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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended **September 30, 2026**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: **001-41951**

AMERICAN HEALTHCARE REIT, INC.
(Exact name of registrant as specified in its charter)

Maryland	**47-2887436**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
18191 Von Karman Avenue, Suite 300 Irvine, California	**92612**
(Address of principal executive offices)	(Zip Code)

(949) 270-9200

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	AHR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of November 2, 2026, American Healthcare REIT, Inc. had 232,068,432 shares of Common Stock outstanding.

AMERICAN HEALTHCARE REIT, INC.
(A Maryland Corporation)

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
As of September 30, 2026 and December 31, 2025
(In thousands, except share and per share amounts) (Unaudited)

	September 30, 2026	December 31, 2025
ASSETS		
Real estate investments, net	$ 5,949,084	$ 4,183,419
Debt investments, net	240,808	92,136
Cash and cash equivalents	222,767	114,836
Restricted cash	35,905	36,917
Accounts and other receivables, net	228,503	204,313
Identified intangible assets, net	370,206	253,236
Goodwill	234,942	234,942
Operating lease right-of-use assets, net	149,524	135,399
Other assets, net	177,618	171,028
Total assets	$ 7,609,357	$ 5,426,226
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Liabilities:		
Mortgage loans payable, net(1)	$ 814,957	$ 966,925
Lines of credit and term loan, net(1)	549,927	549,761
Accounts payable and accrued liabilities(1)	372,123	317,742
Identified intangible liabilities, net	1,717	2,110
Financing obligations(1)	19,208	33,902
Operating lease liabilities(1)	135,430	135,603
Security deposits, prepaid rent and other liabilities(1)	66,538	59,568
Total liabilities	1,959,900	2,065,611
Commitments and contingencies (Note 10)		
Redeemable noncontrolling interests (Note 11)	66,810	—
Equity:		
Stockholders' equity:		
Preferred stock, $0.01 par value per share; 200,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.01 par value per share; 1,000,000,000 shares authorized; 231,479,253 and 185,911,442 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	2,311	1,852
Additional paid-in capital	7,164,243	4,880,169
Accumulated deficit	(1,628,682)	(1,559,279)
Accumulated other comprehensive loss	(2,205)	(2,104)
Total stockholders' equity	5,535,667	3,320,638
Noncontrolling interests	46,980	39,977
Total equity	5,582,647	3,360,615
Total liabilities, redeemable noncontrolling interests and equity	$ 7,609,357	$ 5,426,226

(1) Such liabilities of American Healthcare REIT, Inc. represented liabilities of American Healthcare REIT Holdings, LP or its consolidated subsidiaries as of September 30, 2026 and December 31, 2025. American Healthcare REIT Holdings, LP is a variable interest entity, or VIE, and a consolidated subsidiary of American Healthcare REIT, Inc. The creditors of American Healthcare REIT Holdings, LP or its consolidated subsidiaries do not have recourse against American Healthcare REIT, Inc., except for the 2026 Credit Facility, as defined in Note 8, Lines of Credit and Term Loan, held by American Healthcare REIT Holdings, LP in the amount of $550,000 as of September 30, 2026 and the 2024 Credit Facility, as defined in Note 8, Lines of Credit and Term Loan, held by American Healthcare REIT Holdings, LP in the amount of $550,000 as of December 31, 2025, which were guaranteed by American Healthcare REIT, Inc.

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the Three and Nine Months Ended September 30, 2026 and 2025

(In thousands, except share and per share amounts) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues:				
Resident fees and services	$ 701,093	$ 532,058	$ 1,945,379	$ 1,530,519
Real estate revenue	41,056	40,879	121,794	125,524
Total revenues	742,149	572,937	2,067,173	1,656,043
Expenses:				
Property operating expenses	564,735	454,530	1,601,744	1,313,238
Rental expenses	12,619	12,592	37,892	39,225
General and administrative	21,582	14,108	59,078	42,206
Transaction, transition and restructuring costs	5,113	50	9,870	1,808
Depreciation and amortization	90,869	49,181	230,056	132,236
Total expenses	694,918	530,461	1,938,640	1,528,713
Other income (expense):				
Interest expense:				
Interest expense, net	(17,773)	(20,392)	(55,195)	(65,969)
(Loss) gain in fair value of derivative financial instruments	(106)	166	1,778	(1,213)
Gain (loss) on dispositions of real estate investments, net	—	691	5,647	(2,344)
Impairment of real estate investments	—	(3,768)	(2,137)	(38,133)
Income (loss) from unconsolidated entities	49	462	1,733	(2,624)
Gain on re-measurement of previously held equity interest	—	14,580	—	14,580
Foreign currency (loss) gain	(619)	(977)	(1,363)	3,181
Other income, net	3,473	2,309	7,722	5,314
Total net other expense	(14,976)	(6,929)	(41,815)	(87,208)
Income before income taxes	32,255	35,547	86,718	40,122
Income tax (expense) benefit	(740)	21,092	(212)	19,756
Net income	31,515	56,639	86,506	59,878
Net income attributable to noncontrolling interests	(302)	(712)	(974)	(847)
Net income attributable to controlling interest	$ 31,213	$ 55,927	$ 85,532	$ 59,031
Net income per common share attributable to controlling interest:				
Basic	$ 0.14	$ 0.33	$ 0.43	$ 0.36
Diluted	$ 0.14	$ 0.33	$ 0.43	$ 0.36
Weighted average number of common shares outstanding:				
Basic	216,783,990	169,010,301	199,046,304	162,188,510
Diluted	217,711,583	169,802,090	199,494,794	162,908,219
Net income	$ 31,515	$ 56,639	$ 86,506	$ 59,878
Other comprehensive income (loss):				
Foreign currency translation adjustments	8	(121)	(101)	398
Total other comprehensive income (loss)	8	(121)	(101)	398
Comprehensive income	31,523	56,518	86,405	60,276
Comprehensive income attributable to noncontrolling interests	(302)	(712)	(974)	(847)
Comprehensive income attributable to controlling interest	$ 31,221	$ 55,806	$ 85,431	$ 59,429

