma balance sheet for each entity. Fully identify all assumptions used in preparation of the pro forma balance sheet. If the pro forma balance sheet(s) is submitted in conjunction with a change in ownership application, on a line-by-line basis, provide a comparison between the submitted pro forma balance sheet(s), the most recently available facility certified financial statements and the transfer agreement. Fully explain and document all assumptions.

| Titles of Attachments Related to Pro Forma Balance Sheets | Filenames of Attachments |
|--|---|
| Example: <i>Attachment to operational balance sheet</i> | Example: <i>Operational_bal_sheet.pdf</i> |
| Pro-Forma Balance Sheet | Attachment 5-1 |
| | |
| | |
| | |
| | |
| | |

Schedule 6

Architectural/Engineering Submission

Contents:

- **Schedule 6 – Architectural/Engineering Submission**

New York State Department of Health Certificate of Need Application

Schedule 6

Architectural Submission Requirements for Contingent Approval and Contingency Satisfaction

Schedule applies to all projects with construction, including Articles 28 & 40, i.e., Hospitals, Diagnostic and Treatment Centers, Residential Health Care Facilities, and Hospices.

Instructions

- Provide Architectural/Engineering Narrative using the format below.
- Provide Architect/Engineer Certification form:
 - [Architect's Letter of Certification for Proposed Construction or Renovation for Projects That Will Be Self-Certified. Self-Certification Is Not an Option for Projects over \\$15 Million, or Projects Requiring a Waiver](#) (PDF)
 - [Architect's Letter of Certification for Proposed Construction or Renovation Projects to Be Reviewed by DOH or DASNY](#) (PDF) (Not to Be Submitted with Self-Certification Projects)
 - [Architect's Letter of Certification for Completed Projects](#) (PDF)
 - [Architect's or Engineer's Letter of Certification for Inspecting Existing Buildings](#) (PDF)
- Provide FEMA BFE Certificate. Applies only to Hospitals and Nursing Homes.
 - [FEMA Elevation Certificate and Instructions.pdf](#)
- Provide Functional Space Program: A list that enumerates project spaces by floor indicating size by gross floor area and clear floor area for the patient and resident spaces.
- For projects with imaging services, provide Physicist's Letter of Certification and Physicist's Report including drawings, details and supporting information at the design development phase.
 - [Physicist's Letter of Certification](#) (PDF)
- Provide Architecture/Engineering Drawings in PDF format created from the original electronic files; scans from printed drawings will not be accepted. Drawing files less than 100 MB, and of the same trade, may be uploaded as one file.
 - [NYSDOH and DASNY Electronic Drawing Submission Guidance for CON Reviews](#)
 - [DSG-1.0 Schematic Design & Design Development Submission Requirements](#)
- Refer to the Required Attachment Table below for the Schematic Design Submission requirements for Contingent Approval and the Design Development Submission requirements for Contingency Satisfaction.
 - Attachments must be labeled accordingly when uploading in NYSE-CON.
 - Do not combine the Narrative, Architectural/Engineering Certification form and FEMA BFE Certificate into one document.
 - If submitted documents require revisions, provide an updated Schedule 6 with the revised information and date within the narrative.

Architecture/Engineering Narrative

Narrative shall include but not limited to the following information. Please address all items in the narrative including items located in the response column. **Incomplete responses will not be accepted.**

| Project Description | |
|--|---|
| Schedule 6 submission date: Click to enter a date. | Revised Schedule 6 submission date: Click to enter a date. |
| Does this project amend or supersede prior CON approvals or a pending application? Choose an item. If so, what is the original CON number? no | |
| Intent/Purpose: 6 story and cellar addition to existing nursing facility. | |
| Site Location: 214 W Houston St, New York, NY 10014 | |
| Brief description of current facility, including facility type: | |

New York State Department of Health Certificate of Need Application

Schedule 6

| Existing 6 story and cellar skilled nursing facility. | |
|---|---|
| Brief description of proposed facility: 6 story and cellar skilled nursing facility. | |
| Location of proposed project space(s) within the building. Note occupancy type for each occupied space. Cellar-storage, first-Physical Therapy, second through sixth-patient care | |
| Indicate if mixed occupancies, multiple occupancies and or separated occupancies. Describe the required smoke and fire separations between occupancies: Click here to enter text. | |
| If this is an existing facility, is it currently a licensed Article 28 facility? | No |
| Is the project space being converted from a non-Article 28 space to an Article 28 space? | No |
| Relationship of spaces conforming with Article 28 space and non-Article 28 space: Click here to enter text. | |
| List exceptions to the NYSDOH referenced standards. If requesting an exception, note each on the Architecture/Engineering Certification form under item #3. Click here to enter text. | |
| Does the project involve heating, ventilating, air conditioning, plumbing, electrical, water supply, and fire protection systems that involve modification or alteration of clinical space, services or equipment such as operating rooms, treatment, procedure rooms, and intensive care, cardiac care, other special care units (such as airborne infection isolation rooms and protective environment rooms), laboratories and special procedure rooms, patient or resident rooms and or other spaces used by residents of residential health care facilities on a daily basis? If so, please describe below. Physical and Occupational Therapy expansion, 20 new patient Beds. | Yes |
| Provide brief description of the existing building systems within the proposed space and overall building systems, including HVAC systems, electrical, plumbing, etc. Area of renovation shall be equipped with New Stand-alone HVAC unit | |
| Describe scope of work involved in building system upgrades and or replacements, HVAC systems, electrical, Sprinkler, etc. Expand existing sprinkler and electrical and HVAC | |
| Describe existing and or new work for fire detection, alarm, and communication systems: Existing fire alarm to be expanded to accommodate the proposed layout | |
| If a hospital or nursing home located in a flood zone, provide a FEMA BFE Certificate from www.fema.gov , and describe the work to mitigate damage and maintain operations during a flood event. Click here to enter text. | |
| Does the project contain imaging equipment used for diagnostic or treatment purposes? If yes, describe the equipment to be provided and or replaced. Ensure physicist's letter of certification and report are submitted. Click here to enter text. | |
| Does the project comply with ADA? If no, list all areas of noncompliance. yes | |
| Other pertinent information: Click here to enter text. | |
| Project Work Area | Response |
| Type of Work | Addition |
| Square footages of existing areas, existing floor and or existing building. | Click here to enter text. |
| Square footages of the proposed work area or areas. Provide the aggregate sum of the work areas. | 8162 |
| Does the work area exceed more than 50% of the smoke compartment, floor or building? | Less than 50% of the floor |
| Sprinkler protection per NFPA 101 Life Safety Code | Sprinklered throughout |
| Construction Type per NFPA 101 Life Safety Code and NFPA 220 | Type II (222) |
| Building Height | 73' |
| Building Number of Stories | 6 |

New York State Department of Health Certificate of Need Application

Schedule 6

| | |
|--|--------------------------------------|
| Which edition of FGI is being used for this project? | 2018 Edition of FGI |
| Is the proposed work area located in a basement or underground building? | Basement |
| Is the proposed work area within a windowless space or building? | Yes |
| Is the building a high-rise? | Yes |
| If a high-rise, does the building have a generator? | No |
| What is the Occupancy Classification per NFPA 101 Life Safety Code? | Chapter 18 New Health Care Occupancy |
| Are there other occupancy classifications that are adjacent to or within this facility? If yes, what are the occupancies and identify these on the plans. Click here to enter text. | No |
| Will the project construction be phased? If yes, how many phases and what is the duration for each phase? Click here to enter text. | No |
| Does the project contain shell space? If yes, describe proposed shell space and identify Article 28 and non-Article 28 shell space on the plans. Click here to enter text. | No |
| Will spaces be temporarily relocated during the construction of this project? If yes, where will the temporary space be? Click here to enter text. | No |
| Does the temporary space meet the current DOH referenced standards? If no, describe in detail how the space does not comply. Click here to enter text. | Not Applicable |
| Is there a companion CON associated with the project or temporary space? If so, provide the associated CON number. Click here to enter text. | Not Applicable |
| Will spaces be permanently relocated to allow the construction of this project? If yes, where will this space be? Click here to enter text. | No |
| Changes in bed capacity? If yes, enumerate the existing and proposed bed capacities. 105 beds existing, 20 additional beds | yes |
| Changes in the number of occupants? If yes, what is the new number of occupants? 20 | Yes |
| Does the facility have an Essential Electrical System (EES)? If yes, which EES Type? Type 1 | Yes |
| If an existing EES Type 1, does it meet NFPA 99 -2012 standards? | Yes |
| Does the existing EES system have the capacity for the additional electrical loads? Click here to enter text. | Yes |
| Does the project involve Operating Room alterations, renovations, or rehabilitation? If yes, provide brief description. Click here to enter text. | No |
| Does the project involve Bulk Oxygen Systems? If yes, provide brief description. Click here to enter text. | No |
| If existing, does the Bulk Oxygen System have the capacity for additional loads without bringing in additional supplemental systems? | Not Applicable |
| Does the project involve a pool? | No |

**New York State Department of Health
Certificate of Need Application**

Schedule 6

| REQUIRED ATTACHMENT TABLE | | | |
|--|--|---|----------------------------|
| SCHEMATIC DESIGN SUBMISSION for CONTINGENT APPROVAL | DESIGN DEVELOPMENT SUBMISSION (State Hospital Code Submission) for CONTINGENCY SATISFACTION | Title of Attachment | File Name in PDF format |
| • | | Architectural/Engineering Narrative | A/E Narrative.PDF |
| • | | Functional Space Program | FSP.PDF |
| • | | Architect/Engineer Certification Form | A/E Cert Form. PDF |
| • | | FEMA BFE Certificate | FEMA BFE Cert.PDF |
| • | | Article 28 Space/Non-Article 28 Space Plans | CON100.PDF |
| • | • | Site Plans | SP100.PDF |
| • | • | Life Safety Plans including level of exit discharge, and NFPA 101-2012 Code Analysis | LSC100.PDF |
| • | • | Architectural Floor Plans, Roof Plans and Details. Illustrate FGI compliance on plans. | A100.PDF |
| • | • | Exterior Elevations and Building Sections | A200.PDF |
| • | • | Vertical Circulation | A300.PDF |
| • | • | Reflected Ceiling Plans | A400.PDF |
| optional | • | Wall Sections and Partition Types | A500.PDF |
| optional | • | Interior Elevations, Enlarged Plans and Details | A600.PDF |
| | • | Fire Protection | FP100.PDF |
| | • | Mechanical Systems | M100.PDF |
| | • | Electrical Systems | E100.PDF |
| | • | Plumbing Systems | P100.PDF |
| | • | Physicist's Letter of Certification and Report | X100.PDF |

VILLAGE ACQUISITION I, LLC
D/B/A WEST VILLAGE REHABILITATION AND
NURSING CENTER
ATTACHMENT 6-1
ARCHITECTS LETTER OF CERTIFICATION



KATHY HOCHUL
Governor

Department of Health

JAMES V. McDONALD, M.D., M.P.H.
Acting Commissioner

MEGAN E. BALDWIN
Acting Executive Deputy Commissioner

CONSTRUCTION PROJECT CERTIFICATION LETTER FOR AER REVIEWS ARCHITECTS & ENGINEERS

(For projects not meeting the prerequisites for Self-Certification submission.)

Date: September 16, 2024

CON Number:

Facility Name: West Village Nursing and Rehabilitation Center

Facility ID Number:

Facility Address: 214 West Houston Street, New York, NY

NYS Department of Health/Office of Health Systems Management
Center for Health Care Facility Planning, Licensure, and Finance
Bureau of Architectural and Engineering Review
ESP, Corning Tower, 18th Floor
Albany, New York 12237

To The New York State Department of Health:

I hereby certify that:

1. I have been retained by the aforementioned facility, to provide professional architectural/engineering services related to the design and preparation of construction documents, including drawings and specifications for the aforementioned project. During the course of construction, periodic site observation visits will be performed, and the necessary standard of care, noting progress, quality and ensuring conformance of the work with documents provided for all regulatory approvals associated with the aforementioned project.
2. I have ascertained that, to the best of my knowledge, information and belief, the completed structure will be designed and constructed, in accordance with the functional program for the referenced construction project and in accordance with any project definitions, waivers or revisions approved or required by the New York State Department of Health.
3. The above-referenced construction project will be designed and constructed in compliance with all applicable local codes, statutes, and regulations, and the applicable provisions of the State Hospital Code -- 10 NYCRR Part 711 (General Standards for Construction) and Parts (check all that apply):
 - a. ☐ 712 (Standards of Construction for General Hospital Facilities)
 - b. ☒ 713 (Standards of Construction for Nursing Home Facilities)
 - c. ☐ 714 (Standards of Construction for Adult Day Health Care Program Facilities)
 - d. ☐ 715 (Standards of Construction for Freestanding Ambulatory Care Facilities)
 - e. ☐ 716 (Standards of Construction for Rehabilitation Facilities)
 - f. ☐ 717 (Standards of Construction for New Hospice Facilities and Units)

PLEASE NOTE ANY EXCEPTIONS HERE:

4. I understand that as the design of this project progresses, if a component of this project is inconsistent with the State Hospital Code (10 NYCRR Parts 711, 712, 713, 714, 715, 716, or 717), I shall bring this to the attention of the Bureau of Architecture and Engineering Review (BAER) of the New York State Department of Health prior to or upon submitting final drawings for compliance resolution.

ARCHITECTURAL AND ENGINEERING LETTER OF CERTIFICATION

Effective January 03, 2023

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5. I understand that upon completion of construction, the costs of any subsequent corrections necessary to achieve compliance with applicable requirements of 10 NYCRR Parts 711, 712, 713, 714, 715, 716 and 717, when the prior work was not completed properly as certified herein, may not be considered allowable costs for reimbursement under 10 NYCRR Part 86.

This certification is being submitted to facilitate the CON review and subsequent to formal plan approval by your office. It is understood that an electronic copy of final Construction Documents on CD, meeting the requirements of DSG-05 must be submitted to PMU for all projects, including limited, administrative, full review, self-certification and reviews performed and completed by DASNY.

Project Name: 6 Story & cellar addition to existing Nursing facility

Location: 58 Downing Street, New York NY

Description: Erect a new 6 Story and cellar addition to existing nursing facility on Downing Street side of facility.



Signature of Architect or Engineer

Dominick Termini, AIA

Name of Architect or Engineer (Print)

037957

Professional New York State License Number

109 Leonard Street, Red Bank, NJ 07701

Business Address

The undersigned applicant understands and agrees that, notwithstanding this architectural/engineering certification the Department of Health shall have continuing authority to (a) review the plans submitted herewith and/or inspect the work with regard thereto, and (b) withdraw its approval thereto. The applicant shall have a continuing obligation to make any changes required by the Division to comply with the above-mentioned codes and regulations, whether or not physical plant construction or alterations have been completed.

Authorized Signature for Applicant

2-12-2025

Date

Pasquale DeBenedictis, member/manager

Name (Print)

Title

Notary signing required for the applicant

STATE OF NEW YORK

County of Nassau

)
) SS:
)

On the 12 day of February 2025, before me personally appeared Pasquale DeBenedictis, to me known, who being by me duly sworn, did depose and say that he/she is the member/manager of the _____, the facility described herein which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the governing authority of said facility.

(Notary)

JAMES TREACY
Notary Public, State of New York
No. 011624957
Qualified in Nassau County
Commission Expires November 1, 2026

ARCHITECTURAL AND ENGINEERING LETTER OF CERTIFICATION

Effective January 03, 2023

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VILLAGE ACQUISITION I, LLC
D/B/A WEST VILLAGE REHABILITATION AND
NURSING CENTER
ATTACHMENT 6-2
ARCHITECTURAL NARRATIVE



PALLANTE DESIGN
ARCHITECTURE

Arch project # 24-271-02

September 16, 2024

NYS Department of Health/Office of Health Systems Management
Division of Health Facility Planning
Bureau of Architectural and Engineering Facility Planning
Empire State Plaza, Corning Tower Building, Room 1861
Albany, New York 12237

Re: West Village Rehabilitation & Nursing Center
214 W Houston St, New York, NY 10014
6 Story And Cellar Addition to Existing Skilled Nursing Facility

PROJECT NARRATIVE

West Village Rehabilitation & Nursing Center is a 6-story skilled nursing facility located in New York, NY. This project is not located in a flood zone.

The ownership wishes to add a 6 story with Cellar addition on the Downing Street side of the existing facility. The client has purchased the neighboring property and will demolish the building that currently sits on the site. The addition shall be a gross s.f. of 8162, inclusive of the cellar.

The cellar of the new addition will provide increased storage for the facility, while the first floor will allow the opportunity to expand the existing undersized Physical Therapy/ Occupational Therapy suite. The 2nd through 6th floor will provide 4 new beds per floor in the form of 2 double-bedded rooms per floor for a total of 20 new beds. The new patient rooms will be semi-private with an exterior window allocated for each bed. Each new room will have a full toilet and shower room.

The proposed new construction will be sprinklered throughout with a construction classification of Type 2A [Type II (222)]. Construction for the addition will match the existing building of masonry load bearing walls with pre-cast concrete floor planks.

Programmatic requirements will be in compliance with the 2018 FGI Guidelines for Design and Construction of Residential Health, Care, and Support Facilities, chapters 3.1 and 3.2.

The work will consist of, but not limited to demolishing the old building that sits on the adjacent site and erecting a new addition on that site. The addition shall be concrete block bearing walls with precast concrete plank floors construction with a brick façade. The interior fit-out will include new gypsum board partition walls, new patient bathrooms, and installation of millwork, tile and vinyl flooring, suspended ceilings, plumbing and electrical as required.



New mechanical systems for the addition will be installed to accommodate the addition. The existing building's Fire Alarm and Sprinkler Systems will be expanded to accommodate the new area. All work will be installed in substantial compliance with the provisions of the State Hospital Code and NYC Building Codes, which are in effect at the time this application, is submitted as well as the 2010 ADA Standards for Accessible Design

The cost of the construction for the above-mentioned is estimated at \$4,255,900. (four million, two hundred & fifty-five thousand and nine hundred dollars). It is estimated that the project construction time will be 18 months.

If there are any questions about this project, feel free to contact us for more information.

Sincerely,

Dominick Termini A.I.A.
Pallante Design

Schedule LRA 4/Schedule 7 CON Forms Regarding Environmental issues

Contents:

Schedule LRA 4/Schedule 7 - Environmental Assessment

Environmental Assessment

| Part I. | The following questions help determine whether the project is "significant" from an environmental standpoint. | Yes | No |
|----------|--|--------------------------|-------------------------------------|
| 1.1 | If this application involves establishment, will it involve more than a change of name or ownership only, or a transfer of stock or partnership or membership interests only, or the conversion of existing beds to the same or lesser number of a different level of care beds? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 1.2 | Does this plan involve construction and change land use or density? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 1.3 | Does this plan involve construction and have a permanent effect on the environment if temporary land use is involved? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 1.4 | Does this plan involve construction and require work related to the disposition of asbestos? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Part II. | If any question in Part I is answered "yes" the project may be significant, and Part II must be completed. If all questions in Part II are answered "no" it is likely that the project is not significant | Yes | No |
| 2.1 | Does the project involve physical alteration of ten acres or more? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.2 | If an expansion of an existing facility, is the area physically altered by the facility expanding by more than 50% and is the total existing and proposed altered area ten acres or more? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.3 | Will the project involve use of ground or surface water or discharge of wastewater to ground or surface water in excess of 2,000,000 gallons per day? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.4 | If an expansion of an existing facility, will use of ground or surface water or discharge of wastewater by the facility increase by more than 50% and exceed 2,000,000 gallons per day? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.5 | Will the project involve parking for 1,000 vehicles or more? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.6 | If an expansion of an existing facility, will the project involve a 50% or greater increase in parking spaces and will total parking exceed 1000 vehicles? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.7 | In a city, town, or village of 150,000 population or fewer, will the project entail more than 100,000 square feet of gross floor area? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.8 | If an expansion of an existing facility in a city, town, or village of 150,000 population or fewer, will the project expand existing floor space by more than 50% so that gross floor area exceeds 100,000 square feet? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.9 | In a city, town or village of more than 150,000 population, will the project entail more than 240,000 square feet of gross floor area? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.10 | If an expansion of an existing facility in a city, town, or village of more than 150,000 population, will the project expand existing floor space by more than 50% so that gross floor area exceeds 240,000 square feet? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.11 | In a locality without any zoning regulation about height, will the project contain any structure exceeding 100 feet above the original ground area? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.12 | Is the project wholly or partially within an agricultural district certified pursuant to Agriculture and Markets Law Article 25, Section 303? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.13 | Will the project significantly affect drainage flow on adjacent sites? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | |
|------------------|--|-------------------------------------|-------------------------------------|
| 2.14 | Will the project affect any threatened or endangered plants or animal species? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.15 | Will the project result in a major adverse effect on air quality? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.16 | Will the project have a major effect on visual character of the community or scenic views or vistas known to be important to the community? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.17 | Will the project result in major traffic problems or have a major effect on existing transportation systems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.18 | Will the project regularly cause objectionable odors, noise, glare, vibration, or electrical disturbance as a result of the project's operation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.19 | Will the project have any adverse impact on health or safety? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.20 | Will the project affect the existing community by directly causing a growth in permanent population of more than five percent over a one-year period or have a major negative effect on the character of the community or neighborhood? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.21 | Is the project wholly or partially within, or is it contiguous to any facility or site listed on the National Register of Historic Places, or any historic building, structure, or site, or prehistoric site, that has been proposed by the Committee on the Registers for consideration by the New York State Board on Historic Preservation for recommendation to the State Historic Officer for nomination for inclusion in said National Register? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.22 | Will the project cause a beneficial or adverse effect on property listed on the National or State Register of Historic Places or on property which is determined to be eligible for listing on the State Register of Historic Places by the Commissioner of Parks, Recreation, and Historic Preservation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2.23 | Is this project within the Coastal Zone as defined in Executive Law, Article 42? If Yes, please complete Part IV. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Part III. | | Yes | No |
| 3.1 | Are there any other state or local agencies involved in approval of the project? If so, fill in Contact Information to Question 3.1 below. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Agency Name: | New York City Building Dept | |
| | Contact Name: | | |
| | Address: | 280 Broadway | |
| | State and Zip Code: | NY, NY 10007 | |
| | E-Mail Address: | | |
| | Phone Number: | 212-566-5000 | |
| | Agency Name: | NYC Board of Standards and Appeals | |
| | Contact Name: | | |
| | Address: | 22 Reade Street | |
| | State and Zip Code: | NY, NY 10007 | |
| | E-Mail Address: | | |
| | Phone Number: | 212-386-0009 | |
| | Agency Name: | | |
| | Contact Name: | | |

| | | | | |
|--|--|--|---------------------------------|---|
| | Address: | | | |
| | State and Zip Code: | | | |
| | E-Mail Address: | | | |
| | Phone Number: | | | |
| | Agency Name: | | | |
| | Contact Name: | | | |
| | Address: | | | |
| | State and Zip Code: | | | |
| | E-Mail Address: | | | |
| | Phone Number: | | | |
| 3.2 | Has any other agency made an environmental review of this project? If so, give name, and submit the SEQRA Summary of Findings with the application in the space provided below. | | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | Agency Name: | | | |
| | Contact Name: | | | |
| | Address: | | | |
| | State and Zip Code: | | | |
| | E-Mail Address: | | | |
| | Phone Number: | | | |
| 3.3 | Is there a public controversy concerning environmental aspects of this project? If yes, briefly describe the controversy in the space below. | | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | | | | |
| Part IV. Storm and Flood Mitigation | | | | |
| | Definitions of FEMA Flood Zone Designations | | | |
| | Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area. | | | |
| | Please use the FEMA Flood Designations scale below as a guide to answering all Part IV questions regardless of project location, flood and or evacuation zone. | | Yes | No |
| 4.1 | Is the proposed site located in a flood plain? If Yes, indicate classification below and provide the Elevation Certificate (FEMA Flood Insurance). | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Moderate to Low Risk Area | | Yes | No |
| | Zone | Description | <input type="checkbox"/> | <input type="checkbox"/> |
| | In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones: | | | |
| | B and X | Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. Are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile. | <input type="checkbox"/> | |

| | | | |
|--|---|--------------------------|--------------------------|
| C and X | Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. | <input type="checkbox"/> | |
| High Risk Areas | | Yes | No |
| Zone | Description | <input type="checkbox"/> | <input type="checkbox"/> |
| In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all these zones: | | | |
| A | Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones. | <input type="checkbox"/> | |
| AE | The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30. | <input type="checkbox"/> | |
| A1-30 | These are known as numbered A Zones (e.g., A7 or A14). This is the base floodplain where the FIRM shows a BFE (old format). | <input type="checkbox"/> | |
| AH | Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones. | <input type="checkbox"/> | |
| AO | River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones. | <input type="checkbox"/> | |
| AR | Areas with a temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Mandatory flood insurance purchase requirements will apply, but rates will not exceed the rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations. | <input type="checkbox"/> | |
| A99 | Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones. | <input type="checkbox"/> | |
| High Risk Coastal Area | | Yes | No |
| Zone | Description | | |
| In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all these zones: | | | |
| Zone V | Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. No base flood elevations are shown within these zones. | <input type="checkbox"/> | <input type="checkbox"/> |
| VE, V1 - 30 | Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones. | <input type="checkbox"/> | |
| Undetermined Risk Area | | Yes | No |
| Zone | Description | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | |
|-----|--|---|-------------------------------------|-------------------------------------|
| | D | Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk. | | |
| 4.2 | Are you in a designated evacuation zone? | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | If Yes, the Elevation Certificate (FEMA Flood Insurance) shall be submitted with the application. | | | |
| | If yes which zone is the site located in? | 4 | | |
| 4.3 | Does this project reflect the post Hurricane Lee, and or Irene, and Superstorm Sandy mitigation standards? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | If Yes, which floodplain? | 100 Year | <input type="checkbox"/> | |
| | | 500 Year | <input type="checkbox"/> | |

The Elevation Certificate provides a way for a community to document compliance with the community's floodplain management ordinance.