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Three and Nine Months Ended September 30, 2026 and 2025
(In thousands, except share and per share amounts) (Unaudited)

	Three Months Ended September 30, 2026							
	Stockholders' Equity							
	Common Stock							
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
BALANCE — June 30, 2026	194,689,026	$ 1,942	$ 5,296,586	$ (1,601,768)	$ (2,213)	$ 3,694,547	$ 47,344	$ 3,741,891
Issuance of common stock in offerings	36,833,346	368	1,877,987	—	—	1,878,355	—	1,878,355
Offering costs — common stock	—	—	(14,935)	—	—	(14,935)	—	(14,935)
Issuance of common stock related to equity compensation plans	11,492	—	357	—	—	357	—	357
Vested restricted common stock and stock units(1)	(54,611)	1	(4,981)	—	—	(4,980)	—	(4,980)
Amortization related to equity compensation plans	—	—	9,284	—	—	9,284	—	9,284
Distributions to noncontrolling interests	—	—	—	—	—	—	(721)	(721)
Adjustment to value of redeemable noncontrolling interests	—	—	(55)	—	—	(55)	—	(55)
Distributions declared ($0.25 per share)	—	—	—	(58,127)	—	(58,127)	—	(58,127)
Net income	—	—	—	31,213	—	31,213	357	31,570 (2)
Other comprehensive income	—	—	—	—	8	8	—	8
BALANCE — September 30, 2026	231,479,253	$ 2,311	$ 7,164,243	$ (1,628,682)	$ (2,205)	$ 5,535,667	$ 46,980	$ 5,582,647

	Three Months Ended September 30, 2025							
	Stockholders' Equity							
	Common Stock							
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
BALANCE — June 30, 2025	164,578,233	$ 1,638	$ 3,957,653	$ (1,536,301)	$ (1,993)	$ 2,420,997	$ 41,647	$ 2,462,644
Issuance of common stock in offerings	6,442,750	64	243,212	—	—	243,276	—	243,276
Offering costs — common stock	—	—	(2,608)	—	—	(2,608)	—	(2,608)
Issuance of common stock related to equity compensation plans	10,079	—	238	—	—	238	—	238
Amortization related to equity compensation plans	—	—	3,429	—	—	3,429	—	3,429
Distributions to noncontrolling interests	—	—	—	—	—	—	(606)	(606)
Distributions declared ($0.25 per share)	—	—	—	(42,961)	—	(42,961)	—	(42,961)
Net income	—	—	—	55,927	—	55,927	712	56,639 (2)
Other comprehensive loss	—	—	—	—	(121)	(121)	—	(121)
BALANCE — September 30, 2025	171,031,062	$ 1,702	$ 4,201,924	$ (1,523,335)	$ (2,114)	$ 2,678,177	$ 41,753	$ 2,719,930

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY — (Continued)
For the Three and Nine Months Ended September 30, 2026 and 2025
(In thousands, except share and per share amounts) (Unaudited)

	Nine Months Ended September 30, 2026							
	Stockholders' Equity							
	Common Stock							
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
BALANCE — December 31, 2025	185,911,442	$ 1,852	$ 4,880,169	$ (1,559,279)	$ (2,104)	$ 3,320,638	$ 39,977	$ 3,360,615
Issuance of common stock in offerings	45,512,633	455	2,298,667	—	—	2,299,122	—	2,299,122
Offering costs — common stock	—	—	(18,935)	—	—	(18,935)	—	(18,935)
Issuance of common stock related to equity compensation plans	34,046	—	492	—	—	492	—	492
Vested restricted common stock and stock units(1)	21,132	4	(16,004)	—	—	(16,000)	—	(16,000)
Amortization related to equity compensation plans	—	—	19,909	—	—	19,909	—	19,909
Contribution from noncontrolling interest	—	—	—	—	—	—	7,962	7,962
Distributions to noncontrolling interests	—	—	—	—	—	—	(1,988)	(1,988)
Adjustment to value of redeemable noncontrolling interests	—	—	(55)	—	—	(55)	—	(55)
Distributions declared ($0.75 per share)	—	—	—	(154,935)	—	(154,935)	—	(154,935)
Net income	—	—	—	85,532	—	85,532	1,029	86,561 (2)
Other comprehensive loss	—	—	—	—	(101)	(101)	—	(101)
BALANCE — September 30, 2026	231,479,253	$ 2,311	$ 7,164,243	$ (1,628,682)	$ (2,205)	$ 5,535,667	$ 46,980	$ 5,582,647