[FEMA Elevation Certificate and Instructions](#)

New York State Department of Health
Certificate of Need Application
Schedule 8A Summarized Project Cost and Construction Dates

This schedule is required for all Full or Administrative review applications except Establishment-Only applications.

1.) Project Cost Summary data:

| | Total | Source |
|---|----------------------------|---------------------------------|
| Project Description: | | |
| Project Cost | \$12,380,900 | Schedule 8b, column C, line 8 |
| Total Basic Cost of Construction | \$11,630,900 | Schedule 8B, column C, line 6 |
| Total Cost of Moveable Equipment | \$100,000 | Schedule 8B, column C, line 5.1 |
| Cost/Per Square Foot for New Construction | \$550 | Schedule 10 |
| Cost/Per Square Foot for Renovation Construction | \$0 | Schedule 10 |
| Total Operating Cost | \$5,070,066 | Schedule 13C, column B |
| Amount Financed (as \$) | not to exceed \$11,205,896 | Schedule 9 |
| Percentage Financed as % of Total Cost | not to exceed 90% | Schedule 9 |
| Depreciation Life (in years) | Varied | |

2) Construction Dates

| | | |
|------------------------------------|----------|-------------|
| Anticipated Start Date | 9/1/2025 | Schedule 8B |
| Anticipated Completion Date | 3/1/2027 | |

New York State Department of Health
Certificate of Need Application
Schedule 8B - Total Project Cost - For Projects without Subprojects.

This schedule is required for all Full or Administrative review applications except Establishment-Only applications

| Constants | Value | Comments |
|---|-----------|---------------|
| Design Contingency - New Construction | 0.00% | Normally 10% |
| Construction Contingency - New Construction | 0.00% | Normally 5% |
| Design Contingency - Renovation Work | 0.00% | Normally 10% |
| Construction Contingency - Renovation Work | 0.00% | Normally 10% |
| Anticipated Construction Start Date: | 9/1/2025 | as mm/dd/yyyy |
| Anticipated Midpoint of Construction Date | 5/31/2026 | as mm/dd/yyyy |
| Anticipated Completion of Construction Date | 3/1/2027 | as mm/dd/yyyy |
| Year used to compute Current Dollars: | 2025 | |

| Subject of attachment | Attachment Number | Filename of attachment - PDF |
|--|-------------------|------------------------------|
| For new construction and addition, at the schematic stage the design contingency will normally be 10% and the construction contingency will be 5%. If your percentages are otherwise, please explain in an attachment. | N/A | N/A |
| For renovation, the design contingency will normally be 10% and the construction contingency will be 10%. If your percentages are otherwise, please explain in an attachment. | N/A | N/A |

New York State Department of Health
Certificate of Need Application
Schedule 8B - Total Project Cost - For Projects without Subprojects.

| | A | B | C |
|--|---------------------------------|--|-------------------------|
| Item | Project Cost in Current Dollars | Escalation amount to Mid-point of Construction | Estimated Project Costs |
| Source: | Schedule 10 Col. H | Computed by applicant | (A + B) |
| 1.1 Land Acquisition | \$6,000,000 | | \$6,000,000 |
| 1.2 Building Acquisition | \$0 | | \$0 |
| 2.1 New Construction | \$0 | \$0 | \$0 |
| 2.2 Renovation & Demolition | \$4,255,900 | \$0 | \$4,255,900 |
| 2.3 Site Development | \$0 | \$0 | \$0 |
| 2.4 Temporary Utilities | \$0 | \$0 | \$0 |
| 2.5 Asbestos Abatement or Removal | \$0 | \$0 | \$0 |
| 3.1 Design Contingency | \$300,000 | \$0 | \$300,000 |
| 3.2 Construction Contingency | \$300,000 | \$0 | \$300,000 |
| 4.1 Fixed Equipment (NIC) | \$0 | \$0 | \$0 |
| 4.2 Planning Consultant Fees | \$50,000 | \$0 | \$50,000 |
| 4.3 Architect/Engineering Fees | \$275,000 | \$0 | \$275,000 |
| 4.4 Construction Manager Fees | \$200,000 | \$0 | \$200,000 |
| 4.5 Other Fees (Consultant, etc.) | \$150,000 | \$0 | \$150,000 |
| Subtotal (Total 1.1 thru 4.5) | \$11,530,900 | \$0 | \$11,530,900 |
| 5.1 Movable Equipment (from Sched 11) | \$100,000 | \$0 | \$100,000 |
| 5.2 Telecommunications | \$0 | \$0 | \$0 |
| 6. Total Basic Cost of Construction (total 1.1 thru 5.2) | \$11,630,900 | \$0 | \$11,630,900 |
| 7.1 Financing Costs (Points etc) | \$0 | | \$0 |
| 7.2 Interim Interest Expense: \$ <input type="text"/> At <input type="text"/> % for <input type="text"/> months | \$750,000 | | \$750,000 |
| 8. Total Project Cost: w/o CON fees Total 6 thru 7.2 | \$12,380,900 | \$0 | \$12,380,900 |
| Application fees: | | | |
| 9.1 Application Fee. Articles 28, 36 and 40. See Web Site. | \$2,000 | | \$2,000 |
| 9.2 Additional Fee for projects with capital costs. Not applicable to "Establishment Only" projects. See Web Site for applicable fees. (Line 8, multiplied by the appropriate percentage.) | | | |
| Enter Multiplier ie: .25% = .0025 --> <input type="text"/> 0.0055 | \$68,095 | \$0 | \$68,095 |
| 10 Total Project Cost with fees | \$12,450,995 | \$0 | \$12,450,995 |

Schedule 9

Project Financing

Contents:

- **Schedule 9 - Proposed Plan for Project Financing**

**New York State Department of Health
Certificate of Need Application**

Schedule 9

Schedule 9 Proposed Plan for Project Financing:

I. Summary of Proposed Financial plan

Check all that apply and fill in corresponding amounts.

| | Type | Amount |
|-------------------------------------|--|------------|
| <input type="checkbox"/> | A. Lease | \$0 |
| <input checked="" type="checkbox"/> | B. Cash | \$1245100 |
| <input checked="" type="checkbox"/> | C. Mortgage, Notes, or Bonds | \$5705859 |
| <input checked="" type="checkbox"/> | D. Land | \$5500000 |
| <input type="checkbox"/> | E. Other | \$0 |
| <input type="checkbox"/> | F. Total Project Financing (Sum A to E) (equals line 10, Column C of Sch. 8b) | \$12450995 |

If refinancing is used, please complete area below.

| | | |
|--------------------------|---|----|
| <input type="checkbox"/> | Refinancing | \$ |
| <input type="checkbox"/> | Total Mortgage/Notes/Bonds (Sum E + Refinancing) | \$ |

II. Details

A. Leases

| | N/A | Title of Attachment |
|---|-------------------------------------|---|
| 1. List each lease with corresponding cost as if purchased each leased item. Breakdown each lease by total project cost and subproject costs, if applicable. | <input checked="" type="checkbox"/> | |
| 2. Attach a copy of the proposed lease(s). | <input type="checkbox"/> | 9-1 - Amended and Re-stated Lease Agreement |
| 3. Submit an affidavit indicating any business or family relationships between principals of the landlord and tenant. | <input checked="" type="checkbox"/> | |
| 4. If applicable, provide a copy of the lease assignment agreement and the Landlord's consent to the proposed lease assignment. | <input checked="" type="checkbox"/> | |
| 5. If applicable, identify separately the total square footage to be occupied by the Article 28 facility and the total square footage of the building. | <input checked="" type="checkbox"/> | |
| 6. Attach two letters from independent realtors verifying square footage rate. | <input checked="" type="checkbox"/> | |
| 7. For all capital leases as defined by FASB Statement No. 13, "Accounting for Leases", provide the net present value of the monthly, quarterly or annual lease payments. | <input checked="" type="checkbox"/> | |

**New York State Department of Health
Certificate of Need Application**

Schedule 9

B. Cash

| Type | Amount |
|-----------------------------|------------------|
| Accumulated Funds | \$1245100 |
| Sale of Existing Assets | \$0 |
| Gifts (fundraising program) | \$0 |
| Government Grants | \$0 |
| Other | \$0 |
| TOTAL CASH | \$1245100 |

| | N/A | Title of Attachment |
|---|-------------------------------------|---|
| 1. Provide a breakdown of the sources of cash. See sample table above. | <input type="checkbox"/> | |
| 2. Attach a copy of the latest certified financial statement and current internal financial reports to cover the balance of time to date. If applicable, address the reason(s) for any operational losses, negative working capital and/or negative equity or net asset position and explain in detail the steps implemented to improve operations. In establishment applications for Residential Health Care Facilities , attach a copy of the latest certified financial statement and current internal financial reports to cover the balance of time to date for the subject facility and all affiliated Residential Health Care Facilities . If applicable, address the reason(s) for any operational losses, negative working capital and/or negative equity or net asset position and explain in detail the steps implemented (or to be implemented in the case of the subject facility) to improve operations. | <input type="checkbox"/> | 9-2 - Financial Statements for Current Operations |
| 3. If amounts are listed in "Accumulated Funds" provide cross-reference to certified financial statement or Schedule 2b, if applicable. | <input checked="" type="checkbox"/> | |
| 4. Attach a full and complete description of the assets to be sold, if applicable. | <input checked="" type="checkbox"/> | |
| 5. If amounts are listed in "Gifts (fundraising program)": <ul style="list-style-type: none"> • Provide a breakdown of total amount expected, amount already raised, and any terms and conditions affixed to pledges. • If a professional fundraiser has been engaged, submit fundraiser's contract and fundraising plan. • Provide a history of recent fund drives, including amount pledged and amount collected | <input checked="" type="checkbox"/> | |

**New York State Department of Health
Certificate of Need Application**

Schedule 9

| | N/A | Title of Attachment |
|---|-------------------------------------|---------------------|
| 6. If amounts are listed in "Government Grants": <ul style="list-style-type: none"> List the grant programs which are to provide the funds with corresponding amounts. Include the date the application was submitted. Provide documentation of eligibility for the funds. Attach the name and telephone number of the contact person at the awarding Agency(ies). | <input checked="" type="checkbox"/> | |
| 7. If amounts are listed in "Other" attach a description of the source of financial support and documentation of its availability. | <input checked="" type="checkbox"/> | |
| 8. Current Department policy expects a minimum equity contribution of 10% of total project cost (Schedule 8b line 10)) for all Article 28 facilities with the exception of Residential Health Care Facilities that require 25% of total project cost (Schedule 8b, line 10). Public facilities require 0% equity. | <input checked="" type="checkbox"/> | |
| 9. Provide an equity analysis for member equity to be provided. Indicate if a member is providing a disproportionate share of equity. If disproportional equity shares are provided by any member, check this box <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

C. Mortgage, Notes, or Bonds

| | Total Project | Units |
|---------------|----------------------------|-------|
| Interest | TBD | % |
| Term | TBD | Years |
| Payout Period | TBD | Years |
| Principal | NOT TO EXCEED \$11,000,000 | \$ |

| | N/A | Title of Attachment |
|--|-------------------------------------|------------------------------------|
| 1. Attach a copy of a letter of interest from the intended source of permanent financing that indicates principal, interest, term, and payout period. | <input type="checkbox"/> | 9-3 - Financing Letter of Interest |
| 2. If New York State Dormitory Authority (DASNY) financing, then attach a copy of a letter from a mortgage banker. | <input checked="" type="checkbox"/> | |
| 3. Provide details of any DASNY bridge financing to HUD loan. | <input checked="" type="checkbox"/> | |
| 4. If the financing of this project becomes part of a larger overall financing, then a new business plan inclusive of a feasibility package for the overall financing will be required for DOH review prior to proceeding with the combined financing. | <input checked="" type="checkbox"/> | |

New York State Department of Health Certificate of Need Application

Schedule 9

D. Land

Provide details for the land including but not limited to; appraised value, historical cost, and purchase price. See sample table below.

| | Total Project |
|-----------------|---------------|
| Appraised Value | \$0 |
| Historical Cost | \$0 |
| Purchase Price | \$5500000 |
| Other | 0 |

| | N/A | Title of Attachment |
|--|-------------------------------------|---------------------|
| 1. If amounts are listed in "Other", attach documentation and a description as applicable. | <input checked="" type="checkbox"/> | |
| 2. Attach a copy of the Appraisal. Supply the appraised date and the name of the appraiser. | <input checked="" type="checkbox"/> | |
| 3. Submit a copy of the proposed purchase/option agreement. | <input checked="" type="checkbox"/> | |
| 4. Provide an affidavit indicating any and all relationships between seller and the proposed operator/owner. | <input checked="" type="checkbox"/> | |

E. Other

Provide listing and breakdown of other financing mechanisms.

| | Total Project |
|-------|---------------|
| Notes | |
| Stock | |
| Other | |

| | N/A | Title of Attachment |
|---|-------------------------------------|---------------------|
| Attach documentation and a description of the method of financing | <input checked="" type="checkbox"/> | |

F. Refinancing

| | N/A | Title of Attachment |
|---|-------------------------------------|---------------------|
| 1. Provide a breakdown of the terms of the refinancing, including principal, interest rate, and term remaining. | <input checked="" type="checkbox"/> | |
| 2. Attach a description of the mortgage to be refinanced. Provide full details of the existing debt and refinancing plan inclusive of original and current amount, term, assumption date, and refinancing fees. The term of the debt to be refunded may not exceed the remaining average useful life of originally financed assets. If existing mortgage debt will not be refinanced, provide documentation of consent from existing lien holders of the proposed financing plan. | <input checked="" type="checkbox"/> | |

VILLAGE ACQUISITION I, LLC
D/B/A WEST VILLAGE REHABILITATION AND
NURSING CENTER
ATTACHMENT 9-1
LEASE AGREEMENT

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE (the "Amendment") is made as of the ____ day of February, 2025 and effective on _____, 2025 (the "Effective Date") by and between **VILLAGE ACQUISITION II, LLC**, a New York limited liability company with its principal place of business c/o 225 Crossways Park Drive, Woodbury, New York 11797 ("Landlord") and **VILLAGE ACQUISITION I, LLC d/b/a Lower West Side Nursing and Rehabilitation Center**, a New York limited liability company with its principal place of business at 214 W. Houston St., New York, New York 10034 ("Tenant").

RECITALS:

WHEREAS, Landlord and Tenant entered into a Lease Agreement (the "Lease") dated June 20, 2022 and agreed to certain amendments to such Lease effective as of the Effective Date; and the parties desire to now amend the Lease, subject to the terms and conditions set forth herein.

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

1. Capitalized terms used and not defined herein shall have the meaning assigned to them in the Lease.
2. The Lease shall be deemed amended as follows:
 - A. The Leased Premises shall now be amended to include an additional 8,162 gross square feet, inclusive of the cellar of the building located next door to the original Leased Premises which is now owned by the Landlord.
 - B. Section 3.2 shall be amended to reflect that the Tenant shall pay Landlord annualized fixed rent in the amount equal to \$4,315,000 per year ("Rent").
3. Except as expressly amended herein, all other terms and conditions of the Lease shall remain in full force and effect and are hereby ratified and confirmed by Landlord and Tenant.
4. This Lease Amendment shall be binding upon Landlord and Tenant, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have duly executed this Amendment, with the intention of being legally bound, as of the day and year first written above.

VILLAGE ACQUISITION II, LLC
Landlord

By: _____
Pasquale DeBenedictis, Member

VILLAGE ACQUISITION I, LLC
Tenant

By: _____
Soloman Rutenberg, Member

LEASE

THIS LEASE ("Lease") is entered into as of June 20, 2022, by and among the entities **VILLAGE ACQUISITION II, LLC**, a New York limited liability company with its principal place of business c/o 225 Crossways Park Drive, Woodbury, New York 11797 (the "Landlord"), and **VILLAGE ACQUISITION I, LLC d/b/a Lower West Side Nursing and Rehabilitation Center**, a New York limited liability company with its principal place of business at 214 W. Houston St., New York, New York 10034 (the "Tenant"), with respect to the following facts:

RECITALS

WHEREAS, Landlord is the owner of the real property, improvements, and personal property constituting the long-term skilled nursing facility identified as Lower West Side Nursing and Rehabilitation Center located at 214 W. Houston St., New York, New York 10034 (the "Facility"); and

WHEREAS, Landlord desires to lease the entire Leased Premises (defined herein) to Tenant and Tenant desires to lease the entire Leased Premises from Landlord, pursuant to the terms, conditions and covenants set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, promises, representations and warranties set forth herein and for ten dollars (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged by the Parties, the Parties hereby agree as follows:

1. **Incorporation of Recitals.** The aforesaid Recitals are hereby incorporated into this Lease as if fully set forth herein. The Landlord and Tenant are hereinafter sometimes individually referred to as a "Party" and collectively referred to as "Parties."

2. **Leased Premises.**

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

2.1.1. All of Landlord's right, title, and interest in and to the premises as described in Exhibit A, including, without limitation, all buildings, structures, erections, improvements, appurtenances, easements and fixtures, including fixed machinery and fixed equipment situated thereon or forming a part thereof; and all machinery, equipment, fixtures, furniture, furnishings, if any, to be owned by Landlord and used in the operation of the Facility; and

2.2. All of the items listed in Section 2.1 are hereinafter collectively referred to as the "Leased Premises." Landlord and Tenant acknowledge and understand that all of the items which comprise the Leased Premises, as repaired, rebuilt, replaced, restored, altered or added to as

permitted or required by provisions of this Lease, shall be transferred back to Landlord upon expiration or earlier termination of this Lease.

3. Term of Lease and Rent.

3.1. **Term.** The term of this Lease shall be for a period of twenty (20) years from the Commencement Date, unless sooner terminated as provided in this Lease ("Term") "Commencement Date" will mean the first day after Tenant obtains a letter from the New York State Department of Health approving Tenant's application to be the licensed and established operator of the Facility. The period from the Commencement Date through and including the last day of the month in which the first anniversary of the Commencement Date shall occur if referred to as the first Lease Year. Each one year period thereafter throughout the term of this Lease shall hereinafter be referred to as a "Lease Year".

3.2. **Rent.** Beginning in the first (1st) year of the Term for the Leased Premises and for each succeeding year thereafter, Tenant shall pay Landlord annualized fixed rent in the amount equal to \$3,115,000.00 per year ("Rent"). Rent shall be paid during the Term without deduction or setoff and without demand. Rent shall be due and payable in advance in equal monthly installments during each year on the first (1st) day of each calendar month thereof throughout the Term, except as otherwise provided herein. Rent for any period which is less than a full calendar month or full year, as the case may be, during the Term, shall be prorated on a daily basis. Rent shall be paid to Landlord at such place as Landlord designates from time to time by written notice to Tenant. The Rent payable during the second Lease Year and each subsequent Lease Year thereafter throughout the term of this Lease shall increase on the commencement of each Lease Year by an amount equal to two (2%) percent of the Rent payable during the immediately preceding Lease Year.

3.2.1. **Dispute.** If a dispute arises between Landlord and Tenant (each acting reasonably and in good faith) regarding the calculation of the amount of Rent due during any time period under this Lease, Tenant shall nonetheless pay to Landlord the full amount of Rent that Landlord asserts is due and by the date when due hereunder.

3.3. **Rent Tax.** If any governmental taxing authority levies, assesses, or imposes any tax, excise or assessment (other than income or franchise taxes) upon or against the rentals payable by Tenant to Landlord, including without limitation sales tax on rents, either by way of substitution for or in addition to any existing tax on land and buildings or otherwise, then Tenant shall be responsible for and shall pay such tax, excise or assessment, or, if Landlord pays same, Tenant shall reimburse Landlord for the amount thereof within thirty (30) days after demand by Landlord.

3.4. **Utilities.** From and after the Commencement Date for the Leased Premises, Tenant shall pay or cause to be paid all charges next coming due and payable for electricity, telephone, cable, gas, oil, water, sewer and all other such services or utilities used on or related to the Leased Premises (the "Utilities") during the Term. Tenant covenants to place all Utilities in Tenant's name as of the Commencement Date. Adjustment shall be made for Utilities applicable to any period prior to the Commencement Date. In the event Landlord is billed directly by any utility company for any Utilities or services supplied to Tenant during the Term, Landlord shall

send Tenant the bill and Tenant shall promptly pay the same. Landlord shall have no obligation or liability with respect to any interruption or failure in the supply of any such Utilities.

3.5. **Net Lease Provisions.** Landlord and Tenant intend that the Rent herein specified shall be net to Landlord in each year during the Term, and that all costs, expenses and obligations of every kind relating to the Leased Premises (except Landlord's income taxes, capital improvements and except as otherwise specifically provided in this Lease) which may arise or become due during the Term shall be timely paid by Tenant and that Landlord shall be indemnified by Tenant against such costs, expenses and obligations. Tenant's obligation to pay Rent is independent of all, and is in no manner conditioned upon any, other covenants, conditions and obligations of Landlord or Tenant under this Lease.

3.6. **Taxes.** Tenant shall be solely responsible for the payment, prior to delinquency, of all general and special real estate taxes, assessments, fire district taxes, liens, impositions, personal property taxes and any and all other taxes attributable to the Leased Premises (the "Impositions") that accrue from the Commencement Date throughout the Term. Adjustment shall be made for Impositions applicable to any period prior to the Commencement Date. Tenant shall pay all of the Impositions directly to the applicable taxing authorities in order to receive the maximum allowable discount, if any, and Tenant shall promptly forward proof of payment to Landlord in such form as shall be reasonably acceptable to Landlord unless Landlord elects to require escrow deposits in accordance with Section 5 hereof. Landlord shall promptly forward any tax bills which it may receive to the Tenant. Landlord shall only bill Tenant for any of the Impositions if Tenant does not pay any of the Impositions before delinquency and Landlord is obligated or elects (in Landlord's sole and absolute discretion) to pay any of the Impositions directly to remain current with all taxing authorities. Tenant shall pay the full amount of any increases in any of the Impositions resulting from alterations or improvements made by or for the benefit of Tenant. After the expiration or termination of this Lease, Tenant shall pay all bills for any of the Impositions which become due and payable after the expiration or termination of the Lease covering any period through the expiration or earlier termination of the Lease. If any governmental taxing authority acting under any present or future, ordinance or regulation, shall levy, assess or impose a tax, excise and/or assessment (other than an income or franchise tax) upon Landlord or Tenant for rental payable by Tenant to Landlord, either by way of substitution for or in addition to any existing tax on land, buildings or otherwise, then Tenant shall be responsible for and shall pay such tax, excise and/or assessment or shall reimburse Landlord for the cost and expense thereof, as the case may be. Tenant shall be responsible for any and all late payment fees or penalties, including interest, imposed by applicable taxing authorities for late payment of Impositions.

3.7. **Increases in Rent.** Notwithstanding anything to the contrary contained herein, the Rent payable hereunder shall be subject to increase as a result of any Improvements, Repairs or Replacement (all as hereinafter defined) made by Landlord. Upon the completion of any Improvement, Repair or Replacement, Landlord shall provide Tenant with a written notice of the costs and expenses incurred by Landlord in connection with such Improvement, Repair or Replacement. The Rent payable hereunder shall thereafter be increased for the balance of the Term and any renewal thereof by an amount equal to 13% of the cost of such Improvement, Repair or Replacement per annum.

4. **Payment of Rent.** Tenant acknowledges that all of the interest of Landlord in and to this Lease has been or may be assigned to a current or future lender ("Lender") pursuant to the loan documents in connection therewith (the "Loan Document"), and under the terms thereof, all Rent, together with all impounds and deposits required to be funded under the applicable Loan Documents with respect to each Facility, may be paid directly to Lender, or as otherwise directed by Lender to Tenant in writing. From and after the Commencement Date, Tenant hereby agrees, without further notice, to so pay all such Rent, as and when due and payable hereunder, by wire transfer to that certain bank account designated by Tenant from time to time (the "Tenant Designated Account"). Upon Lender's request to Tenant, Tenant shall wire transfer such Rent payments on a timely basis to such account or accounts as Lender may direct in lieu or in place of the Tenant Designated Account. Landlord acknowledges that any such disbursement of the appropriate amounts to Lender shall satisfy Tenant's Rent payment obligations under this Lease (to the extent such obligations consist of the payment of Rent and deposits under the applicable loan to fund impounds and reserves). Tenant confirms that any notice requirements to be given by Lender to Tenant under this Lease for purposes of granting rights to Lender under this Lease are hereby satisfied.

5. **Escrow Deposits.** At the Landlord's request, Tenant shall, on the first day of the Term, and on the first day of each calendar month thereafter during the Term (each of which dates is referred to as a "Monthly Deposit Date"), pay to and deposit with Landlord, in the manner provided in Section 4 above, a sum equal to one-twelfth (1/12) of the Impositions to be levied, charged, filed, assessed or imposed upon or against the Leased Premises within one (1) year after said Monthly Deposit Date and a sum equal to one-twelfth (1/12) of the premiums for the property insurance policies required pursuant to Section 28 which are payable within one (1) year after said Monthly Deposit Date. If the amount of the Impositions to be levied, charged, assessed or imposed or insurance premiums to be paid within the ensuing one (1) year period shall not be fixed upon any Monthly Deposit Date, such amount for the purpose of computing the deposit to be made by Tenant hereunder shall be reasonably estimated by Landlord with an appropriate adjustment to be promptly made between Landlord and Tenant as soon as such amount becomes determinable. In addition, Landlord or Lender may, at their option, from time to time require that any particular deposit be greater than one-twelfth (1/12) of the estimated amount payable within one (1) year after said Monthly Deposit Date, if such additional deposit is required in order to provide to Landlord or Lender sufficient funds from which to make payment of all Impositions on or before the next due date of any installment thereof, or to make payment of any required insurance premiums not later than the due date thereof. Tenant acknowledges that Lender requires the impounding of Impositions and property insurance premiums. Tenant shall pay a sum of money towards its liability under this Lease to Landlord on a periodic basis in accordance with the Lender's requirements. Landlord shall impound the premium payments received from Tenant in accordance with the requirements of Lender and shall utilize such funds to timely pay Impositions and insurance premiums. In addition, in the event Lender requires that Impositions be escrowed or paid in any other interval or amount, Tenant shall pay such Impositions in the manner required by such Lender.