	Nine Months Ended September 30, 2025							
	Stockholders' Equity							
	Common Stock							
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
BALANCE — December 31, 2024	157,446,697	$ 1,564	$ 3,720,268	$ (1,458,089)	$ (2,512)	$ 2,261,231	$ 42,711	$ 2,303,942
Issuance of common stock in offerings	13,471,440	134	479,442	—	—	479,576	—	479,576
Offering costs — common stock	—	—	(4,993)	—	—	(4,993)	—	(4,993)
Issuance of common stock related to equity compensation plans	34,415	—	238	—	—	238	—	238
Vested restricted common stock and stock units(1)	78,510	4	(2,406)	—	—	(2,402)	—	(2,402)
Amortization related to equity compensation plans	—	—	9,170	—	—	9,170	—	9,170
Distributions to noncontrolling interests	—	—	—	—	—	—	(1,820)	(1,820)
Adjustment to value of redeemable noncontrolling interests	—	—	205	—	—	205	—	205
Distributions declared ($0.75 per share)	—	—	—	(124,277)	—	(124,277)	—	(124,277)
Net income	—	—	—	59,031	—	59,031	862	59,893 (2)
Other comprehensive income	—	—	—	—	398	398	—	398
BALANCE — September 30, 2025	171,031,062	$ 1,702	$ 4,201,924	$ (1,523,335)	$ (2,114)	$ 2,678,177	$ 41,753	$ 2,719,930

(1) The amounts are shown net of common stock withheld to satisfy employee minimum tax withholding requirements in connection with the vesting of restricted common stock and stock units, net of forfeitures. See Note 12, Equity — Equity Compensation Plans, for further discussion.

(2) For the three months ended September 30, 2026 and 2025, amounts exclude $(55) and $0, respectively, of net loss attributable to redeemable noncontrolling interests. For the nine months ended September 30, 2026 and 2025, amounts exclude $(55) and $(15), respectively, of net loss attributable to redeemable noncontrolling interests. See Note 11, Redeemable Noncontrolling Interests, for further discussion.

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2026 and 2025
(In thousands) (Unaudited)

	Nine Months Ended September 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 86,506	$ 59,878
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	230,056	132,236
Other amortization	27,821	28,753
Deferred rent	(1,580)	(2,286)
Stock-based compensation	19,909	9,170
(Gain) loss on dispositions of real estate investments, net	(5,647)	2,344
Impairment of real estate investments	2,137	38,133
(Income) loss from unconsolidated entities	(1,733)	2,624
Distributions of earnings from unconsolidated entities	3	—
Deferred income tax benefit	(1,241)	(21,401)
Gain on re-measurement of previously held equity interest	—	(14,580)
Foreign currency loss (gain)	1,324	(3,194)
Loss on extinguishments of debt	147	1,784
Change in fair value of derivative financial instruments	(1,778)	1,213
Changes in operating assets and liabilities:		
Accounts and other receivables	(24,810)	4,160
Other assets	5,178	(5,893)
Accounts payable and accrued liabilities	46,748	27,579
Operating lease liabilities	(21,347)	(22,793)
Security deposits, prepaid rent and other liabilities	4,886	1,549
Net cash provided by operating activities	366,579	239,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of real estate investments	(1,927,510)	(340,401)
Developments and capital expenditures	(151,368)	(80,429)
Proceeds from dispositions of real estate investments	7,308	46,582
Investments in unconsolidated entities	(68)	(443)
Originations of notes receivable	(146,343)	(5,855)
Principal repayments on notes receivable	—	9,625
Deferred origination costs on notes receivable	(3,224)	—
Real estate and other deposits	(8,712)	(2,398)
Proceeds from insurance recoveries	4,034	—
Net cash used in investing activities	(2,225,883)	(373,319)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under mortgage loans payable	—	30,000
Payments on mortgage loans payable	(154,798)	(43,712)
Borrowings under the lines of credit and term loan	140,000	215,000
Payments on the lines of credit and term loan	(140,000)	(354,032)
Payments on financing and other obligations	(917)	(1,398)
Deferred financing costs	(5,485)	(259)
Debt extinguishment costs	—	(104)
Proceeds from issuance of common stock in offerings	2,299,122	479,576
Proceeds from issuance of common stock pursuant to employee stock purchase plan	492	238
Payment of offering costs	(18,449)	(4,737)
Distributions paid	(143,214)	(120,666)
Payments to taxing authorities in connection with common stock directly withheld from employees	(16,000)	(2,402)

AMERICAN HEALTHCARE REIT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)
For the Nine Months Ended September 30, 2026 and 2025
(In thousands) (Unaudited)