6. **Deficits.** If for any reason any deposit made by Tenant or held by Landlord or Lender under Section 5 shall not be sufficient to pay any Imposition or insurance premium within the time specified therefor in this Lease, then, within ten (10) days after demand by Landlord or Lender, Tenant shall deposit an additional amount with Lender, increasing the deposit held by

Lender so that Lender holds sufficient funds to pay such Imposition or premium in full (or in installments as otherwise provided for herein), together with any penalty or interest thereon. Landlord or Lender may change their estimate of any Imposition or insurance premium for any period on the basis of a change in an assessment or tax rate or on the basis of a prior miscalculation or for any other good faith reason; in which event, within ten (10) days after demand by Landlord or Lender, Tenant shall deposit with Landlord the amount in excess of the sums previously deposited with Landlord for the applicable period which would theretofore have been payable under the revised estimate.

7. **Security.** All amounts deposited with Landlord pursuant to the provisions of Section 5 shall be held by Landlord as additional security for the payment and performance of the Tenant's obligations under this Lease and, upon the occurrence and during the continuance of any Lease Default (as defined below), Landlord may, in its sole and absolute discretion, apply such amounts towards payment or performance of such obligations.

8. **Receipts.** Tenant shall deliver to Landlord copies of all notices, demands, claims, bills and receipts in relation to the Impositions and insurance premiums promptly upon receipt thereof by Tenant.

9. **Changes in Licensure and Certification Status.** In no event shall the Rent be reduced in the event the number of licensed beds at the Facility is reduced. Landlord and Tenant acknowledge that the Leased Premises was, and at all times under the terms of the Lease is, the sole and absolute property of Landlord.

10. **Security Agreement.**

10.1. In order to secure the payment and performance of all of Tenant's obligations under this Lease and all other documents contemplated under this Lease, Tenant hereby grants to Landlord a first priority security interest in and lien upon: (a) all trade fixtures, equipment, furniture, merchandise, inventory and other personal property located from time to time in or upon the Leased Premises (including the proceeds thereof); and (b) to the fullest extent permitted by applicable law, all accounts, accounts receivable, deposit accounts, licenses, certifications, certificates, accreditations, approvals, permits, variances, waivers, provider agreements, certificates of need, and other authorizations issued to or held by Tenant with respect to the operation of the Facility as a chronic and convalescent nursing home facility and Tenant's interest in and rights under all third party payer provider agreements with respect to the Facility (the items listed in clauses (a) and (b), together with the proceeds of same, are collectively, "Collateral") to secure the performance of all of Tenant's obligations under this Lease. The security interest granted to Landlord with respect to Tenant's personal property is intended to be subordinate to any purchase money security interest or capital lease on any of Tenant's personal property provided that Tenant has notified Landlord and Lender of the creation of such security interest or capital lease prior to the creation thereof, and Landlord and Lender have approved same. Landlord agrees to subordinate its lien on Tenant's or subtenants' accounts receivable and deposit accounts to Tenant's or subtenants' accounts receivable lender, provided such lender: (i) enters into an intercreditor agreement reasonably acceptable to Lender and Landlord (as described below); and (ii) if requested by Lender, agrees to directly pay the Rent to an account or accounts designated by Lender or Landlord. Should Lender require a subordination of the

priority of Landlord's security interest in the Collateral, Landlord and Tenant shall execute such documents as Lender may request to subordinate Landlord's lien to the Lender's security interest in the Collateral. This Section and Landlord's rights and remedies hereunder shall survive the termination of the Lease. This provision shall not apply to the Loan Documents referred to above.

10.2. Landlord and Tenant acknowledge that Landlord's rights under this Lease, including, but not limited to, this Section 10 have been or will be assigned to the Lender as security for the Loan. On or before the Commencement Date, Tenant shall provide Landlord with a detailed list and description of all the Collateral. Upon a Lease Default by Tenant, Landlord shall have all the rights and remedies of a secured party under the laws of the state where the Collateral is located. Tenant consents to Landlord's or Lender's preparation of and the filing of UCC-1 Financing Statements in proper form, and thereafter, from time to time, such extensions and/or updates of such financing statements as are required for the purpose of perfecting and maintaining the priority of the security interest granted to Lender and Landlord herein, and to perform any other acts reasonably necessary to the perfection of such security interest. Landlord and Tenant agree that the provisions of this Section shall constitute a security agreement for the purposes contemplated hereby. The security interest granted by this Section shall be in addition to any lien of Landlord that may now or at any time hereafter be provided by law.

10.3. Notwithstanding the lien and the security interest in the Collateral created by Tenant in favor of Landlord herein, Landlord agrees, subject to Tenant satisfying the other terms of this Section 10, but without impairing, restricting, or limiting the rights of the Lender arising under this Lease (by virtue of Landlord's assignment of same to Lender or otherwise), as follows: Upon Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, Tenant shall be entitled to secure accounts receivable financing ("AR Financing") from an accounts receivable lender of Tenant's selection, which AR Financing shall be secured by a first priority lien in Tenant's accounts receivable, pursuant to the terms of commercially reasonable accounts receivable financing agreements ("AR Financing Documents"); and in connection with Tenant securing such AR Financing, Landlord shall subordinate the priority of its security interest in the Collateral, including accounts receivable, pursuant to the terms of a commercially reasonable intercreditor agreement (the "Intercreditor Documents"). The Intercreditor Documents and the AR Financing documents shall be subject to the prior review and approval of Landlord and Lender, which review and approval shall not unreasonably withheld, conditioned, or delayed.

10.4. In the event Tenant or any subtenant elects to and secures AR Financing as contemplated herein, Tenant shall provide, or cause its subtenant to provide to Lender a legal opinion of counsel for Tenant or subtenant regarding the enforceability of the Intercreditor Documents and related AR Financing Documents executed by Tenant or subtenant, the due formation of Tenant and any subtenant, and the due authorization and delivery by Tenant or subtenant of such documents in such form as may be requested by the Lender. At all times during the Term of this Lease, and while the Intercreditor Documents are in effect, Tenant covenants and agrees, and shall cause its subtenants to agree, to make distributions to its affiliates or members only in accordance with the Intercreditor Documents.

11. **Landlord's Personal Property.** Upon the expiration or termination of this Lease, Tenant shall leave all personal property leased to Tenant hereunder, as repaired, rebuilt, replaced, restored, altered or added to as permitted or required by provisions of this Lease, in or on the Leased Premises, except for ordinary wear and tear. Any and all restorations, alterations or replacements of, or repairs, reconstructions or additions to, the personal property at the Facility made by Tenant shall become part of the Landlord's personal property, and any and all security interests (except in favor of Landlord) in the Landlord's personal property and financing statements shall be cleared, terminated and/or released to the satisfaction of Landlord at Tenant's expense. Any of Tenant's additions of software, licenses, proprietary information, policies, and procedures by the Tenant shall not become part of the Landlord's personal property, provided, however, upon request of Landlord, in consideration of a payment by Landlord or its designee of Ten Dollars (\$10.00) and any applicable lease, rent, or license fees owed to any third parties during the Transition Period (hereinafter defined), Tenant shall license Landlord or its designee(s) to utilize Tenant's software and computer hardware for a period of ninety (90) days (the "Transition Period") in connection with the transition of operations from Tenant or its subtenants, and Landlord's new operator(s). To the extent Tenant or any subtenants are obligated under license agreements with third party vendors supplying software and/or computer hardware to such Tenant or subtenants, Tenant shall use its best efforts to arrange for Landlord or the applicable Landlord to enter into licensing agreements with such third party vendors to allow Landlord or its designee to utilize such software and computer hardware supplied by such third party vendors for the duration of the Transition Period.

12. **Tenant's Personal Property.** At the termination of the Lease, Landlord shall have the right to purchase all or a portion of Tenant's personal property located at the Facility, or the personal property of the subtenants located at the Facility, at their book value. To the extent any of Tenant's personal property is subject to an equipment lease, Landlord shall have the right to cause Tenant to pay in full all obligations under such equipment leases, or to assume some or all of such equipment leases at Landlord's sole cost and expense and at no additional liability to Tenant.

13. **Tenant's Indemnification.** During the Term of this Lease and after the surrender of the Leased Premises in accordance with Section 27.4 of this Lease, Tenant shall protect, defend (at Landlord's request, which shall include the obligation to pay the reasonable attorneys' fees and costs of Landlord's attorneys), indemnify and hold harmless Landlord, Landlord's shareholders, members, managers, officers, owners, directors, employees, agents, representatives, and Lender and Lender's respective agents, executors, heirs, representatives and assigns, and any entity providing financing which is secured by the Leased Premises (collectively the "Landlord's Indemnitees"), from and against any claims, losses, costs, penalties, damages, charges and/or expenses (including reasonable attorneys' and consultants' fees) imposed or resulting from, arising out of or attributable in whole or in part to any of the following: (i) any violation (or alleged violation) of any Applicable Law, order of Governmental Authority, whether occasioned by the intentional act, omission, or negligence of Tenant or those holding under Tenant; (ii) any accident or other occurrence on or about the Leased Premises on or after the Commencement Date causing injury to any person or property whomsoever or whatsoever, including but not limited to patient care claims or elder abuse; (iii) any failure of Tenant in any respect to comply with or perform any term, condition, covenant, requirement and/or provision of this Lease, or a breach of this Lease and/or the operations transfer agreement (if applicable) attributable to the

Leased Premises or to Tenant, including, but not limited to, a breach of any of Tenant's representations and warranties under Section 35 of this Lease; (iv) in any way relating to Tenant's use, operation and/or maintenance of the Facility, including, without limitation, third-party claims, whether by the State where the applicable Facility is located, the United States, private insurers or private parties, for recoupment, false claims or any other claims, assumption of and use by Tenant of Landlord's permits, variances, waivers, and certificate of need approval or its possession of the Leased Premises and/or; (v) any liability under Section 35.

14. Compliance with Laws and Regulations. Tenant shall use the Leased Premises solely as a licensed Medicare and Medicaid-certified long-term skilled nursing facility with at least the number of licensed and certified beds existing at the Facility on the applicable Commencement Date, and for no other purpose. On or before each Commencement Date, Tenant, or any subtenants, shall have acquired, and thereafter Tenant, or Tenant's subtenants, shall maintain all licenses, certificates, accreditations, approvals, permits, variances, waivers, provider agreements and other authorizations needed to operate the Leased Premises as a licensed, Medicare and Medicaid certified chronic and convalescent nursing home facility.

15. Notices to Lender.

15.1. Tenant hereby agrees to give to Lender copies of all notices given by Tenant of default by Landlord under this Lease at the same time, in the same manner as, and whenever, Tenant shall give any such notice of default to Landlord. Lender shall have the right to remedy any default under this Lease, or to cause any default of Landlord under this Lease to be remedied, and for such purpose Tenant hereby grants Lender such period of time as may be reasonable to enable Lender to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default which is a default. Tenant shall accept performance by Lender of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. No default under the Lease shall exist or shall be deemed to exist (i) as long as Lender, in good faith, shall have commenced to cure such default and shall be prosecuting the same to completion with reasonable diligence, subject to force majeure, or (ii) if possession of the Leased Premises is required in order to cure such default, or if such default is not susceptible of being cured by Lender, as long as Lender, in good faith, shall have notified Tenant that Lender intends to institute proceedings under the Loan Documents and, thereafter, as long as such proceedings shall have been instituted and shall prosecute the same with reasonable diligence and, after having obtained possession, prosecutes the cure to completion with reasonable diligence.

16. Sublease and Assignment.

16.1. This Lease shall not be assigned by Tenant or modified, amended or terminated without Landlord's prior written consent in each instance, which consent may be granted or denied in Landlord's sole and absolute discretion. In the event of the termination of this Lease by reason of any default thereunder or for any other reason whatsoever except the expiration thereof, upon Landlord's written request, given within thirty (30) days after any such termination, Tenant, within fifteen (15) days after receipt of such request, shall execute and deliver to Landlord or its designee or nominee a new lease of the Leased Premises for the remainder of the Term of the

Lease upon all of the terms, covenants and conditions of this Lease. Neither Lender or its designee or nominee shall become liable under this Lease unless and until Lender or its designee or nominee becomes, and then only for so long as Lender or its designee or nominee remains, the fee owner of the Leased Premises or the owner of the leasehold interest of Landlord under this Lease. Lender shall have the right, without Tenant's consent, to, as the case may be, foreclose under the Loan Documents or to accept a deed in lieu of foreclosure of any mortgage.

16.2. In the event of any act or omission of Landlord which would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right (i) until it has given written notice of such act or omission to Lender, and (ii) unless such act or omission shall be one which is not capable of being remedied by Landlord or Lender within a reasonable period of time, until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when Lender shall have become entitled under the Loan Documents in connection therewith, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease or otherwise, after similar notice, to effect such remedy).

17. Additional Sublease Requirements. Tenant covenants and agrees that any sublease hereafter entered into affecting the Leased Premises shall be subject to Landlord's prior written consent, which consent may be granted or denied in Landlord's sole and absolute discretion, and shall further provide that: (a) it is subject to this Lease and that the principals of the subtenant acknowledge that they have read this Lease and accept the terms hereof; (b) the term thereof shall not end less or more than one (1) day prior to the Expiration Date hereof, unless Landlord shall consent otherwise, which consent may be withheld in Landlord's sole and absolute discretion; (c) the subtenant will not do, authorize or execute any act, deed or thing whatsoever or fail to take any such action which will or may cause Tenant to be in violation of any of its obligations under this Lease; (d) the subtenant will not pay rent or other sums under the subleases with Tenant for more than one (1) month in advance; (e) the subtenant shall give to Landlord in the manner specified below and to Lender, a copy of any notice of default by Tenant as the Landlord under the sublease at the same time as, and whenever, any such notice of default shall be given by the subtenant to Tenant; and (f) all of the representations, warranties and covenants given by Tenant to Landlord in this Lease shall be made and given by any such subtenant for the benefit of the applicable Landlord, its successors and assigns. Any notice required by this Section 17 shall be in writing and shall be effectively given when mailed by prepaid certified mail, return receipt requested or when sent by nationally recognized overnight carrier at the address specified for the Landlord and Tenant at the beginning of this Lease.

18. Default by Tenant and Remedies of Landlord.

18.1. Tenant shall be in default under this Lease upon the occurrence of any of the following events referred to herein individually or collectively as "Lease Default" or "Event of Default" (any reference to such event occurring or involving Tenant shall be deemed to include any such event occurring or involving any of Tenant's subtenants or managers):

18.1.1. if Tenant fails to pay any installment of Rent within ten (10) days after the date when due;

18.1.2. if Tenant defaults in the prompt and full performance of any other of Tenant's covenants, obligations or agreements hereunder which are not specifically enumerated herein as a Lease Default and fails to correct such failure within thirty (30) days of receipt of written notice from Landlord of such default (unless such default cannot reasonably be cured within thirty (30) days, in which event such period shall be extended for an additional thirty (30) days, provided Tenant shall have commenced in good faith to cure such default within the first such thirty (30) day period and shall proceed with all due diligence to correct such default thereafter);

18.1.3. if the leasehold interest of Tenant shall be levied upon under execution or be liened or attached and such levy, lien or attachment is not removed or bonded over within sixty (60) days of the date Tenant receives notice of it;

18.1.4. in the event of a filing by or against Tenant of a petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or other relief;

18.1.5. if Tenant shall admit in writing its inability to pay its debts generally as they become due;

18.1.6. if Tenant is adjudicated as bankrupt or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of Tenant, a receiver of Tenant or of all or substantially all of its property;

18.1.7. if Tenant makes any general assignment for the benefit of creditors;

18.1.8. if Tenant abandons the Facility comprising the Leased Premises or if, except as a result of damage, destruction or a partial or complete condemnation, Tenant voluntarily ceases operations on the Facility comprising the Leased Premises or takes any steps to relinquish its license, permits or certifications;

18.1.9. if Tenant receives a state or federal notice of termination of license or "fast track" de-certification and such notice has not been suspended, extended, withdrawn or terminated within the time period required by any Governmental Authority;

18.1.10. if Tenant fails to maintain its qualifications for licensure as required by this Lease if failure to do so would result in an inability to operate the Facility or would result in the appointment of a receiver or manager with respect to such Facility;

18.1.11. except as permitted by this Lease, if any transfer or assignment of this Lease or Tenant's direct or indirect interest therein or a transfer of Tenant's direct or indirect equity ownership interests occurs without Landlord's and Lender's consent;

18.1.12. if any malpractice award or judgment exceeding any applicable malpractice insurance coverage and any applicable umbrella coverage by more than one million dollars (\$1,000,000.00) shall be rendered against Tenant, and either (A) enforcement proceedings shall have been commenced by any creditor upon such award or judgment or (B) such award or judgment shall continue unsatisfied and in effect for a period of sixty (60) consecutive days without an insurance company reasonably satisfactory to Landlord

having agreed to fund such award or judgment in a manner reasonably satisfactory to Landlord and in either case such award or judgment shall, in the reasonable opinion of Landlord, have a material adverse affect on the ability of Tenant to operate the Facility;

18.1.13. upon the denial, refusal to issue, or loss of any licenses, certifications, certificates, approvals, permits, variances, waivers, provider agreements and other authorizations necessary or required for Tenant to operate the Facility in accordance with the requirements of this Lease;

18.1.14. if any of the representations or warranties made by Tenant under this Lease or any subtenant under its sublease or otherwise proves to be untrue when made in any material respect;

18.1.15. if any Governmental Authority having jurisdiction over the operation of the Facility removes ten percent (10%) or more of the patients or residents who reside in the Facility for violations of standards of care;

18.1.16. if Tenant fails to give Landlord and Lender notice not later than (A) 24 hours after Tenant's receipt thereof of any "Immediate Jeopardy" (as such term is customarily used) or equivalent notice from any Governmental Authority or officer, acting on behalf thereof relating to the Facility or (B) in cases not involving Immediate Jeopardy, five (5) calendar days of receiving notice of the imposition of a denial of payment for new admissions or equivalent notice from any Governmental Authority or officer acting on behalf thereof relating to the Facility;

18.1.17. if Tenant fails to cure or abate any Immediate Jeopardy or violation that could result in a denial of payment or equivalent violation occurring during the Term that is claimed by any Governmental Authority or any officer acting on behalf thereof, of any Law to the operation of the Facility within the time period permitted by such Governmental Authority for cure or abatement. Notwithstanding the foregoing sentence, if any subtenant has not cured or abated the Immediate Jeopardy or violation prior to the imposition of a denial of payment sanction by any Governmental Authority, provided such subtenant is actively and diligently pursuing the cure or abatement of the applicable violation or violations and the restoration of payments for new admissions, and such subtenant provides Tenant and Lender with reasonable assurances satisfactory to both Tenant and Lender that:

(i) the applicable violations can be cured within sixty (60) days; and (ii) the Facility will not be subject to a license suspension and/or decertification from such subtenant's failure to cure such violation on a more expedited basis, such subtenant's default for failing to cure or abate such Immediate Jeopardy or violation shall not be deemed an Event of Default.

18.1.18. if Tenant or a subtenant fails to notify Landlord within 24 hours after receipt of any notice from any Governmental Authority, terminating or suspending or threatening termination or suspension of any material license or certification relating to the Facility;

18.1.19. a default beyond any applicable notice and cure periods under any sublease, operating agreement, management agreement or any other material agreement relating to the Leased Premises or to which Landlord is a party;

18.1.20. the creation of any indebtedness relating to or encumbering the Leased Premises (other than trade payables which are not more than thirty (30) days past due, not evidenced by a note and not in excess of one million dollars (\$1,000,000.00));

18.1.21. the amendment, modification, restatement, termination or cancellation of any material contract relating to the Leased Premises, including but not limited to any sublease or management agreement, without Landlord's prior written consent, which consent shall not be unreasonably withheld;

18.1.22. default or breach by a subtenant, in any, under a guaranty beyond the expiration of any applicable cure period contained therein;

18.1.23. a default or breach of the provisions set forth in Section 28;

18.1.24. any act or omission by Tenant that constitutes a default by Landlord under the Loan Documents; or

18.1.25. if Tenant fails or refuses to execute any certificate, document or agreement that Landlord or Lender may reasonably request confirming the subordination required hereunder or estoppel certificate required pursuant to Section 36.4 or otherwise complying with the requirements of Section 28 below, within ten (10) days after Tenant's receipt thereof.

18.2. Upon the occurrence of a Lease Default, Landlord, may, if Landlord so elects, without notice of such election and without any demand whatsoever, forthwith terminate this Lease and Tenant's right to possession of the Leased Premises and, at Landlord's sole and absolute discretion, accelerate the payment of all Rent for the balance of the Term and declare the same presently due and payable in full provided, however, that with respect to a Lease Default under Section 18.1.4 this Lease shall automatically terminate. In the event of such Lease termination, Tenant shall immediately pay Landlord the then present value of all such accelerated Rent. In the event of such reentry, Landlord may relet the Leased Premises without being obligated to do so, and in the event of a reletting may apply the Rent therefrom: (a) first, to the payment of Landlord's cost and expenses, including consultant and/or expert and attorneys' fees incurred by reason of such Lease Default; (b) next, to the cost and expense of reletting including, but not limited to, repairs, renovation, or alteration of the Leased Premises; and (c) then to the amount of Rent and all other sums due from or payable by Tenant hereunder. Tenant shall remain liable for all other sums due from or payable by Tenant hereunder and for any deficiency. Tenant shall also be liable for and indemnify, protect, defend and hold Landlord harmless against all amounts owed to Medicare, Medicaid, all applicable third-party payer programs, third party payers, or residents, including, but not limited to, any overpayments received by Tenant, relating to the Term. Any and all such deficiencies shall constitute Additional Rent hereunder and shall be payable by Tenant monthly on the date herein provided for the payment of Rent. Tenant acknowledges that all rights of Landlord hereunder are being assigned by

Landlord to Lender pursuant to Landlord's assignment of this Lease to Lender, and that Lender shall have the right and authority to exercise Landlord's remedies hereunder, in Lender's sole and exclusive discretion.

18.3. Except as provided in this Lease to the contrary, Rent and other sums not paid when due (unless paid within any applicable grace period) shall bear interest from the date when the same are first payable under the terms of this Lease until the same shall be paid at an annual rate of interest equal to twelve percent (12%).

18.4. Upon the filing of a petition by or against Tenant or any subtenant under the Bankruptcy Code, Tenant or subtenant, as debtor and as debtor-in-possession, and any trustee who may be appointed shall: (i) timely perform each and every obligation of Tenant under this Lease until such time as this Lease and any subtenant under its sublease, is either rejected or assumed by order of the United States Bankruptcy Court; (ii) pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Leased Premises an amount equal to the Rent and other charges otherwise due pursuant to this Lease; and (iii) reject or assume this Lease within ninety (90) days after the filing of such petition under the Bankruptcy Code or within such time period as the Bankruptcy Code may allow. Tenant, as debtor and as debtor-in-possession and any trustee shall be deemed to have rejected this Lease in the event of the failure to comply with any of the above. Included within and in addition to any other conditions or obligations imposed upon Tenant or its successor in the event of assumption and/or assignment is the prior written consent of any Lender to which this Lease has been assigned as collateral security.

18.5. In the event of termination of this Lease by reason of any Lease Default by Tenant, or upon the expiration of the Term, then, and in any of such events, Tenant, upon Landlord's written request, shall to the greatest extent permitted by law, transfer to Landlord or its designees or assigns, or cause its subtenants and/or affiliates, to transfer to Landlord or its designees or assigns, the following: (i) all federal, state or municipal licenses, certifications, certificates, accreditations, approvals, permits, variances, waivers, provider agreements and other authorizations which relate to the operation of the Facility; and (ii) the name of the Facility as then known to the general public. Tenant shall also prepare and file all notices required by applicable law in connection with such termination and shall also prepare and timely file all final Medicare and Medicaid cost reports.

18.6. Tenant acknowledges that each Landlord is assigning its rights under this subsection to Lender, and Lender shall be empowered to exercise all rights of such Landlord granted hereunder.

18.7. Intentionally omitted.

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

18.9. In the event of a Lease Default by Tenant of any of the terms, covenants, conditions or provisions of this Lease, which Lease Default is not cured within any applicable grace or cure period, Landlord shall have the right to invoke any remedy permitted to Landlord at

law, in equity or otherwise. All remedies available to Landlord are declared to be cumulative and concurrent and the exercise of one shall not preclude or waive the right to exercise any other. No termination of this Lease and no taking or recovering of possession of the Leased Premises shall deprive Landlord of any of its remedies or actions against Tenant. Tenant shall remain liable for all past or future Rent, including all taxes, insurance premiums and all other charges and Rent payable by Tenant under this Lease, during and for the balance of the Term hereof. The bringing of any action for Rent or other default shall not be construed as a waiver of the right to obtain possession of the Premises.

18.10. If suit shall be brought for recovery of possession of the Leased Premises, for the recovery of Rent, or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of Tenant to be kept or performed, and breach shall be established, Tenant shall pay to Landlord all expenses, including reasonable attorneys' fees, incurred therefor. This subsection shall survive termination of this Lease.

18.11. In the event of any Lease Default or termination of this Lease, Tenant covenants and agrees that neither Tenant nor any subtenant shall sell, move, surrender, cancel, modify, transfer, assign, relocate, pledge, grant a security interest in, convey or in any other manner encumber the personal property, or any of the licensed or Medicare- and/or Medicaid-certified beds at the Facility, or attempt at any time to do same.

19. Intentionally omitted.

20. Facility Operating Deficiencies.

20.1. On written notice of a request therefor by Landlord to Tenant, upon the occurrence of a deficiency in the conduct of the operation of the Facility which results in: (i) the imposition of a denial of payment for new admissions; (ii) denial of Medicare and/or Medicaid payments for all residents or (iii) a notice of the proposed decertification, suspension or termination of the Facility from participation in Medicare, Medicaid or other governmental reimbursement programs or of the non-renewal, suspension or termination of the Facility's Medicare, Medicaid or other governmental reimbursement provider agreement (a "Facility Operating Deficiency") Tenant shall remedy such default as specified with particularity in Landlord's notice, and if Tenant fails to commence and/or complete such remedy within the permitted period of time given by the applicable Governmental Authority, Tenant shall engage the services of a management consultant, unaffiliated with Tenant and any subtenant and approved by Landlord and Lender, which approval shall not be unreasonably withheld, to review the management of the Facility for the purpose of making recommendations to remedy the Facility Operating Deficiency. Subject to applicable Legal Requirements governing confidentiality of patient records, the management consultant shall have complete access to the Facility, its records, offices and facilities, in order that it may carry out its duties. Tenant shall cause such management consultant to prepare and deliver to Landlord, Lender and Tenant a written report of its recommendations within thirty (30) days after its engagement. Tenant shall be responsible for payment of all fees and expenses reasonably charged and incurred by the management consultant in carrying out its duties. Tenant shall promptly implement, or cause to be implemented, any and all reasonable recommendations made by such management consultant in order to promptly correct or cure such Facility Operating Deficiency; provided,

however, that in no event shall Tenant implement any such recommendations if the same would constitute a violation of applicable legal requirements or would otherwise cause a Lease Default hereunder (e.g., a transfer or change in use of the Leased Premises), unless Landlord consents in writing to such recommendation, which consent may be given or withheld in Landlord's sole and absolute discretion. Nothing herein shall impose any liability or obligation on Landlord to (a) request the appointment of a management consultant or (b) otherwise remedy any Facility Operating Deficiency, nor shall it deem the Landlord an operator of the Facility.

20.2. Tenant acknowledges that Landlord is assigning its rights hereunder to Lender so that Lender, instead and in place of the Landlord, may exercise the Landlord's remedies under this Section 20 in Lender's sole and exclusive discretion. Nothing herein shall impose any liability obligation on Lender to (a) request the appointment of a management consultant or (b) otherwise remedy any Facility Operating Deficiency, nor shall it deem the Lender an operator of the Facility.

21. **No Third Party Beneficiaries.** This Lease is solely for the benefit of Landlord, its successors and assigns including Lender, and Tenant, and nothing contained herein shall confer upon any person other than Tenant or Landlord (and Lender) or their respective successors and assigns, any right to insist upon or to enforce the performance or observance of any of the obligations contained herein, except only as may be otherwise specifically provided for in this Lease. All conditions to the obligations of Landlord to advance or make available proceeds of insurance or condemnation, are imposed solely and exclusively for the benefit of Landlord, its successors and assigns. No other person or entity shall have standing to require satisfaction of such conditions in accordance with their terms, and no other person or entity shall, under any circumstances, be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Landlord at any time, if in Landlord's sole and absolute discretion Landlord deems it advisable or desirable to do so.

22. **Licenses and Transfer of Operations.** Upon the expiration or earlier termination of the Term, subject to Applicable Laws, Tenant shall and shall cause its subtenants and any managers, to transfer to Landlord or Landlord's nominee, or Landlord's successors and assigns, fully operational facilities and shall cooperate with Landlord or Landlord's designee or nominee in connection with the processing by Landlord or Landlord's designee or nominee of any applications for all licenses, operating permits and other governmental authorization, all contracts, including contracts with all Governmental Authorities or quasi-governmental entities, and, if requested by Landlord, financial and accounting records, business records, data, employee and/or personnel records, patient and resident records, and patient and resident trust accounts, which may be necessary or useful for the operation of the Facility; provided, that the reasonable costs and expenses of any such transfer or the processing of any such application shall be paid by Landlord or Landlord's designee or nominee. With respect to resident funds, Tenant shall and shall cause subtenant and any manager to prepare and submit to Landlord or its designee a true, correct, and complete accounting and inventory (properly reconciled) of any patient trust funds and resident property to be transferred to Landlord or its designee. Tenant shall and shall cause subtenant and its manager not to commit any act or be remiss in the undertaking of any act that would jeopardize the licensure or certification of the Facility, and Tenant shall and shall cause subtenant and its manager to comply with all requests for an orderly transfer of the same, and all Medicare and Medicaid Provider Agreements, upon the expiration or early termination of the

Term, including, but not limited to, upon the request of Landlord or its designee, the transitioning of employees in compliance with Applicable Laws. Without limiting the generality of the foregoing, if requested by Landlord or a proposed replacement operator for the Facility, subject to Applicable Laws, Tenant hereby agrees to enter, or cause its subtenants to enter, into a reasonable operations transfer agreement with such replacement operator and expressly agrees to assign its provider agreements to said replacement or successor operator. In addition, upon request, Tenant shall and shall cause subtenants, and any managers, to promptly deliver copies to Landlord or Landlord's designee of all books and records relating to the Leased Premises and operations thereon (including inventories, employee lists and personnel records, and policies and procedures manuals, though delivery of patient records and health related documentation shall be made in compliance with Applicable Laws). Tenant shall allow Landlord or a proposed replacement operator for the Facility to utilize Tenant's, subtenants' and Managers' computer hardware and software for a minimum of ninety (90) days to facilitate the transfer of operations, the collection of accounts receivables, the billing of providers, and the provision of patient care. Tenant shall indemnify, defend, protect and hold harmless Landlord from and against any loss, damage, cost or expense incurred by Landlord or Landlord's designee or nominee in connection with the correction of any and all deficiencies of a physical nature identified by any Governmental Authority responsible for licensing the Leased Premises in the course of any change of ownership inspection and audit.

23. Tenant Cooperation. Tenant agrees to cooperate with Landlord in providing, and upon request by Landlord or its Lender, Tenant shall provide or cause its subtenants to provide, such documents, information, financial reports, and such other items as may be required by Lender. Tenant agrees to cause its outside counsel to provide updated healthcare opinions required by Lender in connection with the healthcare operations by Tenant or its subtenants at the Facility, and if required by Lender, an opinion of counsel as to the due formation of Tenant and its subtenants, due execution by said parties, and as to the enforceability of the Lease, all subleases, all guaranties of the Lease, and any other documents executed by such parties in connection with the Loan(s) from Lender to Landlord or in connection with its accounts receivable loan. Tenant agrees to execute, and cause any subtenants to execute, any subordination agreements in form and substance required by Lender.

24. Surrender of Termination.

24.1.1. Upon the expiration or earlier termination of this Lease for any reason whatsoever (such date being referred to as the "Closing Date"), this Lease shall become and be construed as an absolute assignment for purposes of vesting in Landlord (or Landlord's designee) all of Tenant's and any subtenants' right, title, and interest in and to the following, to the extent assignable by law:

24.1.1.1. all licenses, certifications, certificates, approvals, permits, variances, waivers, provider agreements and other authorizations needed to operate the Leased Premises;

24.1.1.2. each of the Medicare and Medicaid Provider Agreements;

24.1.1.3. intentionally omitted;

24.1.1.4. all documents, charts, personnel records, patient records, and other documents relating to the Leased Premises or operations at the Leased Premises;

24.1.1.5. all existing agreements with patients and residents of the Leased Premises and any guarantors of such agreements and any and all patient trust fund accounts;

24.1.1.6. all other assignable tangible or intangible property not enumerated above that is now or in the future used in connection with the operation of a chronic and convalescent nursing home facility at the Leased Premises;

25. Compliance with Anti-Terrorism Laws. Tenant represents and warrants to Landlord that it is not, and, after making due inquiry, that no person who owns a controlling interest in or otherwise controls Tenant is: (i) listed on the Specially Designated Nationals and Blocked persons List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or on any other similar list (collectively, the "Lists") maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (ii) a person (a "Designated Person") either (A) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (B) designated under Sections 1(a), 1(b), 1(c) or 1(d) of Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "Executive Orders"). The OFAC Laws and Regulations and the Executive Orders are collectively referred to in this Agreement as the "Anti-Terrorism Laws". Tenant represents and warrants that it requires, and has taken reasonable measures to ensure compliance with the requirement, that no person who owns any other direct interest in Tenant is or shall be listed on any of the Lists or is or shall be a Designated Person. This Section 24 shall not apply to any person to the extent that such person's interest in the Tenant is through a U.S. Publicly-Traded Entity. As used in this Lease, "U.S. Publicly-Traded Entity" means a person (other than an individual) whose securities are listed on a national securities exchange, or quoted on an automated quotation system, in the United States, or a wholly-owned subsidiary of such a person.

26. Funds Invested in Tenant. Tenant represents and warrants that it has taken reasonable measures appropriate to the circumstances (and in any event as required by law), with respect to each holder of a direct or indirect interest in Tenant, to assure that funds invested by such holders in Tenant are derived from legal sources ("Anti-Money Laundering Measures"). The Anti-Money Laundering Measures have been undertaken in accordance with the Bank Secrecy Act, 31 U.S.C. §§ 5311 et seq. ("BSA"), and all Applicable Laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations under 18 U.S.C. §§ 1956 and 1957 (collectively with the BSA, "Anti-Money Laundering Laws").

27. No Violation of Anti-Money Laundering Laws. Tenant represents and warrants to Landlord, to its actual knowledge after making due inquiry, that neither Tenant nor any holder of a direct or indirect interest in Tenant: (i) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering under 18 U.S.C. §§ 1956 and 1957, drug trafficking, terrorist-related activities or other money laundering predicate crimes, or

any violation of the BSA; (ii) has been assessed civil penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws.

28. Maintenance of Premises, Improvements and Surrender.

28.1. Maintenance and Repair. Landlord, at Landlord's sole cost and expense, shall keep the Leased Premises, including all buildings, fixtures, equipment and other personal property leased to Tenant pursuant to this Lease, including, without limitation, the roof, foundation, all outer walls, plumbing, sprinklers, electrical, heating, ventilation, utility service, air conditioning and all other systems of the Leased Premises in good condition and repair and in a manner reasonably consistent with other similar facilities in the same market area, and in compliance with this Lease and all applicable federal, state and local laws, statutes, ordinances, codes and regulations. Landlord shall not be responsible to make any improvements, repairs, maintenance or replacements occasioned by the act or negligence of Tenant and/or its agents, employees, invitees or licensees or otherwise. Landlord shall pay for all improvements, repairs, replacements, maintenance and expenditures relating to the Leased Premises, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the commencement of the Lease (the "Repairs"). The Leased Premises and its appurtenances shall at all times be kept clean, safe and sanitary and in good order, condition, replacement and repair by Tenant, at Tenant's sole cost and expense, except for ordinary wear and tear (provided, however, that, without limiting the generality of this Section 27.1, Landlord shall be obligated to replace any portion of the Leased Premises upon any obsolescence or uselessness thereof or if proper repair is impractical). All replacements (the "Replacements") made by Landlord hereunder shall be made in a good and workmanlike manner using the same or better quality of materials as being replaced.

28.2. Improvements, Renovation, Alterations and Additions. Landlord shall have the obligation during the Term to make such non-structural interior alterations, changes and improvements ("Improvements") to the Leased Premises as may be proper and necessary for the conduct of Tenant's business, to cause the Leased Premises to conform to any legal or regulatory requirements, including those mandated by the New York State Department of Health for resident comfort and safety, or for the full beneficial use of the Leased Premises. Landlord shall pay all costs and expenses of such permitted alterations, changes, and Improvements, shall make the same in a good and workmanlike manner, and in accordance with all Applicable Laws, codes, and regulations. Upon demand of Landlord, Tenant is obligated to lend such sums as are required to undertake the Improvements. Notwithstanding any provision of this Lease to the contrary, Landlord shall not undertake any alterations, renovations, or Improvements to the Facility or otherwise commence any project or activity with respect to the Facility, which may result in any bed being taken out of service for more than seven (7) days without Tenant's prior written consent, which consent shall not be unreasonable withheld. Nothing herein contained shall be construed to diminish or amend Tenant's obligation to comply with other provisions in this Lease concerning Improvements.

28.3. Signage. Tenant shall not erect or install any ground, building, or roof signs except as consented to by Landlord, which consent shall not be unreasonably withheld or

delayed. All signs installed by Tenant shall comply with all requirements of appropriate Governmental Authority, and all necessary permits or licenses shall be obtained by Tenant. Tenant shall maintain all signs in good condition and repair at all times. Upon vacating the Leased Premises, Tenant shall remove all signs so installed by Tenant, but only if Landlord shall request such removal, and Tenant shall repair all damage caused by such removal.

28.4. Surrender. Tenant shall deliver up and surrender to Landlord possession of the Leased Premises and all improvements and replacements thereof, including all of Tenant's work (and all replacements thereof) and all fixtures attached to the Leased Premises by Tenant during the Term, upon the expiration of this Lease or its termination in any manner whatsoever, in as good condition and repair and in substantially similar form, character and manner as the same shall be on the Commencement Date (without compensation to Tenant) with permitted changes, improvements and additions during the Term as authorized herein, subject to no liens, encumbrances, charges, restrictions, conditions, limitations or claims whatsoever, and deliver the keys to the Leased Premises to the Landlord or Landlord's agent. Upon expiration or termination of this Lease and only upon written instruction by Landlord, Tenant shall, at Tenant's sole cost and expense, remove any signs, equipment, improvements, additions, alterations so installed by Tenant, and Tenant shall repair all damage caused by such removal. In addition, upon any such expiration or termination of this Lease, Tenant covenants and agrees to do such things and to take such action as may, from time to time, be necessary or appropriate to permanently surrender and withdraw from possession and operation (including but not limited to licensure and certification) of the Leased Premises, and shall thereafter be fully and permanently relieved of all powers, duties, responsibilities and obligations that are conferred or imposed upon Tenant under this Lease (except those payment obligations, including, but not limited to, the obligation to pay all Rent due and owing under this Lease, and the obligation to pay all amounts owed by Tenant to the governmental, regulatory and third party payer programs for the period of the Term, which survive the termination hereof as provided herein) and to place Landlord in possession and operation (including but not limited to licensure and certification) of the Leased Premises, and Tenant covenants and agrees to execute, implement and deliver to Landlord all assignments, documents and other instruments, to the reasonable satisfaction of Landlord in order to effectuate the provisions hereof, including, but not limited to, an Exit Operations Transfer Agreement (or such other similar agreement) which addresses the surrender of the operations and transfer of the facility operations to Landlord or an operating entity designated by Landlord.

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

29. Insurance.

29.1. General Insurance Requirements. Throughout the Term, Tenant shall maintain

with respect to the Leased Premises, general liability insurance, standard "all risk" insurance, healthcare professional malpractice insurance, business interruption insurance, flood insurance (if applicable), worker's compensation/employer's liability insurance, boiler and machinery insurance, terrorism insurance, umbrella policies of insurance, environmental impairment liability insurance and insurance for any other risks as Landlord or Lender may reasonably require (collectively, the "Policies"). Such Policies shall be carried with insurance companies, selected by Tenant and reasonably approved by Landlord, authorized to do business in the state in which the Leased Premises is located and which have a Standard & Poor's claims paying ability rating and/or a Best's Rating as Landlord shall reasonably require. Tenant shall deliver to Landlord a certificate of any Policies maintained by Tenant and, upon request, copies of such Policies. All of Tenant's Policies shall contain a provision that the same cannot be modified, reduced in coverage, nor cancelled, without thirty (30) days prior written notice to Landlord and, if requested, any mortgagee. All of Tenant's Policies (including all umbrella coverage with respect thereto but excluding worker's compensation/employer's liability insurance) shall (i) name Landlord and its successors and assigns, and Lender and its successors and assigns (and any other third party identified by Landlord) as additional insureds; (ii) contain a standard noncontributory mortgagee clause and a mortgagee's Loss Payable Endorsement or mortgagee's endorsement, or their equivalents naming Lender (and/or such other party as may be designated by Landlord or Lender) as the party to which all payments made by such insurance company shall be paid; (iii) provide that neither Landlord nor Lender nor any other party shall be a co-insurer under the policy; (iv) provide that Lender may, but is not obligated to, make premium payments to prevent any cancellation, endorsement, alteration or re-issuance and such payments will be accepted by such insurer; (v) be for a term of not less than one (1) year; (vi) contain a waiver of subrogation; (vii) have deductibles as may be reasonably required by Landlord or Lender; and (viii) provide for coverage limits that meet or exceed any coverage amounts that may be required for state license and governmental or regulatory certification. Tenant shall not be permitted to use a fronting arrangement without prior written approval of Landlord, which approval may be withheld in Landlord's sole and absolute discretion. Notwithstanding anything to the contrary contained in this Section 28.1 or in Sections 28.2, 28.3, 28.4 or 28.5 below, for so long as any obligations under the Loan (as such term is defined below in Section 35.5) remain outstanding, Tenant shall be obligated to maintain such Policies in such amounts and pursuant to the terms and conditions with regard to such Policies as are set forth in the Loan Documents as Landlord may direct.

29.2. Workers' Compensation. Tenant, at its sole cost and expense, shall at all times comply with the provisions of all Applicable Laws with respect to workers' compensation and with the applicable requirements set forth in Section 28.1 and shall insure its liability thereunder. Tenant acknowledges and agrees that Landlord is under no obligation to indemnify, defend or hold Tenant harmless for any change or increase in Tenant's workers' compensation or unemployment compensation rates or experience as a result of this Lease and Tenant shall assume all liability with respect to the same.

29.3. Certificates of Insurance; Binders of Coverage and Policies. No later than five (5) days prior to the Commencement Date of this Lease, Tenant shall furnish Landlord, Lender and other third parties which Landlord shall designate with appropriate certificates of insurance together with an additional insurance endorsement showing that each type of insurance required under this Section 28 is in full force and effect and not cancelable or modifiable without

thirty (30) days prior written notice to the Landlord. Tenant will provide Landlord with certificates of insurance pursuant to this Section 28.3 evidencing the renewal of such Policies prior to the Policies' expiration date. Tenant acknowledges that all such certificates shall name Landlord, its successors and assigns, and Lender, its successors and assigns, as an additional insured on the general liability and umbrella policies and as a loss payee/mortgagee as their interests may appear on the property and boiler and machinery policies. Within three (3) business days of a request by Landlord, Tenant shall provide Landlord with any additional documents reasonably requested by Landlord, including but not limited to copies of Tenant's binders of coverage and Policies, related to Tenant's insurance coverage.

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

29.5. Tail Insurance. If, during the Term of the Lease, Tenant is covered by general liability, professional liability, residential healthcare professional malpractice or other liability insurance on a "claims made" basis, Tenant shall procure and maintain, at Tenant's sole cost and expense, "tail" insurance coverage, with such coverage limits and such deductible amounts as shall be reasonably acceptable to Landlord for general liability, professional liability, residential healthcare professional malpractice or other liability claims reported after the termination of this Lease or expiration of the claims made policy, but concerning services provided during the Term of this Lease or claims made policy. Tenant shall provide Landlord with a certificate evidencing such coverage no later than ninety (90) days prior to termination of this Lease and, in the event that Tenant fails to procure and maintain tail insurance upon termination of this Lease, Landlord shall have the right to apply any portion of the Security Deposit to procure and maintain the tail insurance required under this Section.

30. Use, Waste and Hazardous Materials.

30.1. Compliance with Laws and Regulations. Tenant shall use the Leased Premises solely as a chronic and convalescent nursing home facility and for ancillary health care services provided in connection therewith, and for no other purpose. Tenant shall exert its best efforts to acquire and shall maintain all licenses, certifications, certificates, approvals, permits, variances, waivers, provider agreements and other authorizations needed to operate the Leased Premises. Tenant hereby covenants, warrants and represents to Landlord that as of each applicable Commencement Date and throughout the Term, Tenant shall be, and shall continue to be in substantial compliance with all state and federal laws, rules, regulations and procedures with regard to the operation of the Facility.

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

30.3. Hazardous Materials and Hazardous Waste.

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

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

30.3.3. Tenant shall not place, hold or dispose of any Hazardous Waste (hereinafter defined) on, under or at the Leased Premises except as specifically allowed in this Section 29. Tenant further agrees that it shall not use the Leased Premises as a treatment, storage, or disposal (whether permanent or temporary) facility for Hazardous Waste. If Tenant, in the ordinary course of its business, generates Hazardous Waste, then Tenant shall comply with all applicable federal, state and local laws, statutes, ordinances, codes, rules, regulations, orders or decrees relating to the appropriate use, storage, transportation and disposal of Hazardous Waste. For the purposes of this Lease, "Hazardous Waste" means and includes any hazardous material that has entered the waste stream or any contaminant or pollutant as defined as such in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste. Tenant further agrees that it shall properly dispose of all "infectious waste" such as laboratory waste, pathological waste, blood specimens or products, resident or patient waste including, without limitation, bandages and disposable gowns, sharp waste and any material generated by the production or testing of biological agents. Immediately upon receipt of any Notice (as hereinafter defined) from any person or entity, Tenant shall deliver to Landlord a true, correct and complete copy of any written Notice. "Notice" shall mean any note, notice, or report of any suit, proceeding, investigation, order, consent order, injunction, writ, award, or action

related to or affecting or indicating the treatment, storage, handling, disposal, generation, spill, release or discharge of any Hazardous Waste or Hazardous Materials in or affecting the Leased Premises. All of the terms, covenants, warranties and indemnifications contained in this Section shall survive the expiration or termination of this Lease.

30.3.4. Without in any way limiting Tenant's obligation to indemnify Landlord and the Landlord's Indemnitees under Section 13 of this Lease, Tenant shall indemnify, defend (at Landlord's request) and hold harmless Landlord and the Landlord's Indemnitees from and against any claims, losses, costs, damages or expenses of any and every kind whatsoever (including reasonable attorney's fees and consultant's and expert's fees) which at any time or from time to time may be paid, incurred or suffered by, or asserted against Landlord and/or the Landlord's Indemnitees for, with respect to, or as a direct or indirect result of: (1) a breach by Tenant of the covenants set forth in Section 29.3.3; or (2) to the extent caused, permitted or allowed by Tenant or any agent, employee, invitee, or licensee of Tenant, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from, onto, or into the Leased Premises, the atmosphere, or any watercourse, body of water, or groundwater, of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response Compensation and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, or any other federal, state, local or other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Material) occurring after the Commencement Date; and the provisions of and undertakings and indemnification set out in Section 29.3 shall survive the termination of this Lease, and shall continue to be the personal liability, obligation and indemnification of Tenant, binding upon Tenant, forever.

30.3.5. If Tenant or its employees, agents, or contractors shall ever violate the provisions of Section 29.3, then, in addition to any other duty or obligation of Tenant hereunder, at law or in equity, Tenant shall clean up, remove and dispose of the material causing the violation, in compliance with all applicable environmental laws and repair any damage to the Leased Premises within such period of time as may be reasonable under the circumstances after written notice by Landlord, provided that such work shall commence not later than thirty (30) days from such notice and be diligently and continuously carried to completion by Tenant or Tenant's designated contractors. Tenant shall notify Landlord of its method, time and procedure for any clean-up or removal of material causing the violation under this provision, and Landlord shall have the right to require reasonable changes in such method, time or procedure or to require the same to be done after normal business hours.

30.3.6. Landlord reserves the right from time to time, but not more than once a year, except in the event of an emergency or a breach of this Lease by Tenant, during the Term hereof, at Landlord's cost and expense (except that, in the event of breach, at Tenant's sole cost and expense), to have the Leased Premises inspected by environmental engineers and/or specialists for the purpose of determining compliance by Tenant with any environmental laws, rules and regulations applicable to Tenant's operations in or

about the Leased Premises and with the terms and conditions of this Lease dealing with environmental matters, including without limitation, the provisions of Section 29.3. If the environmental assessment or report resulting from such inspection discloses any non-compliance, Tenant shall immediately, following receipt of the environmental assessment, take all such steps as are necessary to put the Leased Premises into compliance, including without limitation, cleaning up any spills or other emissions of hazardous and/or toxic substances or wastes.

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

31. Damage or Destruction. Subject to the terms of the Loan Documents:

31.1. If the Leased Premises shall be destroyed or so injured by any cause as to be unfit, in whole or in part, for occupancy or use, as intended herein, with the same number of beds and in substantially the same condition as just prior to the incident, Landlord, in its reasonable discretion, may decide whether to repair or reconstruct the Leased Premises with the proceeds of the property casualty insurance carried by Tenant as required hereunder.

31.2. If Landlord decides to repair or reconstruct the Leased Premises, this Lease shall continue in full force and effect, Tenant shall not be entitled to surrender possession of the Leased Premises, and Tenant's liability to pay Rent and all other charges under this Lease shall not cease. Rent and all other charges hereunder shall continue, without abatement, during the period of repair or reconstruction. If Landlord elects to repair or reconstruct the Leased Premises, Landlord shall proceed with reasonable diligence to so repair or reconstruct the Leased Premises and Tenant shall be liable for any costs of repair or replacement to the Leased Premises, to the extent that such damage was caused by Tenant or to the extent that such damage or the costs of repairing such damage are not covered by Tenant's insurance.

31.3. If Landlord decides not to repair or replace the Leased Premises, Landlord shall notify Tenant within ninety (90) days after the happening of such destruction or injury. If Landlord elects not to repair or reconstruct: (i) Landlord shall have the right at any time to terminate this Lease upon written notice to Tenant; and (ii) Tenant shall have the option to terminate this Lease upon written notice from Tenant to Landlord within sixty (60) days after Tenant received notice from Landlord that it does not elect to repair or reconstruct the Leased Premises. During such sixty (60) day period, the terms of this Lease shall remain in full force and effect.

32. Eminent Domain.

32.1. Subject to the terms of the Loan Documents: In the event the entire Leased Premises shall be taken by condemnation or right of eminent domain, this Lease shall terminate as of the day possession shall be taken by the taking authority, and Landlord and Tenant shall be

released from any further liability hereunder thereafter accruing, except as otherwise expressly provided in this Lease. In the event only a portion of the Leased Premises shall be taken by condemnation or right of eminent domain and the portion so taken does not render the balance unsuitable for the purpose of this Lease, as determined by Landlord, this Lease shall not terminate, Landlord may, in its sole and absolute discretion, decide to restore the Leased Premises with reasonable diligence with the proceeds of any award ("Award") from the applicable public or quasi-public authority, or private corporation or individual having the power of condemnation to an architectural unit as nearly like its condition prior to such taking as shall be practicable. Landlord shall not be obligated to restore any of the Leased Premises if Landlord determines, in its sole and absolute discretion, that the Award is insufficient to pay all of the costs associated with such restoration. Notwithstanding anything to the contrary herein, this Section 31.1 is subject to the requirements of any and all mortgages and loan documents of record as of the date of the Lease.