	Nine Months Ended September 30,	
	2026	2025
Contribution from noncontrolling interest	$ 7,962	$ —
Distributions to noncontrolling interests	(1,985)	(1,816)
Security deposits, net	(465)	(649)
Net cash provided by financing activities	1,966,263	195,039
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	106,959	60,996
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(40)	66
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — Beginning of period	151,753	123,301
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — End of period	$ 258,672	$ 184,363
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of period:		
Cash and cash equivalents	$ 114,836	$ 76,702
Restricted cash	36,917	46,599
Cash, cash equivalents and restricted cash	$ 151,753	$ 123,301
End of period:		
Cash and cash equivalents	$ 222,767	$ 147,364
Restricted cash	35,905	36,999
Cash, cash equivalents and restricted cash	$ 258,672	$ 184,363
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ 53,410	$ 61,150
Income taxes	$ 955	$ 1,112
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued developments and capital expenditures	$ 28,464	$ 27,347
Distributions declared but not paid	$ 59,553	$ 43,986
Settlement of notes receivable upon acquisition of unconsolidated entity	$ —	$ 18,000
Tenant improvement overage	$ 2,050	$ 164
Accrued offering costs	$ —	$ 262
Redeemable noncontrolling interests	$ 66,810	$ —
The following represents the net increase (decrease) in certain assets and liabilities in connection with our acquisitions and dispositions of investments:		
Accounts and other receivables	$ (602)	$ 3,289
Other assets, net	$ (367)	$ (10,958)
Accounts payable and accrued liabilities	$ —	$ 2,591
Financing obligations	$ (14,150)	$ —
Security deposits and other liabilities	$ —	$ 490

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the Three and Nine Months Ended September 30, 2026 and 2025

The use of the words "we," "us" or "our" refers to American Healthcare REIT, Inc. and its subsidiaries, including American Healthcare REIT Holdings, LP, except where otherwise noted.

1. Organization and Description of Business

Overview and Background

American Healthcare REIT, Inc., a Maryland corporation, is a self-managed real estate investment trust, or REIT, that acquires, owns and operates a diversified portfolio of clinical healthcare real estate properties, focusing primarily on senior housing, skilled nursing facilities, outpatient medical, or OM, buildings and other healthcare-related facilities. We have built a fully integrated management platform that operates clinical healthcare properties throughout the United States, and in the United Kingdom, or UK, and the Isle of Man. We own and operate our integrated senior health campuses, or ISHC, and senior housing operating properties, or SHOP, utilizing the structure permitted by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a "RIDEA" structure. We have also originated and acquired secured loans and may originate and acquire other real estate-related investments in the future on an infrequent and opportunistic basis. We generally seek investments that produce current income; however, we have selectively developed, and may continue to selectively develop, healthcare real estate properties. We have elected to be taxed as a REIT for U.S. federal income tax purposes. We believe that we have been organized and operated, and we intend to continue to operate, in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code of 1986, or the Code.

Operating Partnership

We conduct substantially all of our operations through American Healthcare REIT Holdings, LP, or our operating partnership, and we are the sole general partner of our operating partnership. As of September 30, 2026 and December 31, 2025, we owned 99.2% and 99.0%, respectively, of the operating partnership units, or OP units, in our operating partnership, and the remaining 0.8% and 1.0%, respectively, of the OP units were owned by the following limited partners: (i) AHI Group Holdings, LLC, which is owned and controlled by Jeffrey T. Hanson, our Chairman of the Board of Directors and Chief Executive Officer, Danny Prosky, one of our non-executive directors, and Mathieu B. Streiff, one of our independent directors; and (ii) a wholly-owned subsidiary of Griffin Capital Company, LLC. Such limited partnership units are accounted for as noncontrolling interests in total equity in our accompanying condensed consolidated balance sheets.

Investment Portfolio

We currently operate through four reportable business segments: ISHC, SHOP, OM and triple-net leased properties, or Triple-Net Leased Properties. As of September 30, 2026, we owned and/or operated 366 buildings and ISHC, which represent in total approximately 25,437,000 square feet of gross leasable area, for an aggregate contract purchase price of $7,426,645,000. In addition, as of September 30, 2026, we originated an aggregate $146,343,000 in notes receivable and had a real estate-related debt security investment purchased for $60,429,000.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our accompanying condensed consolidated financial statements. Such condensed consolidated financial statements and the accompanying notes thereto are the representations of our management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, or GAAP, in all material respects, and have been consistently applied in preparing our accompanying condensed consolidated financial statements.

Basis of Presentation

Our accompanying condensed consolidated financial statements include our accounts and those of our operating partnership, the wholly-owned subsidiaries of our operating partnership and all non-wholly owned subsidiaries in which we have control, as well as any VIEs in which we are the primary beneficiary. The portion of equity in any subsidiary that is not wholly owned by us is presented in our accompanying condensed consolidated financial statements as a noncontrolling interest. We evaluate our ability to control an entity, and whether the entity is a VIE and we are the primary beneficiary, by considering substantive terms of the arrangement and identifying which enterprise has the power to direct the activities of the entity that most significantly impacts the entity's economic performance.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

We operate and intend to continue to operate in an umbrella partnership REIT structure in which our operating partnership, wholly-owned subsidiaries of our operating partnership and all non-wholly owned subsidiaries of which we have control will own substantially all of the interests in properties acquired on our behalf. We are the sole general partner of our operating partnership and as of September 30, 2026 and December 31, 2025, we owned a 99.2% and 99.0%, respectively, general partnership interest therein, and the remaining 0.8% and 1.0%, respectively, partnership interest was owned by the limited partners.

The accounts of our operating partnership are consolidated in our accompanying condensed consolidated financial statements because we are the sole general partner of our operating partnership and have unilateral control over its management and major operating decisions (even if additional limited partners are admitted to our operating partnership). All intercompany accounts and transactions are eliminated in consolidation.

Interim Unaudited Financial Data

Our accompanying condensed consolidated financial statements have been prepared by us in accordance with GAAP in conjunction with the rules and regulations of the U.S. Securities and Exchange Commission, or SEC. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to the SEC's rules and regulations. Accordingly, our accompanying condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. Our accompanying condensed consolidated financial statements reflect all adjustments which are, in our view, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim period. Interim results of operations are not necessarily indicative of the results to be expected for the full year; such full-year results may be less favorable.

In preparing our accompanying condensed consolidated financial statements, management has evaluated subsequent events through the financial statement issuance date. We believe that although the disclosures contained herein are adequate to prevent the information presented from being misleading, our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on February 27, 2026.

Use of Estimates

The preparation of our accompanying condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of our condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include, but are not limited to, the initial and recurring valuation of certain assets acquired and liabilities assumed through property acquisitions including through business combinations, goodwill and its impairment, revenues, allowance for credit losses, impairment of long-lived and intangible assets and contingencies. These estimates are made and evaluated on an on-going basis using information that is currently available, as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in material adverse ways, and those estimates could be different under different assumptions or conditions.

Revenue Recognition — Resident Fees and Services Revenue

Disaggregation of Resident Fees and Services Revenue

Resident fees and services revenue includes fees for basic housing, as well as fees for assisted living care or skilled nursing care. We record revenue when services are rendered at amounts billable to individual residents. Residency agreements are generally for a term of 30 days, with resident fees billed monthly in advance. For residents under reimbursement arrangements with third-party payors, including Medicaid, Medicare, Medicare Advantage and private insurers, revenue is recorded based on contractually agreed-upon amounts or rates on a daily, per resident basis or as services are performed.

The following tables disaggregate our resident fees and services revenue by line of business, according to whether such revenue is recognized at a point in time or over time, for the periods presented below (in thousands):

	Three Months Ended September 30,					
	2026			2025		
	ISHC	SHOP	Total	ISHC	SHOP	Total
Over time	$ 459,039	$ 160,529	$ 619,568	$ 376,962	$ 74,184	$ 451,146
Point in time	75,150	6,375	81,525	78,490	2,422	80,912
Total resident fees and services	$ 534,189	$ 166,904	$ 701,093	$ 455,452	$ 76,606	$ 532,058

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	Nine Months Ended September 30,					
	2026			2025		
	ISHC	SHOP	Total	ISHC	SHOP	Total
Over time	$ 1,338,465	$ 381,888	$ 1,720,353	$ 1,092,131	$ 210,545	$ 1,302,676
Point in time	211,345	13,681	225,026	221,363	6,480	227,843
Total resident fees and services	$ 1,549,810	$ 395,569	$ 1,945,379	$ 1,313,494	$ 217,025	$ 1,530,519

The following tables disaggregate our resident fees and services revenue by payor class for the periods presented below (in thousands):

	Three Months Ended September 30,					
	2026			2025		
	ISHC	SHOP	Total	ISHC	SHOP	Total
Private and other payors	$ 201,968	$ 157,170	$ 359,138	$ 173,524	$ 67,060	$ 240,584
Medicare	147,271	—	147,271	135,970	—	135,970
Medicaid	120,765	9,734	130,499	102,332	9,546	111,878
Medicare Advantage	64,185	—	64,185	43,626	—	43,626
Total resident fees and services	$ 534,189	$ 166,904	$ 701,093	$ 455,452	$ 76,606	$ 532,058

	Nine Months Ended September 30,					
	2026			2025		
	ISHC	SHOP	Total	ISHC	SHOP	Total
Private and other payors	$ 595,509	$ 366,635	$ 962,144	$ 500,264	$ 189,033	$ 689,297
Medicare	432,897	—	432,897	394,783	—	394,783
Medicaid	332,702	28,934	361,636	294,907	27,992	322,899
Medicare Advantage	188,702	—	188,702	123,540	—	123,540
Total resident fees and services	$ 1,549,810	$ 395,569	$ 1,945,379	$ 1,313,494	$ 217,025	$ 1,530,519

Accounts Receivable, Net — Resident Fees and Services Revenue

The beginning and ending balances of accounts receivable, net — resident fees and services are as follows (in thousands):

	Medicare	Private and Other Payors	Medicaid	Medicare Advantage	Total
Beginning balance — January 1, 2026	$ 28,300	$ 59,630	$ 44,888	$ 47,724	$ 180,542
Ending balance — September 30, 2026	35,846	64,484	60,500	43,963	204,793
Increase (decrease)	$ 7,546	$ 4,854	$ 15,612	$ (3,761)	$ 24,251

Deferred Revenue — Resident Fees and Services Revenue

Deferred revenue is included in security deposits, prepaid rent and other liabilities in our accompanying condensed consolidated balance sheets. The beginning and ending balances of deferred revenue — resident fees and services, almost all of which relates to private and other payors, are as follows (in thousands):

	Total
Beginning balance — January 1, 2026	$ 34,464
Ending balance — September 30, 2026	40,565
Increase	$ 6,101

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Resident and Tenant Receivables and Allowances

Resident receivables, which are related to resident fees and services revenue, are carried net of an allowance for credit losses. An allowance is maintained for estimated losses resulting from the inability of residents and payors to meet the contractual obligations under their lease or service agreements. Substantially all of such allowances are recorded as direct reductions of resident fees and services revenue as contractual adjustments provided to third-party payors or implicit price concessions in our accompanying condensed consolidated statements of operations and comprehensive income. Our determination of the adequacy of these allowances is based primarily upon evaluations of historical loss experience, the residents' financial condition, security deposits, cash collection patterns by payor and by state, current economic conditions, future expectations in estimating credit losses and other relevant factors. Tenant receivables, which are related to real estate revenue, and unbilled deferred rent receivables are reduced for amounts where collectability is not probable, which are recognized as direct reductions of real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income.