32.2. Notwithstanding anything to the contrary contained in Section 31.1, Landlord may cancel this Lease with no further liability to Tenant, in the event that following a total taking by condemnation or right of eminent domain, Landlord elects or Landlord's Lender elects to require Landlord to make payments to extinguish or repay the mortgage on the Leased Premises.

32.3. Tenant shall not be entitled to any part of any award or settlement of damages representing the value of land and buildings appropriated, the value of this Lease or any estate therein, or damage to the residue of the Leased Premises or other property of Landlord; it being agreed as between Landlord and Tenant any such award shall be the sole property of Landlord. No appropriation of part or all of the Leased Premises or cancellation of this Lease pursuant to this Section 31 shall be deemed an eviction of Tenant or a breach of any covenants of Landlord hereunder.

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

34. Subletting and Assignment. Subject to the terms of the Loan Documents:

34.1. Tenant shall not, without the prior written consent of Landlord and Lender, which consent maybe withheld in Landlord's or Lender's sole and absolute discretion, assign this Lease or sublease all or any part of the Leased Premises. Any such assignment or sublet is subject to the approval of the New York State Department of Health. Landlord has the right to sell the Leased Premises, subject to the terms of this Lease, without the consent of Tenant. Tenant shall not at any time, without the prior written consent of Landlord and Lender, which consent maybe withheld or given in the sole and absolute discretion of Landlord or Lender, pledge, mortgage, or hypothecate the leasehold estate hereby created or any interest of Tenant therein. No sublease maybe amended, terminated, modified, or supplemented without the prior written consent of

Landlord and Lender. Notwithstanding any assignment of this Lease or subletting of the Leased Premises, Tenant shall remain fully liable for the obligations of Tenant hereunder, including, without limitation, the obligation to pay Rent and other amounts provided for under this Lease, and shall not be released from performing any of the terms, covenants or conditions hereof. Further, and without in any way limiting or otherwise affecting the provisions of this Lease, Landlord shall be permitted to assign this Lease and all agreements, duties, obligations and rights incidental thereto to any entity, without any consent from Tenant.

34.2. If Tenant assigns the Tenant's interest under this Lease in violation of the terms of this Lease, then such assignment shall be void and of no force and effect against Landlord; provided, however, that Landlord: (1) may collect an amount equal to the then current Rent from the assignee as a fee for such assignee's use and occupancy; and (2) shall apply the net amount collected to the Rent due under this Lease. If the Premises or any part thereof are sublet to, occupied by, or used by any Person other than Tenant (regardless of whether such subletting, occupancy or use violates this Lease) then Landlord, after the occurrence of a Lease Default, (x) may collect amounts from the subtenant, user or occupant as a fee for its use and occupancy; and (y) shall apply the net amount collected to the Rent due under this Lease. No such assignment, subletting, occupancy or use, with or without Landlord's and Lender's prior consent, nor any such collection or application of fees for use and occupancy, shall: (i) be deemed a waiver by Landlord of any term, covenant or condition of this Lease; (ii) be deemed the acceptance by Landlord of such assignee, subtenant, occupant or user as tenant hereunder; or (iii) relieve Tenant of the obligations of the tenant under this Lease.

35. **Entry and Reimbursement Rights of Landlord.** In addition to those rights set forth in Section 29.3 of this Lease, Landlord reserves the right at all reasonable times to go upon and inspect the Facility and every part thereof (subject to Applicable Laws and regulations pertaining to patient or resident confidentiality and privacy and the confidentiality of medical records). If Landlord shall make any payments or perform any repairs on behalf of Tenant which are Tenant's obligation and which Tenant is in default thereof, then any reasonable amounts so paid by Landlord are agreed and declared to be Rent, and shall be due and payable to Landlord by Tenant upon submission to Tenant of an invoice, bill, or statement therefor, together with interest charged at the Lease Interest Rate commencing thirty (30) days after the date of such invoice, bill, or statement.

36. **Tenant's Representations and Warranties.** Tenant represents and warrants to Landlord and agrees as follows:

36.1. **Corporate.** Tenant is a limited liability company duly formed and validly existing under the laws of the state in which it was formed, and has the limited liability company power and authority to own its property and assets and to carry on its business as now being conducted or as will be conducted on and after the applicable Commencement Date;

36.2. **No Breach of Statute or Contract.** The execution, delivery and performance of this Lease by Tenant will not breach any statute or regulation of any Governmental Authority, and will not as of the Commencement Date conflict with or result in a breach of or default under any of the terms, conditions or provisions of Tenant's Certificate of Formation, Operating

Agreement, other material agreements, or any order, writ, injunction, decree, agreement or instrument to which Tenant is a party, or by which it or its property, maybe bound;

36.3. **Authorization of Lease.** The execution, delivery and performance of this Lease has been duly authorized by any and all necessary individuals, shareholders, members, officers, directors, managers and/or owners of Tenant and this Lease constitutes the valid and binding obligation of Tenant, fully enforceable in accordance with its terms;

36.4. **No Litigation or Adverse Events.** There is no suit, claim, action or legal, administrative, arbitration, or other proceeding or governmental investigation pending or threatened, by or against Tenant, and there exists no event or condition of any character, which could prevent the consummation of the transactions contemplated by this Lease or materially adversely affect Tenant's performance of the terms and conditions hereunder;

36.5. **Loan Documents.** Tenant acknowledges that it is aware that Landlord is the borrower in connection with those certain loans (the "Loan") from Lender, pursuant to the Loan Documents and which Loan is secured by, among other things, a mortgage encumbering the Leased Premises. Tenant covenants and agrees that it shall abide by all obligations imposed on Tenant thereunder including, but not limited to, all of the terms, conditions and requirements set forth in the Loan Documents in connection with the funding of and withdrawal of funds from the Reserves (as such terms is defined in the Loan Documents).

37. Other Provisions.

37.1. **Governing Law.** This Lease has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of New York. The courts of Nassau County, New York shall be the sole and exclusive venue for any litigation, special proceeding, or other proceeding between the Parties that may be brought, arise out of or in connection with or by reason of this Lease.

37.2. **Use of Brokers.** Landlord and Tenant each represent and warrant to the other that no broker, finder or other person has been involved in regard to this Lease.

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

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

37.4.1. That Tenant has accepted and is in possession of the Leased Premises;

37.4.2. That this Lease is unmodified and in full force and effect or, if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification;

37.4.3. Whether or not there are then existing any setoffs or defenses in favor of Tenant against the enforcement of any of the terms, covenants, and conditions of this Lease by Landlord and, if so, specifying the same, and also whether or not Landlord has observed and performed all of the terms, covenants, and conditions on the part of Landlord to be observed and performed and, if not, specifying same;

37.4.4. That no Lease Defaults exist or are continuing; and

37.4.5. The dates to which Rent and all other charges hereunder have been paid.

37.5. **Holdover.** If, at the expiration of the Term or earlier termination of this Lease, Tenant continues to occupy the Leased Premises without Landlord's written consent, such holding over shall not constitute a renewal of this Lease, but Tenant shall be a Tenant from month-to-month at three (3) times the Rent payable by Tenant immediately prior to the holdover period, at Landlord's sufferance, and under the same terms and conditions as were in force and effect at the expiration of the Term (except only as to the Term), and except that in the event Tenant shall continue to occupy the Leased Premises after the expiration of the Term, without a duly executed extension agreement in writing having been entered into by and between Landlord and Tenant, then if Landlord shall suffer any damage, loss, cost or expense as a result of such holdover, then Tenant, in addition to such increased Rent, shall pay the amount thereof to Landlord immediately on demand.

37.6. Tenant's Waiver of Claim for Physical Injury.

37.6.1. Landlord and Landlord's Indemnitees shall not be liable for, and Tenant waives and indemnifies Landlord and Landlord's Indemnitees against all claims for, damage or injury to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in, about, or upon the Leased Premises.

37.6.2. Such waiver shall include but not be limited to claims for damage resulting from:

(i) any equipment or appurtenances becoming out of repair or any other capital improvement, replacement, repair or maintenance; (ii) injury done or occasioned by wind; (iii) any defect in or failure of plumbing, heating, or air conditioning equipment, electric wiring, gas, water and steam pipes, stairs, rail or walks; (iv) broken glass; (v) the backing up of any sewer pipe or washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about the Leased Premises; (vi) the escape of steam or hot water; (vii) water, snow or ice being upon or coming through the roof, skylight, trap door, stairs, walks or any other place upon or near the Leased Premises; (viii) the

falling of any fixture, plaster, drywall or stucco; and (ix) any act, omission or negligence of trespassers.

37.7. **Priority.** This Lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect this Lease or the Leased Premises and to all renewals, modifications, consolidations, replacements and extensions of any such ground or underlying leases and mortgages and those Loan Documents by and between Landlord and Lender. This clause shall be self-operative and no further instrument shall be required by any ground or underlying landlord or by any mortgagee, affecting this Lease or the Leased Premises. Tenant shall execute any document in this respect reasonably requested by Landlord or mortgagee.

37.8 (a) The Landlord acknowledges that the Landlord's rights of re-entry into the premises set forth in this lease do not confer on the Landlord the authority to operate a hospital as defined in Article 28 of the Public Health Law on the premises and agrees that the Landlord will give the New York State Department of Health, Corning Tower Building, Empire State Plaza, Albany, New, York 12237, notification by certified mail of Landlord's intent to re-enter the premises or to initiate dispossession proceedings or that the lease is due to expire, at least thirty (30) days prior to the date on which the Landlord intends to exercise a right of re-entry or to initiate such proceedings or at least sixty (60) days before expiration of the lease. The Landlord further acknowledges that any of its rights upon an uncured default set forth in this Lease do not confer upon it the authority to operate a nursing home or other hospital as those terms are defined in Article 28 of the Public Health Law on the Leased Premises.

(b) Upon receipt of notice from Landlord of its intent to exercise its right of re-entry or upon the service of process in dispossession proceedings and sixty (60) days prior to the expiration of the Term, Lessee shall immediately notify by certified mail the New York State Department of Health, Corning Tower Building, Empire State Plaza, Albany, New York 12237, of the receipt of such notice or service of such process or that the Term is about to expire.

37.9 **Default by Landlord.** Landlord shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Landlord shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after written notice to Landlord by Tenant properly specifying wherein Landlord has failed to perform any such obligations. Tenant agrees to give to the holder of record of any mortgage covering the Leased Premises notice simultaneously with any notice given to Landlord to correct any default of Landlord as hereinabove provided and agrees that the holder of record of any mortgage shall have the right, after receipt of notice of such default, within sixty (60) days after the expiration of Tenant's applicable cure period with respect thereto, to correct or remedy such default before Tenant may take any action under this Lease by reason of such default. Landlord shall also give to the holder of any mortgage copies of any notices of default which it may give or send to Tenant.

37.10 **Liens.** Tenant shall not do or suffer anything to be done whereby the Leased Premises, or any portion thereof, or any interest therein, maybe encumbered by any liens of mechanics, laborers, or material men, chattel mortgages or any other liens. Tenant shall, whenever and as often as any such liens are filed against the Leased Premises, or any portion thereof,

purporting to be for labor or material furnished or to be furnished to Tenant, discharge the same of record within fifteen (15) days after the date of filing by payment, bonding or otherwise, as provided by law. In the event of the default of Tenant in procuring the discharge, as aforesaid, of any such lien, Landlord may, with ten (10) days prior notice, procure such discharge and the expenses incurred by Landlord in obtaining such discharge shall be paid by Tenant as Rent within ten (10) days after notice from Landlord of the amount thereof.

38 True Lease. It is the intent of the Landlord and Tenant and the parties agree that this Lease is a true lease and that this Lease does not represent a financing agreement. Each party shall reflect the transaction represented hereby in all applicable books, records and reports (including income tax filings) in a manner consistent with "true lease" treatment rather than "financing" treatment.

39 Cumulative Remedies. The rights and remedies set forth under this Lease are in addition to all other rights and remedies afforded to Landlord under any of the other documents contemplated under this Lease or at law or in equity, all of which are hereby reserved by Landlord, and this Lease is made and accepted without prejudice to any such rights and remedies. All of the rights and remedies of Landlord shall be separate and cumulative and maybe exercised concurrently or successively in Landlord's sole and absolute discretion.

40 Limitations on Liability:

40.1 Liability. No member, manager, officer, shareholder, employee or agent of Landlord or its respective affiliates shall be held to any personal liability, jointly, or severally, for any obligation of, or claim against Landlord under this Lease. All persons dealing with Landlord, in any way, shall look only to the assets of Landlord for the payment of any sum or the performance of any obligations.

40.2 Consequential Damages. Under no circumstances shall Landlord be liable to Tenant for any consequential damages.

40.3 Liability Limited to Interest in Premises. Tenant shall look solely to Landlord's interest in the Leased Premises to satisfy any liability arising under this Lease.

41 Certain Defined Terms:

41.1 "Applicable Laws" means, any one or more of the applicable laws, including (without limitation) any: (a) federal, state, territorial, county, municipal or other governmental or quasi-governmental law, statute, ordinance, rule, regulation, requirement or use or disposal classification or restriction, whether domestic or foreign, including, without limitation, each Environmental Law and Health Care Requirement; (b) judicial, administrative or other governmental or quasi-governmental order, injunction, writ, judgment, decree, ruling, interpretation, finding or other directive, whether domestic or foreign; (c) common law or other legal or quasi-legal precedent; (d) arbitrator's, mediator's or referee's decision, finding, award or recommendation; or (e) charter, rule, regulation or other organizational or governance document of any self-regulatory or governing body or organization, affecting any Leased Premises or any part thereof, or the construction, use, alteration or operation thereof, or any part thereof, whether

now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Tenant, at any time in force affecting the Leased Premises or any part thereof.

41.2 **"Governmental Authority"** shall mean any court, board, agency, arbitrator, commission, office or other authority of any nature whatsoever for any governmental unit (foreign, federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

41.3 **"Health Care Authorities"** shall mean the New York State Department of Health or any Governmental Authority or quasi-Governmental Authority or any agency, intermediary, board, authority or entity with jurisdiction over the ownership, operation, use or occupancy of the Facility as a long-term skilled nursing facility, including but not limited to the Center for Medicare and Medicaid Services.

41.4 **"Health Care Requirement(s)"** shall mean shall mean, relating to the Facility, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions or agreements, in each case, pertaining to or concerned with the establishment, construction, ownership, operation, use or occupancy of the Facility or any part thereof as a chronic and convalescent nursing home facility, and all material permits, licenses and authorizations and regulations relating thereto, including all material rules, orders, regulations and decrees of and agreements with Health Care Authorities pertaining to the Facility.

41.5 **"Legal Requirement"** shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities or Health Care Authorities or affecting the Facility or any part thereof, or the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Tenant or subtenant, at any time in force affecting the Facility or any part thereof, including, without limitation, any which may (a) require repairs, modifications or alterations in or to the Facility or any part thereof, or (b) in any way limit the use and enjoyment thereof.

*[Balance of Page Intentionally Left Blank]
[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties hereto have duly executed this instrument as of the date first above written, which date shall be deemed to be and shall be referred to as the date of this Lease.

LANDLORD:

VILLAGE ACQUISITION II, LLC

By:  DocuSigned by:
Pasquale Leoncavallo
Manager

TENANT:

VILLAGE ACQUISITION I, LLC


By:  DocuSigned by:
Solomon Rubenberg
Manager

EXHIBIT A
DESCRIPTION OF LEASED PREMISES

PROPERTY DESCRIPTION

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of the Manhattan, County of New York, City and State of New York, bounded and described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of West Houston Street, distant 159.58 feet easterly from the corner formed by the intersection of the northerly side of West Houston Street with the easterly side of Varick Street;

RUNNING THENCE easterly along the northerly side of West Houston Street, 75.00 feet;

THENCE northerly along a line forming an interior angle of 89 degrees 28 minutes 50 seconds with the northerly side of West Houston Street, 92.33 feet;

THENCE southwesterly on a line forming an interior angle of 76 degrees 11 minutes 28 seconds with the preceding course, 13.85 feet;

THENCE northwesterly along a line forming an exterior angle of 106 degrees 54 minutes 35 seconds with the preceding course, 82.25 feet to the southeasterly side of Downing Street;

THENCE southwesterly along the southeasterly side of Downing Street, 68.75 feet;

THENCE southeasterly on a line forming an interior angle of 89 degrees 12 minutes 30 seconds with the southeasterly side of Downing Street and part of the distance through a party wall, 63.78 feet;

THENCE still southeasterly on a line forming an exterior angle of 175 degrees 26 minutes 58 seconds with the preceding course, 1.37 feet;

THENCE easterly on a line forming an interior angle of 98 degrees 40 minutes 30 seconds with the preceding course, 8.50 feet;

THENCE southerly on a line forming an exterior angle of 73 degrees 19 minutes 00 seconds with the preceding course, 71.52 feet to the northerly side of West Houston Street at the point or place of BEGINNING.

VILLAGE ACQUISITION I, LLC
D/B/A WEST VILLAGE REHABILITATION AND
NURSING CENTER
ATTACHMENT 9-2
FINANCIAL STATEMENTS FOR CURRENT
OPERATIONS

VILLAGE ACQUISITION I
dba DBA WEST VILLAGE REHABILITATION AND NURSING CENTER
INTERNAL MONTHLY FINANCIAL STATEMENTS
Eleven Months Ended November 30, 2024

DRAFT

VILLAGE ACQUISITION I, LLC
D/B/A WEST VILLAGE REHABILITATION AND
NURSING CENTER
ATTACHMENT 9-3
FINANCING LETTER OF INTEREST

BANK OF AMERICA

Bank of America, N.A.
Global Commercial Banking
Healthcare, Education & Not-for-Profit
NY5-529-04-06
300 Broad Hollow Road
Melville, NY 11747
631.547.7440

February 20, 2025

Mr. Pasquale DeBenedictis
CassenaCare
225 Crossways Park Drive
Woodbury, NY 11797

Re: Letter of Interest for Financing the Proposed Acquisition of the property located at 58 Downing Street, New York, NY and renovation for the addition of 20 beds for the expansion of the West Village Rehabilitation and Nursing Center located at 214 W Houston Street, New York, NY 10014 by Village Acquisition II, LLC

Dear Mr. DeBenedictis:

This letter will serve as an indication of Bank of America's interest in providing financing for the proposed acquisition of the 58 Downing Street property and renovation for the addition of 20 beds for the expansion of the West Village Rehabilitation and Nursing Center located at 214 W Houston Street, New York located at 214 W Houston Street, New York, NY by Village Acquisition II, LLC. We understand that the proposed acquisition and renovation will ultimately require the approval of the New York State Department of Health and that the project does not need approval from the Attorney General for the State of New York.

The total acquisition and renovation cost is yet to be determined and the total funding, which will be based upon the purchase price and appraised value of the facility, is anticipated to be approximately \$11,000,000. Bank of America would consider structuring a credit facility to fund the required financing with the actual repayment terms to be determined. Based upon prior personal financial information provided to the Bank by the principals of CassenaCare, there currently appears to be sufficient personal liquidity available to support the transaction.

This letter should not be construed as a commitment to lend. A formal commitment would require a comprehensive review and analysis of a completed financing application and package acceptable to Bank of America. The above terms and rates are subject to the prevailing market conditions if, and when, Bank of America issues a commitment.

Very truly yours,

BANK OF AMERICA, N.A.



By

Name: Sylvia A. Kachala
Title: Senior Vice President

New York State Department of Health
Certificate of Need Application
Schedule 10 - Space & Construction Cost Distribution

For all Full or Administrative review applications, except Establishment-Only applications. New Construction and Renovation must be entered on separate sheets (see instructions in line 43). Codes for completing this table are found in the Functional Codes Lookups sheet (see tab below).

Indicate if this project is: New Construction: ☐ **OR** Renovation: ☐

| Location | | | | Description of Functional Code (enter Functional code in Column D, description appears here automatically) | Functional Gross SF | Construction Cost PER S.F. <i>Current</i> (un-escalated) | (F x G) Construction Cost TOTAL <i>Current</i> sch.8B col.A (un-escalated) | Alterations, Scope of work |
|-------------|----------|-------|-----------------|--|---------------------|--|--|----------------------------|
| Sub project | Building | Floor | Functional Code | | | | | |
| | 1 | C | 943 | Maintenance/Housekeeping | 1166 | \$350.00 | \$408,100 | NEW |
| | 1 | 1 | 304 | Physical Therapy | 1166 | \$550.00 | \$641,300 | NEW |
| | 1 | 2 | 703 | General Baseline Services - SNF's (includes Medical | 1166 | \$550.00 | \$641,300 | NEW |
| | 1 | 3 | 703 | General Baseline Services - SNF's (includes Medical | 1166 | \$550.00 | \$641,300 | NEW |
| | 1 | 4 | 703 | General Baseline Services - SNF's (includes Medical | 1166 | \$550.00 | \$641,300 | NEW |
| | 1 | 5 | 703 | General Baseline Services - SNF's (includes Medical | 1166 | \$550.00 | \$641,300 | NEW |
| | 1 | 6 | 703 | General Baseline Services - SNF's (includes Medical | 1166 | \$550.00 | \$641,300 | NEW |
| | | | | #N/A | | | | |
| | | | | #N/A | | | | |
| | | | | #N/A | | | | |
| | | | | #N/A | | | | |
| | | | | #N/A | | | | |

New York State Department of Health
Certificate of Need Application
Schedule 10 - Space & Construction Cost Distribution

| A | | B | D | E | F | G | H | I |
|----------------------------------|----------|-------|-----------------|--|---------------------|--|--|----------------------------|
| Location | | | | Description of Functional Code (enter Functional code in Column D, description appears here automatically) | Functional Gross SF | Construction Cost PER S.F. <i>Current</i> (un-escalated) | (F x G) Construction Cost TOTAL <i>Current</i> sch.8B col.A (un-escalated) | Alterations, Scope of work |
| Sub project | Building | Floor | Functional Code | | | | | |
| | | | | #N/A | | | | |
| | | | | #N/A | | | | |
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| | | | | #N/A | | | | |
| | | | | #N/A | | | | |
| Totals for Whole Project: | | | | | 8162 | 3650 | 4255900 | |


New York State Department of Health**Certificate of Need Application****Schedule 10 - Space & Construction Cost Distribution**

If additional sheets are necessary, go to the toolbar, select "Edit", select "Move or copy sheet", make sure the "create a copy" box is checked, and select this document as the destination for the copy then select "OK". An additional worksheet will be added to this spreadsheet

| | | |
|---|--------------------------|-------------------------------------|
| | YES | NO |
| 1. If New Construction is Involved, is it "freestanding?" | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | |
|---|-------------------------------------|--------------------------------|--------------------------|
| | Dense Urban | Other metropolitan or suburban | Rural |
| 2. Check the box that best describes the location of the facilities affected by this project: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The section below must be filled out and signed by the applicant, applicant's representative, project architect, project engineer or project estimator.engineer,

| | | | |
|---|-------|------------|--------------|
| SIGNATURE | | DATE | |
|  | | 2/12/2025 | |
| PRINT NAME | | TITLE | |
| Andrew Blatt | | Consultant | |
| NAME OF FIRM | | | |
| Censeli LLC | | | |
| STREET & NUMBER | | | |
| 65 Locust Ave, Suite 200 | | | |
| CITY | STATE | ZIP | PHONE NUMBER |
| New Canaan | CT | 06840 | 914-215-1648 |

**New York State Department of Health
Certificate of Need Application
Schedule 11 - Moveable Equipment**

For Article 28, 36, and 40 Construction Projects Requiring Full or Administrative Review *

Table I: New Equipment Description

| Sub project Number | Functional Code | Description of equipment, including model, manufacturer, and year of manufacture where applicable. | Number of units | Lease (L) or Purchase (P) | Date of the end of the lease period | Lease Amount or Purchase Price |
|--|-----------------|--|-----------------|---------------------------|-------------------------------------|--------------------------------|
| | 703 | General Baseline Services | 20 | Purchase | | 100000 |
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| Total lease and purchase costs: Subproject 1 | | | | | | |
| Total lease and purchase costs: Subproject 2 | | | | | | |
| Total lease and purchase costs: Subproject 3 | | | | | | |
| Total lease and purchase costs: Subproject 4 | | | | | | |
| Total lease and purchase costs: Subproject 5 | | | | | | |
| Total lease and purchase costs: Subproject 6 | | | | | | |
| Total lease and purchase costs: Subproject 7 | | | | | | |
| Total lease and purchase costs: Subproject 8 | | | | | | |
| Total lease and purchase costs: Whole Project: | | | | | | 100000 |

**New York State Department of Health
Certificate of Need Application
Schedule 11 - Moveable Equipment**

Table 2 - Equipment being replaced:

List only equipment that is being replaced on a one for one basis. On the first line list the new equipment. On the second line list the equipment that is being replaced.

| Sub project Number | Functional Code | Description of equipment, including model, manufacturer, and year of manufacture where applicable. | Number of units | Disposition | Estimated Current Value |
|---|-----------------|--|-----------------|-------------|-------------------------|
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| Total estimated value of equipment being replaced: Subproject 1 | | | | | |
| Total estimated value of equipment being replaced: Subproject 2 | | | | | |
| Total estimated value of equipment being replaced: Subproject 3 | | | | | |
| Total estimated value of equipment being replaced: Subproject 4 | | | | | |
| Total estimated value of equipment being replaced: Subproject 5 | | | | | |
| Total estimated value of equipment being replaced: Subproject 6 | | | | | |
| Total estimated value of equipment being replaced: Subproject 7 | | | | | |
| Total estimated value of equipment being replaced: Subproject 8 | | | | | |
| Total estimated value of equipment being replaced: Whole Project: | | | | | 0 |

Schedule 13

All Article 28 Facilities

Contents:

- **Schedule 13 A - Assurances**
- **Schedule 13 B - Staffing**
- **Schedule 13 C - Annual Operating Costs**
- **Schedule 13 D - Annual Operating Revenue**

**New York State Department of Health
Certificate of Need Application**

Schedule 13A

Schedule 13 A. Assurances from Article 28 Applicants

Article 28 applicants seeking combined establishment and construction or construction-only approval must complete this schedule.