The following is a summary of our adjustments to allowances for the periods presented below (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Beginning balance	$ 25,336	$ 22,582
Additional allowances	32,147	24,166
Write-offs	(17,993)	(10,620)
Recoveries collected or adjustments	(15,499)	(7,988)
Ending balance	$ 23,991	$ 28,140

Debt Investments, Net

Debt investments, net consists of notes receivable collateralized by interests in real property or partnership interests in entities that own real property. We record such notes at amortized cost. Interest income on our notes receivable is recognized on an accrual basis over the life of the investment using the effective interest method and is included in resident fees and services revenue or real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income. Direct origination costs are deferred and amortized over the term of the note receivable as an adjustment to the yield on the note receivable. We evaluate our notes receivable held for investment for expected credit losses at each balance sheet date in accordance with Accounting Standards Codification, or ASC, 326, *Financial Instruments - Credit Losses*, considering, among other factors, the credit quality of the borrower and the value of the underlying collateral. An allowance for credit losses is recorded to the extent our evaluation indicates expected credit losses over the remaining life of the note.

Debt investments, net also consists of our marketable debt security investment, which is classified as held-to-maturity because we have the positive intent and ability to hold the security to maturity, and we have not recorded any unrealized holding gains or losses on such investment. Our held-to-maturity security is recorded at amortized cost and adjusted for the amortization of premiums or discounts through maturity.

See Note 4, Debt Investments, for further discussion.

Accounts Payable and Accrued Liabilities

As of September 30, 2026 and December 31, 2025, accounts payable and accrued liabilities primarily include reimbursement of payroll-related costs to the managers of our ISHC and SHOP of $80,634,000 and $55,321,000, respectively, accrued distributions of $59,553,000 and $47,832,000, respectively, insurance reserves of $54,795,000 and $51,042,000, respectively, accrued property taxes of $33,980,000 and $25,041,000, respectively, and accrued developments and capital expenditures of $28,464,000 and $37,076,000, respectively.

Recently Issued Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* or ASU 2024-03. Further, in January 2025, the FASB issued ASU 2025-01, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, or ASU 2025-01. ASU 2024-03 requires new financial statement disclosure to be provided in the notes to the financial statements in a tabular presentation related to the disaggregation of certain expense captions presented on the face of the income statement within continuing operations that include expense categories such as: (i) purchases of inventory; (ii) employee

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

compensation; (iii) depreciation; and (iv) intangible asset amortization. ASU 2024-03 and ASU 2025-01 are effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. The requirements will be applied prospectively with the option for retrospective application. We are currently evaluating this guidance to determine the impact on our consolidated financial statement disclosures beginning with our Annual Report on Form 10-K for the year ending December 31, 2027.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, or ASU 2025-03. ASU 2025-03 amends the guidance in Topic 805 and Topic 810 to improve the determination of the accounting acquirer in business combinations involving VIEs. Under the new guidance, entities are required to apply the general principles in Topic 805 to identify the accounting acquirer when the legal acquiree is a VIE that meets the definition of a business, and the transaction is primarily effected by exchanging equity interests. ASU 2025-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted and should be applied prospectively to any acquisition transaction that occurs after the adoption date. We are currently evaluating this guidance to determine the impact on our consolidated financial statement disclosures beginning with our Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2027.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow Scope Improvements*, or ASU 2025-11, to update the guidance in ASC Topic 270, *Interim Reporting,* by improving navigability of the required interim disclosures, clarifying when that guidance is applicable and adding a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods beginning after December 15, 2027. Early adoption is permitted and may be applied retrospectively or prospectively. We are currently evaluating this guidance to determine the impact on our consolidated financial statement disclosures beginning with our Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2028.

3. Real Estate Investments

Our real estate investments, net consisted of the following as of September 30, 2026 and December 31, 2025 (in thousands):

	September 30, 2026	December 31, 2025
Building, improvements and construction in process	$ 6,060,400	$ 4,420,601
Land and improvements	617,245	420,046
Furniture, fixtures and equipment	358,819	305,491
	7,036,464	5,146,138
Less: accumulated depreciation	(1,087,380)	(962,719)
Total	$ 5,949,084	$ 4,183,419

Depreciation expense for the three months ended September 30, 2026 and 2025 was $53,785,000 and $39,644,000, respectively, and for the nine months ended September 30, 2026 and 2025 was $145,142,000 and $113,505,000, respectively.