The undersigned, as a duly authorized representative of the applicant, hereby gives the following assurances:

- a) The applicant has or will have a fee simple or such other estate or interest in the site, including necessary easements and rights-of-way sufficient to assure use and possession for the purpose of the construction and operation of the facility.
- b) The applicant will obtain the approval of the Commissioner of Health of all required submissions, which shall conform to the standards of construction and equipment in Subchapter C of Title 10 (Health) of the Official Compilation of Codes, Rules and Regulations of the State of New York.
- c) The applicant will submit to the Commissioner of Health final working drawings and specifications, which shall conform to the standards of construction and equipment of Subchapter C of Title 10, prior to contracting for construction, unless otherwise provided for in Title 10.
- d) The applicant will cause the project to be completed in accordance with the application and approved plans and specifications.
- e) The applicant will provide and maintain competent and adequate architectural and/or engineering inspection at the construction site to ensure that the completed work conforms to the approved plans and specifications.
- f) If the project is an addition to a facility already in existence, upon completion of construction all patients shall be removed from areas of the facility that are not in compliance with pertinent provisions of Title 10, unless a waiver is granted by the Commissioner of Health, under Title 10.
- g) The facility will be operated and maintained in accordance with the standards prescribed by law.
- h) The applicant will comply with the provisions of the Public Health Law and the applicable provisions of Title 10 with respect to the operation of all established, existing medical facilities in which the applicant has a controlling interest.
- i) The applicant understands and recognizes that any approval of this application is not to be construed as an approval of, nor does it provide assurance of, reimbursement for any costs identified in the application. Reimbursement for all cost shall be in accordance with and subject to the provisions of Part 86 of Title 10.

Date

2-12-2025

Signature:

Pasquale DeBenedictis

Name (Please Type)

Manager / Member

Title (Please type)

**New York State Department of Health
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Schedule 13 B-1. Staffing

See "Schedules Required for Each Type of CON" to determine when this form is required. Use the "Other" categories for providers, such as dentists, that are not mentioned in the staff categories. If a project involves multiple sites, please create a staffing table for each site.

☒ Total Project ☐ Subproject number

| A | B | C | D |
|---|-------------------------------------|-------------------------|-------------------------|
| Staffing Categories | Number of FTEs to the Nearest Tenth | | |
| | Current Year* | First Year Total Budget | Third Year Total Budget |
| 1. Management & Supervision | 10.00 | 10.00 | 10.00 |
| 2. Technician & Specialist | 5.00 | 5.00 | 5.00 |
| 3. Registered Nurses | 19.08 | 22.71 | 22.71 |
| 4. Licensed Practical Nurses | 6.54 | 7.79 | 7.79 |
| 5. Aides, Orderlies & Attendants | 49.53 | 58.96 | 58.96 |
| 6. Physicians | | | |
| 7. PGY Physicians | | | |
| 8. Physicians' Assistants | | | |
| 9. Nurse Practitioners | | | |
| 10. Nurse Midwife | | | |
| 11. Social Workers and Psychologist** | 0.80 | 0.95 | 0.95 |
| 12. Physical Therapists and PT Assistants | | | |
| 13. Occupational Therapists and OT Assistants | | | |
| 14. Speech Therapists and Speech Assistants | | | |
| 15. Other Therapists and Assistants | 1.00 | 1.00 | 1.00 |
| 16. Infection Control, Environment and Food Service | 26.30 | 29.00 | 29.00 |
| 17. Clerical & Other Administrative | 9.00 | 9.00 | 9.00 |
| 18. Other | | | |
| 19. Other | | | |
| 20. Other | | | |
| 21. Total Number of Employees | 127.25 | 144.41 | 144.41 |

*Last complete year prior to submitting application

**Only for RHCF and D&TC proposals

Describe how the number and mix of staff were determined:

Staffing assumptions are based on historical operations, analysis of similar facilities, experience of the proposed operator and review of cost reports.

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Schedule 13B

Schedule 13 B-2. Medical/Center Director and Transfer Agreements

All diagnostic and treatment centers and midwifery birth centers should complete this section when requesting a new location. DTCs are required to have a Medical Director who is a physician. MBCs may have a Center Director who is a physician or a licensed midwife.

| Medical/Center Director | |
|---|--|
| Name of Medical/Center Director: | Not Applicable - no change from the current medical director |
| License number of the Medical/Center Director | |

| | Not Applicable | Title of Attachment | Filename of attachment |
|---|-------------------------------------|---------------------|------------------------|
| Attach a copy of the Medical/Center Director's curriculum vitae | <input checked="" type="checkbox"/> | | |

| Transfer & Affiliation Agreement | |
|---|---|
| Hospital(s) with which an affiliation agreement is being negotiated | |
| <ul style="list-style-type: none"> Distance in miles from the proposed facility to the Hospital affiliate. | |
| <ul style="list-style-type: none"> Distance in minutes of travel time from the proposed facility to the Hospital affiliate. | |
| <ul style="list-style-type: none"> Attach a copy of the letter(s) of intent or the affiliation agreement(s), if appropriate. | N/A <input checked="" type="checkbox"/> Attachment Name: |
| | |
| Name of the nearest Hospital to the proposed facility | |
| <ul style="list-style-type: none"> Distance in miles from the proposed facility to the nearest hospital. | |
| <ul style="list-style-type: none"> Distance in minutes of travel time from the proposed facility to the nearest hospital. | |

Schedule 13C

Certificate of Need Application

Schedule 13 C. Annual Operating Costs

See "Schedules Required for Each Type of CON" to determine when this form is required.

Use this schedule to summarize the first and third full year's incremental cost for the categories, which are affected by this project. The first full year is defined as the first 12 months of full operation after project completion. Project the first and third full year's total incremental costs in current year dollars. Current year costs added to first year incremental cost impact should equal total first year budget. Current year costs added to third year incremental budget should equal total third year budget. Show cost reductions in parentheses.

☒ Total Project

☐ Subproject number

| REQUIRED ATTACHMENTS | Title of Attachment | Filename of Attachment |
|---|--|------------------------|
| 1. In an attachment, provide the basis for determining budgeted expenses, including details on how depreciation and rent/lease expenses were calculated | Projected First and Third Year Details of Operating Expenses | Attachment 13C-1 |
| 2. In a separate attachment, provide the basis for interest cost. Separately identify, with supporting calculations interest attributed to mortgages and working capital. | Not Applicable | Not Applicable |

Table 13C - 1

| | a | b | c |
|---|---------------|-------------------------|-------------------------|
| Categories | Current Year | First Year Total Budget | Third Year Total Budget |
| Start date of year in question:(m/d/yyyy) | 9/30/2024 | 1/1/2026 | 1/1/2028 |
| 1. Salaries and Wages | \$ 9,527,404 | \$ 10,717,638 | \$ 11,039,167 |
| 1a. FTEs | 127.25 | 144.41 | 144.41 |
| 2. Employee Benefits | \$ 2,995,852 | \$ 3,355,742 | \$ 3,456,414 |
| 3. Professional Fees | \$ 5,137,164 | \$ 6,327,103 | \$ 6,516,916 |
| 4. Medical & Surgical Supplies | \$ 1,484,513 | \$ 1,820,296 | \$ 1,874,905 |
| 5. Non-med., non-surg. Supplies | \$ 1,128,347 | \$ 764,049 | \$ 786,970 |
| 6. Utilities | \$ 141,028 | \$ 171,250 | \$ 176,388 |
| 7. Purchased Services | \$ 1,040,895 | \$ 1,908,264 | \$ 1,965,512 |
| 8. Other Direct Expenses | \$ 2,193,066 | \$ 3,089,368 | \$ 3,182,049 |
| 9. Subtotal (total 1-8) | \$ 23,648,269 | \$ 28,153,710 | \$ 28,998,321 |
| 10. Interest | \$ - | \$ - | \$ - |
| 11. Depreciation | \$ 78,421 | \$ 141,157 | \$ 141,157 |
| 11. Rent | \$ 3,597,688 | \$ 4,797,688 | \$ 4,797,688 |
| 12. Total Incremental Operating Costs | \$ 27,324,378 | \$ 33,092,555 | \$ 33,937,166 |

Table 13C - 2

| | a | b | c |
|---|---------------|--------------------------------------|-----------------------------------|
| Inpatient Categories- Existing Beds | Current Year | Year 1 Incremental Cost Impact | Year 3 Incremental Cost Impact |
| Start date of year in question:(m/d/yyyy) | 9/30/2024 | 1/1/2026 | 1/1/2028 |
| 1. Salaries and Wages | \$ 9,527,404 | \$ 9,312,207 | \$ 9,591,573 |
| 1a. FTEs | 127.25 | 144.41 | 144.41 |
| 2. Employee Benefits | \$ 2,995,852 | \$ 2,853,243 | \$ 2,938,840 |
| 3. Professional Fees | \$ 5,137,164 | \$ 5,503,599 | \$ 5,668,707 |
| 4. Medical & Surgical Supplies | \$ 1,484,513 | \$ 1,529,049 | \$ 1,574,921 |
| 5. Non-med., non-surg. Supplies | \$ 1,128,347 | \$ 651,355 | \$ 670,895 |
| 6. Utilities | \$ 141,028 | \$ 143,850 | \$ 148,166 |
| 7. Purchased Services | \$ 1,040,895 | \$ 1,616,760 | \$ 1,665,263 |
| 8. Other Direct Expenses | \$ 2,193,066 | \$ 2,673,581 | \$ 2,753,788 |
| 9. Subtotal (total 1-8) | \$ 23,648,269 | \$ 24,283,644 | \$ 25,012,153 |
| 10. Interest | \$ - | \$ - | \$ - |
| 11. Depreciation | \$ 78,421 | \$ 141,157 | \$ 141,157 |
| 11. Rent | \$ 3,597,688 | \$ 3,597,688 | \$ 3,597,688 |
| 12. Total Incremental Inpatient Operating Costs | \$ 27,324,378 | \$ 28,022,489 | \$ 28,750,998 |

Table 13C - 3

| | a | b | c |
|--|--------------|--------------------------------------|-----------------------------------|
| Inpatient Categories- Expansion Beds | Current Year | Year 1 Incremental Cost Impact | Year 3 Incremental Cost Impact |
| Start date of year in question:(m/d/yyyy) | 9/30/2024 | 1/1/2026 | 1/1/2028 |
| 1. Salaries and Wages | \$ - | \$ 1,405,431 | \$ 1,447,594 |
| 1a. FTEs | 0 | 0 | 0 |
| 2. Employee Benefits | \$ - | \$ 502,499 | \$ 517,574 |
| 3. Professional Fees | \$ - | \$ 823,504 | \$ 848,209 |
| 4. Medical & Surgical Supplies | \$ - | \$ 291,247 | \$ 299,984 |
| 5. Non-med., non-surg. Supplies | \$ - | \$ 112,694 | \$ 116,075 |
| 6. Utilities | \$ - | \$ 27,400 | \$ 28,222 |
| 7. Purchased Services | \$ - | \$ 291,504 | \$ 300,249 |
| 8. Other Direct Expenses | \$ - | \$ 415,787 | \$ 428,261 |
| 9. Subtotal (total 1-8) | \$ - | \$ 3,870,066 | \$ 3,986,168 |
| 10. Interest | \$ - | \$ - | \$ - |
| 11. Depreciation | \$ - | \$ - | \$ - |
| 11. Rent | \$ - | \$ 1,200,000 | \$ 1,200,000 |
| 12. Total Incremental Outpatient Operating Costs | \$ - | \$ 5,070,066 | \$ 5,186,168 |

\$

Any approval of this application is not to be construed as an approval of any of the above indicated current or projected operating costs. Reimbursement of any such costs shall be in accordance with and subject to the provisions of Part 86 of 10 NYCRR. Approval of this application does not assure reimbursement of any of the costs indicated therein by payers under Title XIX of the Federal Social Security Act (Medicaid) or Article 43 of The State Insurance Law or by any other payers.

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Schedule 13D

Schedule 13 D: Annual Operating Revenues

See "Schedules Required for Each Type of CON" to determine when this form is required. If required, one schedule must be completed for the total project and one for each of the subprojects. Indicate which one is being reported by checking the appropriate box at the top of the schedule.

Use the below tables or upload a spreadsheet as an attachment to this Schedule (Attachment Title:) to summarize the current year's operating revenue, and the first and third year's budgeted operating revenue (after project completion) for the categories that are affected by this project.

Table 1. Enter the current year data in column 1. This should represent the total revenue for the last complete year before submitting the application, using audited data. Project the first and third year's total budgeted revenue in current year dollars

Tables 2a and 2b. Enter current year data in the appropriate block. This should represent revenue by payer for the last complete year before submitting the application, using audited data.

Indicate in the appropriate blocks total budgeted revenues (i.e., operating revenues by payer to be received during the first and third years of operation after project completion). As an attachment, provide documentation for the rates assumed for each payer. Where the project will result in a rate change, provide supporting calculations. For managed care, include rates and information from which the rates are derived, including payer, enrollees, and utilization assumptions.

The Total of Inpatient and Outpatient Services at the bottom of Tables 13D-2A and 13D-2B should equal the totals given on line 10 of Table 13D-1.

Required Attachments

| | N/A | Title of Attachment | Filename of Attachment |
|--|--------------------------|---------------------|------------------------|
| 1. Provide a cash flow analysis for the first year of operations after the changes proposed by the application, which identifies the amount of working capital, if any, needed to implement the project. | <input type="checkbox"/> | | |
| 2. Provide the basis and supporting calculations for all utilization and revenues by payer. | <input type="checkbox"/> | | |
| 3. Provide the basis for charity care revenue assumptions used in Year 1 and 3 Budgets ((Table 13D-2B). <i>If less than 2%, provide a reason why a higher level of charity care cannot be achieved and remedies that will be implemented to increase charity care.</i> | <input type="checkbox"/> | | |

Table 13D-1

| | a | b | c |
|---|--------------|---------------------|---------------------|
| | Current Year | Year 1 Total Budget | Year 3 Total Budget |
| Start date of year in question (m/d/yyyy) | 9/30/2024 | 1/1/2026 | 1/1/2028 |
| 1. Daily Hospital Services | \$30,981,832 | \$35,580,915 | \$36,639,240 |
| 2. Ambulatory Services | | | |
| 3. Ancillary Services | | | |
| 4. Total Gross Patient Care Services Rendered | \$30,981,832 | \$35,580,915 | \$36,639,240 |
| 5. Deductions from Revenue | | | |
| 6. Net Patient Care Services Revenue | \$30,981,832 | \$35,580,915 | \$36,639,240 |
| 7. Other Operating Revenue (identify sources) | \$553,636 | \$52,695 | \$52,695 |
| Other Operating Income | \$553,636 | \$52,695 | \$52,695 |
| | | | |
| | | | |
| | | | |
| 8. Total Operating Revenue (Total 1-7) | \$31,535,468 | \$35,633,610 | \$36,691,935 |
| 9b. Non-Operating Revenue | \$367,605 | \$0 | |
| 10. Total Project Revenue | \$31,903,073 | \$35,633,610 | \$36,691,935 |

\$0

**New York State Department of Health
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Schedule 13D

Table 13D - 2A

Various inpatient services may be reimbursed as discharges or days. Applicant should indicate which method applies to this table by choosing the appropriate checkbox.

Patient Days ☒ Patient Discharges ☐

| Inpatient Services Source of Revenue | | Total Current Year | | | First Year Total Budget | | | Third Year Total Budget | | |
|---|-----------------|---|---------------|---|---|---------------|---|---|---------------|--|
| | | (A) Patient Days or Discharges | Net Revenue | | (C) Patient Days or Discharges | Net Revenue | | (E) Patient Days or Discharges | Net Revenue | |
| | | | (B) Dollars | \$ Per Patient Day of Discharge (B)/(A) | | (D) Dollars | \$ Per Patient Day of Discharge (D)/(C) | | (F) Dollars | \$ Per Patient Day of Discharge (F)/(E) |
| Commercial | Fee for Service | 2,350 | \$ 1,077,696 | \$458.59 | 2,799 | \$ 1,309,277 | \$467.77 | 2,799 | \$ 1,348,567 | \$481.80 |
| | Managed Care | | | \$0.00 | | | \$0.00 | | | \$0.00 |
| Medicare | Fee for Service | 30,150 | \$ 26,626,098 | \$883.12 | 33,724 | \$ 28,537,400 | \$846.20 | 33,724 | \$ 29,393,366 | \$871.59 |
| | Managed Care | 4,957 | \$ 2,499,076 | \$504.15 | 5851 | \$ 4,951,116 | \$846.20 | 5851 | \$ 5,099,650 | \$871.59 |
| Medicaid | Fee for Service | 478 | \$ 266,485 | \$557.50 | 569 | \$ 190,699 | \$335.15 | 569 | \$ 190,700 | \$335.15 |
| | Managed Care | 270 | \$ 106,505 | \$394.46 | 322 | \$ 107,919 | \$335.15 | 322 | \$ 107,918 | \$335.15 |
| Private Pay | | 450 | \$ 315,000 | \$700.00 | 535 | \$ 381,990 | \$714.00 | 535 | \$ 393,450 | \$735.42 |
| Medicare Pt B | | | \$ 90,972 | \$0.00 | | \$ 102,514 | \$0.00 | | \$ 105,589 | \$0.00 |
| OMH | | | | \$0.00 | | | \$0.00 | | | \$0.00 |
| Charity Care | | | | \$0.00 | | | \$0.00 | | | \$0.00 |
| HWB | | | \$ - | \$0.00 | | | \$0.00 | | | \$0.00 |
| All Other | | | \$ 553,636 | \$0.00 | | \$ 52,695 | \$0.00 | | \$ 52,695 | \$0.00 |
| Total | | 38,655 | \$ 31,535,468 | \$0.00 | 43,800 | \$ 35,633,610 | \$813.55 | 43,800 | \$ 36,691,935 | \$837.72 |

New York State Department of Health
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Schedule 13D

Table 13D - 2B

Various inpatient services may be reimbursed as discharges or days. Applicant should indicate which method applies to this table by choosing the appropriate checkbox.

Visits (V) ☒ Procedures (P) ☐

| Outpatient Services Source of Revenue- Expansion Unit | | Total Current Year | | | First Year Total Budget | | | Third Year Total Budget | | |
|---|-----------------|--------------------|---------------|-----------------------|-------------------------|---------------|-----------------------|-------------------------|---------------|-----------------------|
| | | (A) V/P | Net Revenue | | (C) V/P | Net Revenue | | (E) V/P | Net Revenue | |
| | | | (B) Dollars | \$ Per V/P (B)/(A) | | (D) Dollars | \$ Per V/P (D)/(C) | | (F) Dollars | \$ Per V/P (F)/(E) |
| Commercial | Fee for Service | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 |
| | Managed Care | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | | | \$0.00 |
| Medicare | Fee for Service | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 |
| | Managed Care | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 |
| Medicaid | Fee for Service | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 |
| | Managed Care | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 |
| Private Pay | | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 |
| Medicare Part B | | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | | \$ - | \$0.00 |
| OMH | | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | | | \$0.00 |
| Charity Care | | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | | | \$0.00 |
| COVID GRANT | | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | | | \$0.00 |
| All Other ** | | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | | | \$0.00 |
| Total | | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 | 0 | \$ - | \$0.00 |
| | | | | | | | | | | |
| Total of Inpatient and Outpatient Services | | 38,655 | \$ 31,535,468 | \$815.82 | 43,800 | \$ 35,633,610 | \$813.55 | 43,800 | \$ 36,691,935 | \$837.72 |

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(06/2020)

Schedule 13D

New York State Department of Health
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Schedule 13D

Table 13D - 2C

Various inpatient services may be reimbursed as discharges or days. Applicant should indicate which method applies to this table by choosing the appropriate checkbox.

Visits (V) ☒ Procedures (P) ☐

| Inpatient Services Source of Revenue- Expansion Unit | | Total Current Year | | | First Year Total Budget | | | Third Year Total Budget | | | | | |
|--|-----------------|--------------------|-------------|--------|-------------------------|-----------------------|-------------|-------------------------|---------------|-----------------------|-------------|----|-----------------------|
| | | (A) V/P | Net Revenue | | (C) V/P | Net Revenue | | (E) V/P | Net Revenue | | | | |
| | | | (B) Dollars | \$ | | \$ Per V/P (B)/(A) | (D) Dollars | | \$ | \$ Per V/P (D)/(C) | (F) Dollars | \$ | \$ Per V/P (F)/(E) |
| | | | | | | | | | | | | | |
| Commercial | Fee for Service | 0 | \$ - | \$0.00 | 448 | \$ 209,559 | \$467.77 | 448 | \$ 215,848 | \$481.80 | | | |
| | Managed Care | 0 | \$ - | \$0.00 | | | \$0.00 | | | \$0.00 | | | |
| Medicare | Fee for Service | 0 | \$ - | \$0.00 | 5,437 | \$ 4,600,813 | \$846.20 | 5,437 | \$ 4,738,813 | \$871.59 | | | |
| | Managed Care | 0 | \$ - | \$0.00 | 894 | \$ 756,503 | \$846.20 | 894 | \$ 779,198.00 | \$871.59 | | | |
| Medicaid | Fee for Service | 0 | \$ - | \$0.00 | 91 | \$ 30,498 | \$335.14 | 91 | \$ 30,498.00 | \$335.14 | | | |
| | Managed Care | 0 | \$ - | \$0.00 | 52 | \$ 17,428 | \$335.15 | 52 | \$ 17,428.00 | \$335.15 | | | |
| Private Pay | | 0 | \$ - | \$0.00 | 86 | \$ 61,404 | \$714.00 | 86 | \$ 63,246.00 | \$735.42 | | | |
| Medicare Part B | | 0 | \$ - | \$0.00 | | \$ 16,402 | \$0.00 | | \$ 16,894.00 | \$0.00 | | | |
| OMH | | 0 | \$ - | \$0.00 | | | \$0.00 | | | \$0.00 | | | |
| Charity Care | | 0 | \$ - | \$0.00 | | | \$0.00 | | | \$0.00 | | | |
| COVID GRANT | | 0 | \$ - | \$0.00 | | | \$0.00 | | | \$0.00 | | | |
| All Other ** | | 0 | \$ - | \$0.00 | | | \$0.00 | | | \$0.00 | | | |
| Total | | 0 | \$ - | \$0.00 | 7,008 | \$ 5,692,607 | \$812.30 | 7,008 | \$ 5,861,925 | \$836.46 | | | |

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Schedule 13D

Schedule 18

CON Forms Specific to

Residential Health Care Facilities

Article 28

Contents:

- **Schedule 18 Part A - Residential Health Care Facility Program Project Narrative**
- **Schedule 18 Part B - Residential Health Care Facility Program Information**
- **Schedule 18 Part C - Impact of CON Application on Residential Health Care Facilities' Operating Certificate (Only for use with Modifications)**
- **Schedule 18 Part D - RHCF Space & Construction Distribution**
- **Schedule 18 Part E - RHCF Statement of Functional Expenses (Excel Spreadsheet)**
- **Schedule 18 Part F - RHCF Analysis of Net Patient Revenue**

A. Residential Health Care Facility Program Project Narrative

This section is required for **all** residential health care facility (RHCF) applications. If left incomplete, the application will not be accepted.

- Please provide a Project Narrative. The Project Narrative must be a detailed explanation of the proposal and give the reviewer a clear understanding of the proposal. The Project Narrative must include the following information:
 - Utilization information for the last three years, along with explanations for any decreases over those years. Please note: Utilization numbers should be for RHCF beds only, not specialty beds (i.e. AIDS, vent, pediatrics, TBI, etc.), unless the proposal is for the addition or decertification of specialty RHCF beds or the facility provides only these specific bed types.
 - If utilization is below 97%, reasons for low utilization should be provided, along with details of how the applicant intends to increase utilization over the first three years, including any new or existing programs or services to the facility that would benefit area residents.
 - If the proposal requires decertification of beds, please include a patient displacement form.
 - If the proposal is to add beds and there is no RHCF bed surplus in the county and the county utilization is below 97%, there is a rebuttable presumption there is no need for additional beds in that county. Please explain, in as much detail as possible, how the proposal will benefit the community to be served. (See 10 NYCRR 709.3 (3)(g) for more details.)
- Please cite sources from any data provided in the Project Narrative.

A. Residential Health Care Facility Program Project Narrative

This section is required for all residential health care facility (RHCF) applications. If left incomplete, the application will not be accepted.

Please provide a Project Narrative. The Project Narrative should be a detailed explanation of the proposal and give the reviewer a clear understanding of the proposal. The Project Narrative should include the following information:

- 1.) Utilization information for the last three years, along with explanations for any decreases over those years. Please note: Utilization numbers should be for RHCF beds only, not specialty beds (i.e., AIDS, vent, pediatrics, TBI, etc.), unless the proposal is for the addition or decertification of specialty RHCF beds or the facility provides only these specific bed types.

RESPONSE: Utilization for the past 1.25 years is as follows (only 4 months of updated financials available for 2023)*:

| Calendar Year | Overall Utilization | Medicaid/ Medicaid Managed Care | Average Occupancy |
|------------------|---------------------|---------------------------------------|----------------------|
| 2024 | 94.43% | 73.9% | 98.9 |
| Sept - Dec, 2023 | 89.26% | 82.4% | 94 |

*Based on internal statistics, which are subject to final verification with the submission of the filing of the RHCF-4 cost report.

Overall utilization for New York City, which includes West Village, is 94.3% according to the 2016 Estimates of RHCF Bed Need by County, in accordance with paragraphs (1) through (12) of 10 NYCRR Section 709.3

We understand that the planning occupancy rate is 97%. However, as discussed at several Public Health and Health Planning Council meetings, the question as to whether the optimum planning occupancy of 97% is realistic, especially in line with the changes in levels of care and services provided in nursing homes including short term restorative rehabilitation and sub-acute care. Nursing home operators are working with their DSRIP PPS to accomplish the goal of reducing unnecessary hospital admissions and readmissions.