The following is a summary of our capital expenditures by reportable segment for the periods presented below (in thousands):

	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026
ISHC	$ 41,144	$ 103,750
OM	14,403	20,080
SHOP	9,546	20,709
Triple-Net Leased Properties	—	248
Total	$ 65,093	$ 144,787

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Acquisitions of Real Estate Investments

For the nine months ended September 30, 2026, using cash, we acquired nine land parcels in Indiana, Kentucky and Ohio for an aggregate contract purchase price of $6,211,000, plus closing costs, for the future development of ISHC and two land parcels in North Carolina and Virginia for an aggregate contract purchase price of $1,550,000, plus closing costs, for the future development of SHOP. For the nine months ended September 30, 2026, we also acquired 32 senior housing properties using cash. The following is a summary of such acquisitions (dollars in thousands):

Location	Number of Buildings	Type	Date Acquired	Contract Purchase Price
Blue Springs, Kansas City and Raymore, MO	4	SHOP	02/09/26	$ 62,500
San Rafael, CA	1	SHOP	02/25/26	55,000
Lenexa and Olathe, KS	2	SHOP	03/18/26	45,250
Dahlonega, GA; and Boiling Springs, Lexington and Little River, SC	6	SHOP	04/01/26	86,417
Plymouth, MN	1	SHOP	06/12/26	40,500
Bedford and Hingham, MA; Basking Ridge, NJ; and Bala Cynwyd, PA	4	SHOP	07/17/26	326,000
Roseville and San Jose, CA	3	SHOP	07/29/26	345,000
Westport, CT; Lewes, DE; and Chester Springs, PA	3	SHOP	07/30/26	302,500
Sugar Hill, GA	1	SHOP	08/04/26	67,500
Redondo Beach, Redwood City and Sierra Madre, CA; White Plains, NY; and Falls Church and Reston, VA(1)	6	SHOP	08/31/26 and 09/01/26	572,000
Glastonbury, CT	1	SHOP	09/01/26	80,000
Total	32			$ 1,982,667

(1) See Note 11, Redeemable Noncontrolling Interests, for information about the ownership of the properties in Redwood City and Sierra Madre, CA.

We accounted for such acquisitions of land and real estate investments completed during the nine months ended September 30, 2026 as asset acquisitions. The following table summarizes the purchase price of such assets acquired and liabilities assumed at the time of acquisition based on their relative fair values (in thousands):

	2026 Acquisitions
Building and improvements	$ 1,567,051
In-place leases	203,507
Land	191,937
Operating lease right-of-use asset	30,458
Furniture, fixtures and equipment	23,274
Certificates of need	185
Total assets acquired	2,016,412
Operating lease liability	(15,779)
Total liabilities assumed	(15,779)
Net assets acquired	$ 2,000,633

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Dispositions

For the nine months ended September 30, 2026, we sold two buildings and recognized a total net gain on sales of real estate of $1,212,000. The following is a summary of such real estate sales (dollars in thousands):

Location	Number of Buildings	Type	Date Disposed	Contract Sales Price
Middletown, OH	1	OM	04/01/26	$ 1,000
West Des Moines, IA	1	Triple-Net Leased Property	04/16/26	7,100
Total	2			$ 8,100

On June 1, 2026, we sold one ISHC campus that was leased to an unaffiliated third party for total consideration of $14,150,000. The derecognition of fixed assets, intangible assets and a financing obligation resulted in a gain on disposition of $4,435,000, which is included in gain (loss) on dispositions of real estate, net, in our accompanying condensed consolidated statements of operations and comprehensive income.

Impairment of Real Estate Investments

For the three months ended September 30, 2026, we did not recognize any impairment charges on real estate investments. For the nine months ended September 30, 2026, as we continued to evaluate our properties based on their historical operating performance and our expected holding period, we recognized an aggregate impairment charge of $2,137,000 for two OM buildings. The fair value of one impaired OM building was determined based on the sales price specified in an executed purchase and sale agreement with a third-party buyer, while the fair value of the other impaired OM building was determined by its projected sales price as indicated in an independent third-party letter of intent, which were considered Level 2 measurements within the fair value hierarchy.

For the three and nine months ended September 30, 2025, we recognized an aggregate impairment charge of $3,768,000 and $38,133,000, respectively, for one and seven OM buildings, respectively. The fair value of six of the impaired OM buildings was determined by the sales price of the respective executed purchase and sale agreement with a third-party buyer, which were considered Level 2 measurements within the fair value hierarchy. The fair value of the one remaining impaired OM building was based on our expected discounted future cash flows where the most significant inputs that were used to determine the fair value of such property were the capitalization rate and the discount rate. For such impaired OM building, the capitalization rate ranged from 6.90% to 7.40%, and the discount rate ranged from 7.90% to 8.40%, which inputs were considered Level 3 measurements within the fair value hierarchy.