There is currently a need for 9,778 beds in the New York City Planning Region as determined in accordance with paragraphs (1) through (12) of 10 NYCRR Section 709.3.

- 2.) If utilization is below 97%, reasons for low utilization should be provided, along with details of how the applicant intends to increase utilization over the first three years, including any new or existing programs or services to the facility that would benefit area residents.

RESPONSE: While utilization over the past 1.25 years of ownership has been under 97%, it should be noted that it is improving. The applicant believes that the average census of approximately 93% (which equates to about 7 unoccupied beds per day) is of concern. However, based on the referrals, a substantial number of which are being turned away due to the lack of availability of a bed in a particular unit, and the unmet need in New York City, the operator has prepared a plan to add 20 beds that will result in improved services and ultimately to higher utilization.

West Village Rehabilitation and Nursing Center will continue to utilize the following techniques in the effort to maintain a high level of occupancy:

- MEETINGS WITH THE LOCAL COMMUNITY LEADERS- They meet with local community leaders to determine what the community “needs” from a communal perspective. From their operational experience, there are no two nursing homes that are the same and there are no two communities that are the same. Each community needs something specific, and the operators develop programs to address those identified needs.
- MEETINGS WITH THE LOCAL HOSPITALS – These meetings ensure a cooperative effort in identifying and developing both short term and long term nursing facility programs to determine what the hospitals feel that the local community needs from a local nursing facility. This could be in bariatric care, dialysis and end stage renal disease patients, dementia services, etc. The local Hospitals are the ones who know what clinical aspects are lacking in the area.
- MEETINGS WITH THE LOCAL PHYSICIANS – These meetings allow the operators to see what the medical community feels is lacking in the area. This could be in IV care, pulmonary services, trachea care, etc. Programs and services post change in ownership will address the specific needs of the community.

- Once all this information is compiled, the operator implements as many of the programs as possible that are responsive to the need in the area. This includes social and occupational therapies and workforce development.
- The operators, which provide services for all their current nursing facilities, have an internal corporate clinical team of experts to implement all the needed specialties. They are clinical experts in their respective fields (Nursing, Medical, Social Work, Physical medicine and Rehabilitation, etc.)
- The operators have created their own internal team of Medicare, HMO and Medicaid Reimbursement experts. Their staff goes into a facility and sets up systems and procedures to ensure that they maximize and appropriately code the MDS both for Medicare and Medicaid. Their staff is constantly going through updated training from CMS and Medicaid directly to guarantee that they are 100% up to date with the latest regulation and compliance rules that exist.

In addition, as noted in the project narrative, the facility is in New York County (Manhattan.) Based on Claritas Spotlight Reports, the total estimated 2025 population of Manhattan is 1,591,971. The population of New York County is estimated to dip a small amount, with a variance of -.4% of the total by 2030.

The service area is the Community District 2 (West Village and SoHo) and the adjoining areas in zip codes 10014, 10012, 10013, 10002, 10009, 10003, 10011, 10010 although due to the accessible location of the skilled nursing facility, residents come from all of New York City and its bordering areas will be using its services (currently 80% of the residents are from Manhattan.) The 2020 census indicates that the 65-and-over population in the same service area was 22,987 and grew to 24,426 by 2025 estimates with additional growth to 46,028 expected by the year 2030. The 65-and-over population in this service area represented 16.0% of the population in 2020, and that number has continued to increase to 18.3% for 2025 and is estimated to increase to 19.8% by 2030.

The aged 85+ population has shown and will continue to show a small increase as follows:

- 2020 = 2,878
- 2025 estimate = 3,302
- 2030 estimate = 3,748

The aged 85 and over population is the group most at risk for requiring skilled 24-hour-per-day nursing care due to advanced debilitating chronic conditions.

| | LOCAL POPULATION BY AGE | | | | | | | New York State | |
|----------------------|-------------------------|------------------|---------------|------------------|-----------------|------------------|-------------------|----------------|------------------|
| | 2020 Census | | 2025 Estimate | | 2030 Projection | | Change (25 -> 30) | | |
| Manhattan CD 1 and 2 | Population | Percent of Total | Population | Percent of Total | Population | Percent of Total | | Population | Percent of Total |
| Total Population | 143,532 | 100.00% | 133,297 | 100.00% | 131,335 | 100.00% | -1.5% | 19,649,850 | 100.00% |
| 0-64 | 120,545 | 83.98% | 108,871 | 81.68% | 105,307 | 80.18% | -3.3% | 15,989,908 | 81.37% |
| 65-74 | 13,365 | 9.31% | 12,693 | 9.52% | 12,433 | 9.47% | -2.0% | 2,098,554 | 10.68% |
| 75-84 | 6,844 | 4.77% | 8,431 | 6.32% | 9,847 | 7.50% | 16.8% | 1,115,568 | 5.68% |
| 85 PLUS | 2,878 | 2.01% | 3,302 | 2.48% | 3,748 | 2.85% | 13.5% | 445,820 | 2.27% |
| 65 PLUS | 22,987 | 16.02% | 24,426 | 18.32% | 26,028 | 19.82% | 6.6% | 3,659,942 | 18.63% |
| | | | | | | | | | |
| | | | | | | | | | |

Based on historical averages of the existing operator, West Village Rehabilitation and Nursing Center anticipates a Medicare eligible utilization of in the first and third years of operation after this renovation.

The chart below depicts the utilization by payer mix for the latest available years, 2023 and 2024.

| | 2023 (Sept – Dec) | | 2024 (thru Nov) | |
|----------------------|-------------------|---------|-----------------|---------|
| | Days | Percent | Days | Percent |
| Private | 87 | 0.76% | 463 | 1.39% |
| Medicare | 8,965 | 78.41% | 25,763 | 77.58% |
| Managed Medicare | 1,335 | 11.68% | 4,405 | 13.26% |
| Medicaid | 162 | 1.42% | 367 | 1.11% |
| Managed Medicaid | 99 | 0.87% | 245 | 0.74% |
| Commercial Insurance | 300 | 2.62% | 918 | 2.76% |
| Hospice | 0 | 0.00% | 0 | 0.00% |
| Other | 486 | 4.25% | 1047 | 3.15% |
| | 11,434 | 100.00% | 33,208 | 100.00% |

The operators of West Village have a long history of maintaining a high census in their related nursing facilities. West Village has consistently maintained a CMS five Star rating. There is every expectation that this will continue after the renovation.

- 3.) If the proposal requires decertification of beds, please include a patient displacement form.

RESPONSE: This application does not anticipate the decertification of any beds; thus, this section is **NOT APPLICABLE**.

- 4.) If the proposal is to add beds and there is no RHCF bed surplus in the county and the county utilization is below 97%, there is a rebuttable presumption there is no need for additional beds in that county. Please explain, in as much detail as possible, how the proposal will benefit the community to be served. (See 10 NYCRR 709.3 (3)(g) for more details.)

RESPONSE:

This application requests the addition of 20 new RHCF beds to the existing complement of beds. There is currently a need for **9,778** beds in the New York City Planning Region as determined in accordance with paragraphs (1) through (12) of 10 NYCRR Section 709.3.

In addition to the unmet need in New York City, this facility is currently turning away significant referrals due to lack of available beds (so far this year, the facility is at capacity.) 2024 Medicare utilization was 77% while the Medicare usage was 1%. This factor and the pattern of referrals strongly suggests the need for more short-term rehabilitation beds at this facility. Of 1,715 admissions in 2024, 540 were from New York Presbyterian-Cornell Weill Medical Center, 435 from Lenox Hill Hospital, 255 from NYU Langone and 139 from Mt Sinai, or 80% of admissions. The additional beds will allow for more admissions from the local community, who will still benefit from the intimacy of a 125 bed SNF during their short-term rehabilitation stay. This project will also update and upgrade the Physical and Occupational Therapy suites.

B. Residential Health Care Facility Program Information

COMMUNITY

- How does your program or service proposal fit into the existing array of services available in the health and social services area? How did you determine this?

West Village Rehabilitation and Nursing Center (West Village) is seeking to expand from 105 beds to 125. This request for additional beds is a result of the consistent high level of occupancy, resulting in the denial of admissions of community residents.

- Provide an accurate depiction of currently available services and a service gap analysis or marketing study.

New York City (or Manhattan) is divided into neighborhoods, and West Village is the only skilled nursing facility located in West Village/SOHO. There are two SNFs, New Gouverneur Hospital SNF and New East Side Nursing Home, located in the East Village. Of the 5,558 current residential health care beds in Manhattan, 105 are in Community Board 2, Greenwich Village and SoHo, while the population is estimated to be 158,000.

- What transportation considerations in your community/service area/catchment area affect consumers or consumers' friends and family access to your program/service? How do you propose to address these? How will you know if you are successful?

Within walking distance of West Village is the New York City subway system, including the No.1 train, which connects to the Bronx and Brooklyn. New York City has a robust bus system which is utilized regularly by current employees of West Village. Houston Street is a major East West thoroughfare in the area and can also be reached by car from the West Side Highway, New Jersey (via the Holland Tunnel) and the Franklin Delano Roosevelt Drive.

- What linkages have you developed with other community service providers that will complement, support and/or supplement the needs, e.g. housing, social, environmental or medical supports of your proposed client base? How will you maintain current information of this nature for consumers? How will you educate program staff on new program initiatives?

West Village is a thriving nursing home with deep community ties and a loyal workforce. There are five hospitals in the immediate area, including NYU Langone Orthopedic Hospital, Lenox Hill Hospital, and New York Presbyterian-Weill Cornell Medical Center, which has been a source of referrals for short-term rehabilitation services. In addition, the professional staff and leadership have relationships with local LHCSAs and rehabilitation and supportive services that they will continue. The staff is informed and educated on new programs through internal communications and inservice.

- What local planning processes have been required for your proposal?

West Village has begun the exhaustive process of receiving the required approvals for the noted addition. As with all projects, West Village will need approval from the New York City Building Department, which is not anticipated to be a concern. West Village has already

received approval from the New York City Community Board No. 2, Manhattan, for a Zoning Resolution to Amend a previous granted variance to expand an existing Residential Health Care Facility, West Village Nursing and Rehabilitation Center. A copy of the resolution, dated January 31, 2025, is included in the Project Narrative, Attachment 1A-2.

- What specific population will you serve? How does it match the demographic need in your service area and the desires of consumers?

Our current payor mix is almost 80% Medicare, which means that our residents are over 65 years of age and either residents for short-term rehabilitation or in the early part of long-term stays. 14% of the residents of the surrounding area were over 65 in 2022 and that number is expected to grow as the community ages.

- How does your program/service fit into the community's long-range plan? Please document the local source for this information. How will you evaluate the continued effectiveness of your program?

West Village Rehabilitation and Nursing Center (West Village) is seeking to expand from 105 beds to 125. This request for additional beds is a result of the consistent high level of occupancy, resulting in the denial of admissions of community residents. The community is involved in volunteer and public events and the center is a significant employer and contributor to the financial success of the area. The additional beds will be added to all data collection for the state, federal and local sources.

- Document the current and projected demand for the proposed service. If the proposed service is covered by an existing DOH need methodology, demonstrate how the proposed service is consistent with the relevant need methodology.

In reviewing the Need Methodology as posted in the New York State Department of Health website, there is an existing need of over 9,000 beds. It is acknowledged that this is potentially an outdated methodology, but coupled with the existing patients which are unfortunately denied admission to West Village, the additional 20 beds will still leave an existing void for services.

CONSUMER

How did you determine this service meets consumer needs in the proposed service area/catchment area? How will you incorporate consumers in planning, implementation and ongoing operation of this program/service?

This application is for the expansion of an existing skilled nursing facility known as West Village Rehabilitation and Nursing Center. This application is not seeking a change in the services currently offered at West Village Rehabilitation and Nursing Center.

Will you include active consumer involvement in advisory committees or boards?

This application is for the expansion of an existing skilled nursing facility known as West Village Rehabilitation and Nursing Center. This application is not seeking a change in the services currently offered at West Village Rehabilitation and Nursing Center. As with all skilled nursing facilities, there is a residents council as well as other programs for the residents to have input with the governing body of West Village.

- Given the consumer alternatives currently available in your community service area, why would consumers want your proposed program or service?

As previously noted, there are no other skilled nursing facilities within the West Village area of New York City. In addition, the SNF has excellent ratings and patient and family reviews. Currently (early 2025) the facility is at 100% capacity.

- Education: how will consumers know about your service? What specific information and referral information will be available to assist consumers in making informed decisions on the services they need?

This application is for the expansion of an existing skilled nursing facility known as West Village Rehabilitation and Nursing Center. This application is not seeking a change in the services currently offered at West Village Rehabilitation and Nursing Center.

PROGRAM/SYSTEM

- Provide a statement of facility philosophy (whether new or existing).

At West Village Rehabilitation & Nursing Center, we are dedicated to improving the health and well-being of our patients.

We believe in a holistic approach to healthcare, which means treating the whole person, not just the illness or symptoms.

Our team of medical professionals is committed to providing compassionate care and personalized attention to each patient.

- Describe in detail the projected resident profile characteristics of the population to be served using the language of the regulations and/or nationally accepted criteria; include any specialty populations. The project must demonstrate an awareness that as many as 70% of residents admitted to residential health care facilities are cognitively impaired and design a therapeutic environment which compensates for these impairments as well as for functional disabilities. Should a facility choose to designate a distinct unit for a subset of residents with dementia, specific descriptors which distinguish this group from the majority of other residents with dementia, admission and discharge criteria for the unit and delivery of services must be addressed.

This application is for the expansion of an existing skilled nursing facility known as West Village Rehabilitation and Nursing Center. This application is not seeking a change in the services currently offered at West Village Rehabilitation and Nursing Center.

- Describe resident needs based on the proposed resident population.

This application is for the expansion of an existing skilled nursing facility known as West Village Rehabilitation and Nursing Center. This application is not seeking a change in services. The vast majority of the residents are short-term rehabilitation patients and it is assumed that this will continue to be true. The operators have invested in rehabilitation services, including physical and occupational therapies. The SNF offers robust rehabilitation and long-term services, including physical and occupational therapies, recreational activities including social and sensory stimulation, personal care, and social services.

- Provide a complete plan for programs and services to meet the needs of the residents. This plan must address all services required by regulation (e.g., specialized rehabilitation, dietary, nursing services and for each service).
 - Goals and objectives of program/service
 - Function and activities involved
 - Unique characteristics of each
 - Relationships between services
 - Location in the facility and rationale for placement
 - Resources needed, e.g., staffing

This application is for the expansion of an existing skilled nursing facility known as West Village Rehabilitation and Nursing Center. This application is not seeking a change in services. The SNF offers robust rehabilitation and long-term services, including physical and occupational therapies, recreational activities including social and sensory stimulation, personal care, and social services. Care plans are holistic and person-centered. This project will also upgrade and update the Physical and Occupational Therapy suites.

- How will you evaluate program/service effectiveness? What consumer satisfaction measures will you employ?

As with all skilled nursing facilities, there is a residents council as well as other programs for the residents to have input with the governing body of West Village. The project has already received approval from the New York City Community Board No. 2, Manhattan, for a Zoning Resolution to Amend a previous granted variance to expand an existing Residential Health Care Facility, West Village Nursing and Rehabilitation Center. The operator will continue to communicate with the community inside and outside the facility as construction begins and through the entire process.

- How do you propose to address cultural, rural vs. urban and/or ADA considerations in the design and operation of your program/service?

West Village is an existing SNF and meets all disability, life safety and other pertinent building requirements. The proposed addition will continue to meet all life safety, disability and other pertinent design and building requirements.

ENVIRONMENT

Provide a floor plan for an overall design that facilitates use of the facility by residents and caregivers. Explain how the proposed floor plan layout will promote planned programs. If an addition, include in the floor plans the area where it attaches to the original building. If the project includes renovation of existing areas, provide a floor plan that shows the areas before and after renovation.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Provide an enlarged floor plan for each type of resident bedroom. Each bedroom shall be designed to permit:
 - Wheelchair access and a minimum 5'0" diameter turnaround adjacent to at least one side of the bed(s).
 - Access to furniture and equipment intended for resident use by residents confined to a wheelchair.
 - Specialized furniture and equipment as may be needed.
 - Privacy spaces.
 - An area for socialization for residents, family, friends and staff.
 - An outside view.
 - Personalization of the resident's room: rooms show individualization with personal belongings such as pictures, chairs, and favorite objects.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Describe how the proposed facility design provides wayfinding and orientation through the use of:
 - Signs: visible, eye level, "eye catchy," appropriate location, use of cues.
 - Hallways: visually distinct, color, wall treatment, art work appropriate to age and interests, interactive or tactile wall hangings.
 - Individualized resident cues to orient residents to their own rooms.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Describe how the proposed facility design provides areas for privacy and socialization of residents to include the following items:
 - At intervals along corridors/wandering path(s), the provision of small rest areas to encourage social interaction on a one-to-one or in small groups and enable limited ambulators to progress short distances toward a goal.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Dining rooms that provide opportunities for residents to eat in small groups with a minimum of distraction.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Chair placement to encourage conversation in resident rooms as well as in public areas.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Rooms designed to residential scale.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Traffic kept to a minimum.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- "Watching space": people like watching life going on around the elevator/nursing station area; windows or sunrooms, porches or verandas overlooking the main entrance, busy streets, etc.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Describe how the interior design and finishes will be chosen to reduce resident confusion and to contribute to the homelike environment of the facility.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Strictly limit use of fluorescent lights. Sufficient lighting for general activities without unnecessary glare and adequate individual lighting for visually impaired to read, do handwork, etc.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Visual contrast between objects and background, between walls and floor.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Floor colors/patterns that minimize the illusion of steps or varying levels.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Carpeting: although it lowers noise levels and creates a residential feeling, it may increase the problems of mobility for wheelchair bound residents.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Aural concerns addressed, i.e., carpeting, wall coverings, curtains, etc., for noise abatement; TV and radio noise controlled or confined.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Describe how physical outlets for residents will be provided and accessed. Address the following items in this plan:
 - Meaningful wandering circuits.
 - Access to outdoors:
 - Direct to an enclosed or limited access courtyard.
 - Visual access or other monitoring method of area by staff.
 - Chairs and benches.
 - Sunny and shady.
 - Visual objects of interest.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Space to place an angry/agitated resident without disturbing others, “quiet area.”

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

- Identification of space for “unstructured” activities during, evenings, nights and weekends as well as on days.

Please refer to the architectural submission, including the architectural narrative, Attachment 6-2.

WORKFORCE

- What is the current availability of professional/paraprofessional workers to staff your proposal? Who are the competing employers? What will you do to successfully compete? Include training, recruitment and transportation strategies. How do you coordinate with Department of Labor or any other local workforce initiatives?

West Village currently employs XXX FTE's. With the addition of the 20 beds, the incremental FTE's will be XXX. The operators of West Village do not anticipate significant challenges in recruiting and retaining these additional FTE's.

- What measures will you adopt to promote retention of specific categories of your workforce?

West Village currently has a robust employee benefit program which has resulted in a low turnover / high employee rate of retention.

- What will the impact be of opening/expanding your program on the workforce of other health care providers in the community? How will you minimize any adverse impact?

West Village does not anticipate any adverse impact on other health care providers in the community.

The Sites Tab in NYSE-CON has replaced the Authorized Beds and Services Tables of Schedule 18C. The Authorized Beds and Services Tables in Schedule 18C are only to be used when submitting a Modification, in hardcopy, after approval or contingent approval.

C. Impact of CON Application on Residential Health Care Facility Operating Certificate

TABLE 18C-1 AUTHORIZED BEDS

| Category | Code | Current | Add | Remove | Proposed |
|----------------------------------|------|---------|--|--------------------------|----------|
| AIDS | 30 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| BEHAVIORAL INTERVENTION | 32 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| BEHAVIORAL INTERVENTION STEPDOWN | 35 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| COMA RECOVERY | 26 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| PEDIATRIC | 04 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| PEDIATRIC VENTILATOR DEPENDENT | 36 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| RHCF | 16 | 102 | <input checked="" type="checkbox"/> 20 | <input type="checkbox"/> | 125 |
| TRAUMATIC BRAIN INJURY | 11 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| VENTILATOR DEPENDENT | 31 | | <input type="checkbox"/> | <input type="checkbox"/> | |

TABLE 18C-2 AUTHORIZED SERVICES ¹

| Category | Code | Current | Add | Remove | Proposed |
|--|------|--------------------------|--------------------------|--------------------------|--------------------------|
| ADULT DAY HEALTH CARE | 58 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| ADULT DAY HEALTH CARE - AIDS | 172 | | <input type="checkbox"/> | <input type="checkbox"/> | |
| CLINICAL LABORATORY SERVICES | 18 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| HEALTH FAIRS O/P | 197 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| NURSING HOME HEMODIALYSIS | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| NURSING HOME HEMODIALYSIS – BEDSIDE ONLY | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| PSYCHOLOGY | 85 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| RADIOLOGY - DIAGNOSTIC | 109 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| RESPIRATORY CARE | 91 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| RESPIRE 1 | 178 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| RESPIRE 2 | 179 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| THERAPY–PHYSICAL O/P | 147 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| THERAPY–OCCUPATIONAL O/P | 146 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| THERAPY–SPEECH LANGUAGE PATH O/P | 155 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| TRANSFUSION SERVICES- LIMITED | 233 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| TRANSFUSION SERVICES- LIMITED O/P | 189 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

¹ Services listed below are baseline services included in the establishment of an RHCF and not requested separately:

| | | |
|--------------------------------------|-----------------------------|---------------------------------|
| Audiology | Dental | Health Education |
| Medical Social Services | Medical Suppl Equip & Appl | Optometry |
| Nursing | Nutritional | Pharmaceutical Services |
| Physician Services | Physical Therapy (resident) | Occupational Therapy (resident) |
| Speech Language Pathology (resident) | | |

D. RHCF Space & Construction Distribution -

For Construction Projects Requiring Full or Administrative

On the following table, record the total Gross Square Footage of the facility before and after completion of this project and the gross square footage dedicated to each of four functions, inpatient care, staff and patient areas, administrative and public areas, and service and maintenance areas. The functions are labeled as A through B in the table.

| a | b | c | d | e | f | g |
|----------------------------------|---|----------------|----------------------------|-----------------------------|-----------------|-------------------------|
| Building Gross Square Feet | Existing Space | | | Total Space Upon completion | | |
| | Existin g Beds before project: | Total G.S.F | Total G.S.F. Per Bed | Beds on completion | Total G.S.F. | Total G.S.F. Per Bed |
| A. Inpatient | 105 | 54,740 | 521 | 125 | 60,640 | 485 |
| B. Staff/Patient | 144 | 2664 | 25 | 144 | 3844 | 30 |
| C. Admin/Public | 19 | 1018 | 9 | 19 | 1018 | 8 |
| D. Serv/Maint | 42 | 8152 | 77 | 42 | 9299 | 74 |
| TOTALS | 310 | 66,574 | 214 | 330 | 74,801 | 226 |

The following table (next page) summarizes the uses associated with each functional area.

**New York State Department of Health
Certificate of Need Application**

Schedule 18D

| A. INPATIENT | B. STAFF/PATIENT | C. ADMINISTRATION AND PUBLIC AREAS | D. SERVICE/MAINTENANCE AREAS | |
|---|--|---|--|--|
| <p>1. Nursing Unit</p> <p>Patient</p> <p>MultiBed Rm. (Multi: Single)</p> <p>Toilet</p> <p>Closet</p> <p>Bath/Shower</p> <p>Nurses Station</p> <p>Drug Prep</p> <p>Lounge</p> <p>Toilet</p> <p>Exam & Treatment Rm. (without nursing units)</p> <p>Clean Work/Holding Rm.</p> <p>Soiled Work/Holding Rm.</p> <p>Clean Linen Storage</p> <p>Nourishment Station</p> <p>Equipment Storage Rm.</p> <p>Parking for Stretchers and Wheelchairs</p> <p>2. Patient Dining and Recreation Area</p> <p>Recreation Area</p> <p>Dietary Preparation Area</p> <p>Dining Day Room (SNF)</p> <p>Dining Room (HRF)</p> <p>Lounges</p> <p>Chapel/Meditation</p> <p>Storage Space</p> <p>Toilets</p> | <p>1. Physical Therapy Facilities</p> <p>Treatment Areas</p> <p>Thermotherapy</p> <p>Diathermy</p> <p>Ultrasonics</p> <p>Hydrotherapy</p> <p>Exercise Area</p> <p>Patient Dressing Areas</p> <p>Showers</p> <p>Lockers</p> <p>Toilet Rooms</p> <p>Office Space</p> <p>Storage</p> <p>Wheelchair and Stretcher Storage</p> <p>2. Occupational Therapy Facilities</p> <p>Activities Area</p> <p>Storage</p> <p>Toilet Rooms</p> <p>3. Personal Care Unit</p> <p>4. Dental</p> <p>5. Pharmacy</p> <p>6. Speech/Audiology</p> <p>7. Medical Services</p> <p>8. Podiatry</p> <p>9. Laboratory</p> | <p>1. Entry</p> <p>2. Lobby</p> <p>Reception</p> <p>Coffee Shop</p> <p>Gift Shop</p> <p>Waiting</p> <p>Storage for Wheelchairs</p> <p>Toilets</p> <p>3. Interview</p> <p>Social Services</p> <p>Credit</p> <p>Admissions</p> <p>4. General or Individual Offices</p> <p>Business Transactions</p> <p>Medical Records</p> <p>Financial Records</p> <p>Administrative Staff</p> <p>Professional Staff</p> <p>5. Multipurpose Room</p> <p>(Not Patient Use Areas)</p> <p>Conferences</p> <p>Meeting and Rooms</p> <p>Health Education</p> <p>6. Storage</p> <p>Office Equipment</p> <p>Supplies</p> <p>7. Counseling</p> <p>Social Services</p> <p>3. Central Stores</p> | <p>1. Dietary (Kitchen Area)</p> <p>Control</p> <p>Station/Receiving</p> <p>Storage</p> <p>Refrigerated</p> <p>Dry Food Preparation</p> <p>Patient Meal Service</p> <p>Dishwashing</p> <p>Potwashing</p> <p>Sanitizing Facilities</p> <p>Storage Cans</p> <p>Carts</p> <p>Mobile Tray</p> <p>Waste Storage Facilities</p> <p>Office (Dietitian or Dietary Manager)</p> <p>Staff Toilets</p> <p>Janitors Closet</p> <p>2. Linen Services (Onsite Processing)</p> <p>Laundry Processing Room</p> <p>Soiled Linen Receiving</p> <p>Holding</p> <p>Sorting</p> <p>Storage for Laundry</p> <p>Supplies</p> <p>Clean Linen Inspection</p> <p>Mending</p> <p>Clean Linen Storage</p> <p>Issue</p> <p>Holding</p> <p>Janitors Chest</p> <p>Storage, Housekeeping</p> | <p>Equipment and Supplies</p> <p>Sanitizing Facilities and Storage for Carts</p> <p>3. Central stores</p> <p>4. Employees Facilities</p> <p>Locker Rooms</p> <p>Lounges</p> <p>Toilets</p> <p>Showers</p> <p>5. Janitors Closets and Housekeeping</p> <p>Storage Housekeeping</p> <p>Equipment and Supplies</p> <p>6. Engineering Service and Equipment Areas</p> <p>Equipment Room</p> <p>Boiler Room</p> <p>Mechanical Equipment Room(s)</p> <p>Electrical Equipment Room</p> <p>Engineers Quarters</p> <p>Office</p> <p>Maintenance Shop(s)</p> <p>Storage Room for Maintenance Supplies</p> <p>Yard Equipment Storage</p> <p>Yard Maintenance Equipment</p> <p>Yard Maintenance Supplies</p> <p>7. Waste Disposal Storage</p> <p>Storage and Disposal</p> <p>Incinerator</p> |

Schedule 18 Part E is an Excel spreadsheet available from the DOH website.

| HISTORICAL | | | | | | | | | | |
|------------------------------|-----|------------------|-----------|-------------------|-----------|------------------|-----------------|---------------------|-----------|------------|
| Non-Revenue Support Services | | SALARIES & WAGES | PYH REMUN | EMPLOYEE BENEFITS | FEES | SUPP & MATERIALS | PURCH CONT SERV | DEPREDEASES RENTALS | OTHER | TOTAL |
| | | 0034 | 0035 | 0036 | 0037 | 0038 | 0039 | 0040 | 0041 | 0044 |
| Nonrevenue Support Services: | | | | | | | | | | |
| dep lea & rentals | 001 | | | | | | | 3,605,243 | | 3,605,243 |
| dep mme | 002 | | | | | | | 70,886 | | 70,886 |
| int cap debt | 003 | | | | | | | | - | - |
| FISCAL | 004 | 73,077 | - | 5,739 | 391,316 | - | 3,753 | 19,844 | 452 | 494,181 |
| ADMIN | 005 | 521,799 | - | 54,857 | 444,577 | 53,612 | 22,311 | 30,036 | 381,391 | 1,508,583 |
| PLANT | 006 | 450,450 | - | 148,349 | 21,639 | 29,012 | 359,499 | 365,024 | 1,682,875 | 3,056,848 |
| GROUNDS | 007 | - | - | - | - | - | - | - | - | - |
| SECURITY | 008 | - | - | - | - | - | - | - | - | - |
| LAUNDRY | 009 | 557,328 | - | 264,323 | 681 | 111,659 | 132,958 | - | 12,109 | 1,079,058 |
| HSKP | 010 | - | - | - | 39,646 | 9,010 | 120,086 | - | 665 | 169,407 |
| DIETARY | 011 | 902,135 | - | 322,790 | 5,349 | 463,659 | 17,232 | 1,866 | 4,429 | 1,717,460 |
| CAFETERIA | 012 | - | - | - | - | - | - | - | - | - |
| NURSING ADMIN | 013 | 323,102 | - | 59,834 | 91,280 | 4,289 | 31,834 | 1,181 | 5,747 | 517,267 |
| ACTIVITIES | 014 | 133,249 | - | 15,518 | - | 7,106 | 27,298 | 6,375 | 1,533 | 191,079 |
| NON PHY EDUCATION | 015 | - | - | - | - | - | - | - | - | - |
| MED EDU | 016 | - | - | - | - | - | - | - | - | - |
| MED DIR OFFICE | 017 | - | - | - | 120,214 | - | - | - | - | 120,214 |
| HOUSING | 018 | - | - | - | - | - | - | - | - | - |
| MED RECORDS | 019 | 49,346 | - | 4,185 | - | - | - | 3,595 | 163 | 57,289 |
| UTILIZATION REVIEW | 020 | 367,042 | - | 35,014 | 14,981 | - | 1,400 | 1,950 | 107 | 420,494 |
| SOCIAL SERVICES | 021 | 555,227 | - | 50,922 | 89,416 | - | 23,785 | 2,316 | 162,003 | 883,669 |
| TRANSPORTATION | 022 | - | - | - | - | - | 1,333 | - | - | 1,333 |
| TOTAL (Lines 001 thru 022) | 030 | 3,932,755 | - | 961,531 | 1,219,099 | 678,347 | 741,489 | 4,108,316 | 2,251,474 | 13,893,011 |

HISTORICAL

| HISTORICAL | | | | | | | | | | |
|----------------------|-----|-----------|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Ancillary Services | | | | | | | | | | |
| LAB | 031 | - | - | - | - | - | 215,901 | - | - | 215,901 |
| ELECTROCARDIOLOGY | 032 | - | - | - | - | - | 424 | - | - | 424 |
| ELECTROENCEPHALOGY | 033 | - | - | - | - | - | - | - | - | - |
| RADIOLOGY | 034 | - | - | - | - | - | 67,721 | - | - | 67,721 |
| INHALATION THER | 035 | - | - | - | 18,462 | 36,443 | - | 2,911 | - | 57,816 |
| PODIATRY | 036 | - | - | - | 27,500 | - | - | - | - | 27,500 |
| DENTAL | 037 | - | - | - | 14,652 | - | - | - | - | 14,652 |
| PSYC | 038 | - | - | - | 4,583 | - | - | - | - | 4,583 |
| PT | 039 | 51,208 | - | 6,771 | 1,321,323 | 12,485 | - | 3,595 | 1,804 | 1,397,186 |
| OT | 040 | - | - | - | 1,228,054 | - | - | - | - | 1,228,054 |
| SPEECH | 041 | - | - | - | 160,432 | - | - | - | - | 160,432 |
| PHARM | 042 | - | - | - | 37,384 | 1,214,243 | - | - | - | 1,251,627 |
| CENTRAL SUPPLY | 043 | 32,868 | - | 1,344 | 2,661 | 213,531 | 15,350 | 40,712 | 16,599 | 323,065 |
| MED STAFF | 044 | - | - | - | - | - | - | - | - | - |
| OTHER | 045 | - | - | - | - | - | - | - | - | - |
| TOTAL | 050 | 84,076 | - | 8,115 | 2,815,051 | 1,476,702 | 299,396 | 47,218 | 18,403 | 4,748,961 |
| Program Services | | | | | | | | | | |
| RES. HEALTH CARE FAC | 051 | 5,510,573 | - | 2,026,206 | 1,103,014 | 7,811 | 100 | 31,438 | 3,264 | 8,682,406 |
| ADULT CARE FAC | 053 | - | - | - | - | - | - | - | - | - |
| MENTAL RETARDATION | 054 | - | - | - | - | - | - | - | - | - |
| INDEPENDENT LIVING | 055 | - | - | - | - | - | - | - | - | - |
| OUTPATIENT CLINICS | 057 | - | - | - | - | - | - | - | - | - |
| ADULT DAY CARE | 058 | - | - | - | - | - | - | - | - | - |
| OTHER | 069 | | | | | | | | | - |
| TOTAL | 090 | 5,510,573 | - | 2,026,206 | 1,103,014 | 7,811 | 100 | 31,438 | 3,264 | 8,682,406 |
| GRAND TOTAL | 099 | 9,527,404 | - | 2,995,852 | 5,137,164 | 2,162,860 | 1,040,985 | 4,186,972 | 2,273,141 | 27,324,378 |

PROFORMA CONSOLIDATED

| Non-Revenue Support Services | | SALARIES & WAGES | PYH REMUN | EMPLOYEE BENEFITS | FEES | SUPP & MATERIALS | PURCH CONT SERV | DEPREDE LEASES RENTALS | OTHER | TOTAL |
|------------------------------|-----|---------------------|--------------|----------------------|-----------|---------------------|-----------------------|------------------------------|-----------|------------|
| | | 0034 | 0035 | 0036 | 0037 | 0038 | 0039 | 0040 | 0041 | 0044 |
| Nonrevenue Support Services: | | | | | | | | | | |
| dep lea & rentals | 001 | | | | | | | 4,398,482 | | 4,398,482 |
| dep mme | 002 | | | | | | | 540,362 | | 540,362 |
| int cap debt | 003 | | | | | | | | - | - |
| FISCAL | 04 | 74,539 | - | 5,854 | 399,143 | - | 3,828 | 20,241 | 460 | 504,065 |
| ADMIN | 05 | 538,541 | - | 56,617 | 458,841 | 55,332 | 23,027 | 31,000 | 393,628 | 1,556,986 |
| PLANT | 06 | 546,975 | - | 180,138 | 26,276 | 35,229 | 436,535 | 443,243 | 2,043,491 | 3,711,887 |
| GROUNDS | 07 | - | - | - | - | - | - | - | - | - |
| SECURITY | 08 | - | - | - | - | - | - | - | - | - |
| LAUNDRY | 09 | 107,289 | - | 50,884 | 131 | 21,495 | 25,595 | - | 2,331 | 207,725 |
| HSKP | 010 | - | - | - | 309,650 | 70,371 | 937,916 | - | 5,194 | 1,323,131 |
| DIETARY | 011 | 1,106,189 | - | 395,802 | 6,559 | 568,534 | 21,130 | 2,288 | 5,431 | 2,105,933 |
| CAFETERIA | 012 | - | - | - | - | - | - | - | - | - |
| NURSING ADMIN | 013 | 329,564 | - | 61,031 | 93,106 | 4,375 | 32,471 | 1,205 | 5,860 | 527,612 |
| ACTIVITIES | 014 | 163,388 | - | 19,028 | - | 8,713 | 33,473 | 7,817 | 1,880 | 234,299 |
| NON PHY EDUCATION | 015 | - | - | - | - | - | - | - | - | - |
| MED EDU | 016 | - | - | - | - | - | - | - | - | - |
| MED DIR OFFICE | 017 | - | - | - | 122,618 | - | - | - | - | 122,618 |
| HOUSING | 018 | - | - | - | - | - | - | - | - | - |
| MED RECORDS | 019 | 50,333 | - | 4,269 | - | - | - | 3,667 | 166 | 58,435 |
| UTILIZATION REVIEW | 020 | 374,383 | - | 35,714 | 15,281 | - | 1,428 | 1,989 | 109 | 428,904 |
| SOCIAL SERVICES | 021 | 566,331 | - | 51,940 | 91,204 | - | 24,261 | 2,362 | 165,244 | 901,342 |
| TRANSPORTATION | 022 | - | - | - | - | - | 1,360 | - | - | 1,360 |
| TOTAL (Lines 001 thru 022) | 030 | 3,857,532 | - | 861,277 | 1,522,809 | 764,049 | 1,541,024 | 5,452,656 | 2,623,794 | 16,623,141 |

PROFORMA CONSOLIDATED

| | | | | | | | | | | |
|------------------------|-----|------------|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Ancillary Services | | | | | | | | | | |
| LAB | 031 | - | - | - | - | - | 264,736 | - | - | 264,736 |
| ELECTROCARDIOLOGY | 032 | - | - | - | - | - | 520 | - | - | 520 |
| ELECTROENCEPHALOGRAPHY | 033 | - | - | - | - | - | - | - | - | - |
| RADIOLOGY | 034 | - | - | - | - | - | 83,039 | - | - | 83,039 |
| INHALATION THER | 035 | - | - | - | 22,638 | 44,686 | - | 3,569 | - | 70,893 |
| PODIATRY | 036 | - | - | - | 33,720 | - | - | - | - | 33,720 |
| DENTAL | 037 | - | - | - | 17,966 | - | - | - | - | 17,966 |
| PSYC | 038 | - | - | - | 5,620 | - | - | - | - | 5,620 |
| PT | 039 | 62,791 | - | 8,303 | 1,620,194 | 15,309 | - | 4,408 | 2,211 | 1,713,216 |
| OT | 040 | - | - | - | 1,505,828 | - | - | - | - | 1,505,828 |
| SPEECH | 041 | - | - | - | 196,720 | - | - | - | - | 196,720 |
| PHARM | 042 | - | - | - | 45,840 | 1,488,893 | - | - | - | 1,534,733 |
| CENTRAL SUPPLY | 043 | 40,303 | - | 1,648 | 3,263 | 261,830 | 18,822 | 49,921 | 20,353 | 396,140 |
| MED STAFF | 044 | - | - | - | - | - | - | - | - | - |
| OTHER | 045 | - | - | - | - | - | - | - | - | - |
| TOTAL | 050 | 103,094 | - | 9,951 | 3,451,789 | 1,810,718 | 367,117 | 57,898 | 22,564 | 5,823,131 |
| Program Services | | | | | | | | | | |
| RES. HEALTH CARE FAC | 051 | 6,757,012 | - | 2,484,514 | 1,352,505 | 9,578 | 123 | 38,549 | 4,002 | 10,646,283 |
| ADULT CARE FAC | 053 | | | | | | | | | - |
| MENTAL RETARDATION | 054 | | | | | | | | | - |
| INDEPENDENT LIVING | 055 | | | | | | | | | - |
| OUTPATIENT CLINICS | 057 | | | | | | | | | - |
| ADULT DAY CARE | 058 | | | | | | | | | - |
| OTHER | 069 | | | | | | | | | - |
| TOTAL | 090 | 6,757,012 | - | 2,484,514 | 1,352,505 | 9,578 | 123 | 38,549 | 4,002 | 10,646,283 |
| GRAND TOTAL | 099 | 10,717,638 | - | 3,355,742 | 6,327,103 | 2,584,345 | 1,908,264 | 5,549,103 | 2,650,360 | 33,092,555 |

PROFORMA EXPANSION ONLY

| Non-Revenue Support Services | | SALARIES & WAGES | PYH REMUN | EMPLOYEE BENEFITS | FEES | SUPP & MATERIALS | PURCH CONT SERV | DEPREDE LEASES RENTALS | OTHER | TOTAL |
|-------------------------------------|------------|---------------------|--------------|----------------------|---------------|---------------------|-----------------------|------------------------------|----------------|------------------|
| | | 0034 | 0035 | 0036 | 0037 | 0038 | 0039 | 0040 | 0041 | 0044 |
| Nonrevenue Support Services: | | | | | | | | | | |
| dep lea & rentals | 001 | | | | | | | 1,200,000 | | 1,200,000 |
| dep mme | 002 | | | | | | | - | | - |
| int cap debt | 003 | | | | | | | | - | - |
| FISCAL | 04 | - | - | - | - | - | - | - | - | - |
| ADMIN | 05 | | | | | | | | 21,684 | 21,684 |
| PLANT | 06 | 87,516 | - | 28,822 | 4,204 | 5,637 | 69,846 | 70,919 | 326,958 | 593,902 |
| GROUNDS | 07 | - | - | - | - | - | - | - | - | - |
| SECURITY | 08 | - | - | - | - | - | - | - | - | - |
| LAUNDRY | 09 | 17,166 | - | 8,141 | 21 | 3,439 | 4,095 | - | 374 | 33,236 |
| HSKP | 010 | - | - | - | 49,544 | 11,259 | 150,067 | - | 831 | 211,701 |
| DIETARY | 011 | 176,990 | - | 63,328 | 1,049 | 90,965 | 3,381 | 366 | 870 | 336,949 |
| CAFETERIA | 012 | - | - | - | - | - | - | - | - | - |
| NURSING ADMIN | 013 | - | - | - | - | - | - | - | - | - |
| ACTIVITIES | 014 | 26,142 | - | 3,044 | - | 1,394 | 5,356 | 1,251 | 301 | 37,488 |
| NON PHY EDUCATION | 015 | - | - | - | - | - | - | - | - | - |
| MED EDU | 016 | - | - | - | - | - | - | - | - | - |
| MED DIR OFFICE | 017 | - | - | - | - | - | - | - | - | - |
| HOUSING | 018 | - | - | - | - | - | - | - | - | - |
| MED RECORDS | 019 | - | - | - | - | - | - | - | - | - |
| UTILIZATION REVIEW | 020 | - | - | - | - | - | - | - | - | - |
| SOCIAL SERVICES | 021 | - | - | - | - | - | - | - | - | - |
| TRANSPORTATION | 022 | - | - | - | - | - | - | - | - | - |
| TOTAL (Lines 001 thru 022) | 030 | 307,814 | - | 103,335 | 54,818 | 112,694 | 232,745 | 1,272,536 | 351,018 | 2,434,960 |

PROFORMA EXPANSION ONLY

| | | | | | | | | | | |
|----------------------|-----|-----------|---|---------|---------|---------|---------|-----------|---------|-----------|
| Ancillary Services | | | | | | | | | | |
| LAB | 031 | - | - | - | - | - | 42,358 | - | - | 42,358 |
| ELECTROCARDIOLOGY | 032 | - | - | - | - | - | 83 | - | - | 83 |
| ELECTROENCEPHALOGY | 033 | - | - | - | - | - | - | - | - | - |
| RADIOLOGY | 034 | - | - | - | - | - | 13,286 | - | - | 13,286 |
| INHALATION THER | 035 | - | - | - | 3,622 | 7,150 | - | 571 | - | 11,343 |
| PODIATRY | 036 | - | - | - | 5,395 | - | - | - | - | 5,395 |
| DENTAL | 037 | - | - | - | 2,875 | - | - | - | - | 2,875 |
| PSYC | 038 | - | - | - | 899 | - | - | - | - | 899 |
| PT | 039 | 10,047 | - | 1,328 | 259,231 | 2,449 | - | 705 | 355 | 274,115 |
| OT | 040 | - | - | - | 240,932 | - | - | - | - | 240,932 |
| SPEECH | 041 | - | - | - | 31,475 | - | - | - | - | 31,475 |
| PHARM | 042 | - | - | - | 7,334 | 238,223 | - | - | - | 245,557 |
| CENTRAL SUPPLY | 043 | 6,448 | - | 264 | 522 | 41,893 | 3,012 | 7,987 | 3,257 | 63,383 |
| MED STAFF | 044 | - | - | - | - | - | - | - | - | - |
| OTHER | 045 | - | - | - | - | - | - | - | - | - |
| TOTAL | 050 | 16,495 | - | 1,592 | 552,285 | 289,715 | 58,739 | 9,263 | 3,612 | 931,701 |
| Program Services | | | | | | | | | | |
| RES. HEALTH CARE FAC | 051 | 1,081,122 | - | 397,522 | 216,401 | 1,532 | 20 | 6,168 | 640 | 1,703,405 |
| ADULT CARE FAC | 053 | | | | | | | | | - |
| MENTAL RETARDATION | 054 | | | | | | | | | - |
| INDEPENDENT LIVING | 055 | | | | | | | | | - |
| OUTPATIENT CLINICS | 057 | | | | | | | | | - |
| ADULT DAY CARE | 058 | | | | | | | | | - |
| OTHER | 069 | | | | | | | | | - |
| TOTAL | 090 | 1,081,122 | - | 397,522 | 216,401 | 1,532 | 20 | 6,168 | 640 | 1,703,405 |
| GRAND TOTAL | 099 | 1,405,431 | - | 502,449 | 823,504 | 403,941 | 291,504 | 1,287,967 | 355,270 | 5,070,066 |

F. RHCF Analysis of Net Patient Revenue:

This section must be completed for

- all RHCF establishment applications
- all establishment and construction RHCF applications which will increase current year total costs by more than 10%.

If neither condition applies, Schedule 13d – Annual Operating Revenue will be sufficient, and the detailed monthly cash flow analysis will not be required.

This schedule consists of two parts:

I. Analysis of Net Patient Revenue. Provide a breakdown of utilization by payor source indicated; provide supporting calculations for the rates assumed for each payor. A separate schedule should be provided for each discrete program. The breakdown must be provided for the current year, as well as the first and third year of the project.

II. Cash Flow Analysis. Provide as an attachment to this schedule a cash flow analysis for the first full year of operation after the changes proposed by the application, which identifies the amount of working capital, if any, needed to implement the project. Please complete Schedule 5, Working Capital Schedule, in conjunction with the cash flow analysis.

| | Attachment Title | Attachment Filename |
|-------------------------------|------------------|---------------------|
| Cash Flow Analysis Attachment | | |

**New York State Department of Health
Certificate of Need Application**

Schedule 18F

| A | B | C | D | E |
|------------------------------------|--------------------------|-------------------------------|-------------------------------|-----------------------------------|
| I. Analysis of Net Patient Revenue | Skilled Nursing Facility | Long Term Home Health Program | Adult Day Health Care Program | All Other Program Revenue Centers |
| Current Year | | | | |
| Medicaid Revenue | 372,990 | | - | |
| Medicare Revenue | | | | |
| A. Part A- All Income | 29,125,174 | | | |
| B. Part B- Income | 90,972 | | | |
| Commercial Insurance | 1,077,696 | | - | |
| Private Pay | 315,000 | | - | |
| Other Revenue | 553,636 | | | |
| Vent Revenue | - | | | |
| Other Patient Revenue | | | | |
| Total Revenue | 31,535,468 | - | - | - |
| First Year | | | | |
| Medicaid Revenue | 298,618 | | - | |
| Medicare Revenue | | | | |
| A. Part A- All Income | 33,488,516 | | | |
| B. Part B- Income | 102,514 | | | |
| Commercial Insurance | 1,309,277 | | - | |
| Private Pay | 381,990 | | - | |
| Vent Revenue | - | | | |
| Other Revenue | 52,695 | | | |
| Other Patient Revenue | | | | |
| Total Revenue | 35,633,610 | - | - | - |
| Third Year | | | | |
| Medicaid Revenue | 298,618 | | - | |
| Medicare Revenue | | | | |
| A. Part A- All Income | 34,493,016 | | | |
| B. Part B- Income | 105,589 | | | |
| Commercial Insurance | 1,348,567 | | - | |
| Private Pay | 393,450 | | - | |
| Vent Revenue | - | | | |
| Other Revenue | 52,695 | | | |
| Other Patient Revenue | | | | |
| Total Revenue | 36,691,935 | - | - | - |

Determination of Applicable Thresholds

| | Year 1 | Year 3 |
|---------------------------|---------------|---------------|
| Total Revenue per Sch 18F | 35,633,610 | 36,691,935 |
| Less: Capital | 45,856 | 45,856 |
| Less: Assessment | 119,393 | 119,393 |
| Revenue for "70/40/5" | 35,468,361 | 36,526,686 |
| 70% Threshold | 24,827,853 | 25,568,680 |
| 40% Threshold | 14,187,344 | 14,610,674 |
| 5% Threshold | 1,781,681 | 1,837,097 |

70% Direct Resident Care Calculation

| | Year 1 | Year 3 |
|----------------------------|---------------|---------------|
| Total Expenses per Sch 18E | 33,092,555 | 33,937,166 |
| Less: | | |
| Line 01- Dep/Leases/Rent | 4,797,688 | 4,797,688 |
| Line 02- Dep MME | 141,157 | 141,157 |
| Line 03- Interest | | |
| Line 04- Fiscal Services | 504,065 | 257,100 |
| Line 05- Admin Services* | 1,556,986 | 1,263,500 |
| Less: Assessment in Line 5 | (135,312) | (135,312) |
| 70% Eligible Expenses | 26,227,971 | 27,613,033 |
| Pass/Fail | Pass | Pass |

* Revenue and Line 05 Admin Services excludes Assessment per applicable PHL

40% Resident Facing Staff Calculation

| | Year 1 | Year 3 |
|----------------------------|---------------|---------------|
| Revenue Services Salaries | 6,757,012 | 6,959,722 |
| Revenue Services Benefits | 2,484,514 | 2,559,049 |
| Revenue Services Fees | 1,352,505 | 1,393,080 |
| Revenue Services P/CS | 123 | 127 |
| Less: 15% Per PHL | (202,894) | (208,981) |
| Ancillary Service Salaries | 103,094 | 106,187 |
| Ancillary Service Benefits | 9,954 | 10,253 |
| Ancillary Service Fees | 3,451,789 | 3,555,343 |
| Ancillary Service C/S | 367,117 | 378,131 |
| 40% Eligible Expenses | 14,323,214 | 14,752,911 |
| Pass/Fail | Pass | Pass |

D. RHCF Space & Construction Distribution -

For Construction Projects Requiring Full or Administrative

On the following table, record the total Gross Square Footage of the facility before and after completion of this project and the gross square footage dedicated to each of four functions, inpatient care, staff and patient areas, administrative and public areas, and service and maintenance areas. The functions are labeled as A through B in the table.

| a | b | c | d | e | f | g |
|----------------------------------|---|----------------|----------------------------|-----------------------------|-----------------|-------------------------|
| Building Gross Square Feet | Existing Space | | | Total Space Upon completion | | |
| | Existin g Beds before project: | Total G.S.F | Total G.S.F. Per Bed | Beds on completion | Total G.S.F. | Total G.S.F. Per Bed |
| A. Inpatient | 105 | 54,740 | 521 | 125 | 60,640 | 485 |
| B. Staff/Patient | 144 | 2664 | 25 | 144 | 3844 | 30 |
| C. Admin/Public | 19 | 1018 | 9 | 19 | 1018 | 8 |
| D. Serv/Maint | 42 | 8152 | 77 | 42 | 9299 | 74 |
| TOTALS | 310 | 66,574 | 214 | 330 | 74,801 | 226 |

The following table (next page) summarizes the uses associated with each functional area.