4. Debt Investments

As of September 30, 2026 and December 31, 2025, we had $240,808,000 and $92,136,000 of debt investments, net, respectively. The following is a summary of our debt investments, including unamortized direct origination and closing costs, net as of September 30, 2026 and December 31, 2025 (dollars in thousands):

	Origination Date	Maturity Date	Contractual Fixed Interest Rate	Balance	
				September 30, 2026	December 31, 2025
Debt security investment(1)	10/15/15	01/01/28	4.24%	$ 92,556	$ 92,043
Notes receivable:					
Notes secured by mortgages(2)	07/10/26	07/09/27	8.09%	85,569	—
Notes secured by partnership interests	09/01/26	03/01/28	4.95% — 7.95%	60,129	—
				238,254	92,043
Unamortized direct origination and closing costs, net				2,554	93
Total debt investments, net				$ 240,808	$ 92,136

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

(1) Our investment in a commercial mortgage-backed debt security, or debt security, was issued by an unaffiliated mortgage trust and represented an approximate 10% beneficial ownership interest in such mortgage trust. The debt security is subordinate to all other interests in the mortgage trust and is not guaranteed by a government-sponsored entity. The debt security matures at an aggregate stated amount of $93,433,000. We evaluated credit quality indicators such as the agency ratings and the underlying collateral of such investment in order to determine expected future credit loss.

(2) We entered into a loan agreement with an unaffiliated third party in the principal amount of £64,531,583, or approximately $86,214,000 based on the currency exchange rate on the loan origination date. The loan is denominated in UK Pound Sterling and is secured by, among other things, first mortgages on seven senior housing facilities in the UK.

The following table shows the changes in the carrying amount of debt investments, net for the periods presented below (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Beginning balance	$ 92,136	$ 91,264
Additions:		
Originations of notes receivable	146,343	—
Accretion on debt security investment	513	788
Direct origination costs	3,224	—
Deductions:		
Foreign currency translation adjustments	(645)	—
Amortization of direct origination and closing costs	(763)	(60)
Ending balance	$ 240,808	$ 91,992

Amortization expense on direct origination and closing costs for the three months ended September 30, 2026 and 2025 was $739,000 and $11,000, respectively, and for the nine months ended September 30, 2026 and 2025 was $763,000 and $60,000, respectively, which was recorded as a decrease to resident fees and services revenue or real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income. Accretion on the debt security for the three months ended September 30, 2026 and 2025 was $162,000 and $154,000, respectively, and for the nine months ended September 30, 2026 and 2025 was $513,000 and $788,000, respectively, which was recorded as an increase to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

5. Identified Intangible Assets and Liabilities

Identified intangible assets, net and identified intangible liabilities, net consisted of the following as of September 30, 2026 and December 31, 2025 (dollars in thousands):

	September 30, 2026	December 31, 2025
Amortized intangible assets:		
In-place leases, net of accumulated amortization of $103,029 and $44,498 as of September 30, 2026 and December 31, 2025, respectively (with a weighted average remaining life of 1.9 years and 2.3 years as of September 30, 2026 and December 31, 2025, respectively)	$ 238,595	$ 118,080
Above-market leases, net of accumulated amortization of $8,215 and $7,859 as of September 30, 2026 and December 31, 2025, respectively (with a weighted average remaining life of 5.4 years and 6.3 years as of September 30, 2026 and December 31, 2025, respectively)	7,164	9,965
Unamortized intangible assets:		
Certificates of need	104,180	104,924
Trade names	20,267	20,267
Total identified intangible assets, net	$ 370,206	$ 253,236
Amortized intangible liabilities:		
Below-market leases, net of accumulated amortization of $2,615 and $2,336 as of September 30, 2026 and December 31, 2025, respectively (with a weighted average remaining life of 3.8 years and 4.4 years as of September 30, 2026 and December 31, 2025, respectively)	$ 1,717	$ 2,110
Total identified intangible liabilities, net	$ 1,717	$ 2,110

Amortization expense on identified intangible assets for the three months ended September 30, 2026 and 2025 was $36,759,000 and $9,272,000, respectively, which included $412,000 and $473,000, respectively, of amortization recorded as a decrease to real estate revenue for above-market leases in our accompanying condensed consolidated statements of operations and comprehensive income. Amortization expense on identified intangible assets for the nine months ended September 30, 2026 and 2025 was $84,006,000 and $18,162,000, respectively, which included $1,304,000 and $1,624,000, respectively, of amortization recorded as a decrease to real estate revenue for above-market leases in our accompanying condensed consolidated statements of operations and comprehensive income.

Amortization expense on below-market leases for the three months ended September 30, 2026 and 2025 was $131,000 and $178,000, respectively, and for the nine months ended September 30, 2026 and 2025 was $393,000 and $561,000, respectively, which is recorded as an increase to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

The aggregate weighted average remaining life of the identified intangible assets was 2.0 years and 2.6 years as of September 30, 2026 and December 31, 2025, respectively. The aggregate weighted average remaining life of the identified intangible liabilities was 3.8 years and 4.4 years as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026, estimated amortization expense on the identified intangible assets and liabilities for the remaining three months ending December 31, 2026 and for each of the next four years ending December 31, and thereafter was as follows (in thousands):

	Amortization Expense	
Year	Intangible Assets	Intangible Liabilities
2026	$ 43,889	$ (131)
2027	136,700	(514)
2028	53,977	(478)
2029	3,608	(338)
2030	2,994	(121)
Thereafter	4,591	(135)
Total	$ 245,759	$ (1,717)

6. Other Assets

Other assets, net consisted of the following as of September 30, 2026 and December 31, 2025 (dollars in thousands):

	September 30, 2026	December 31, 2025
Deferred rent receivables	$ 50,499	$ 49,158
Prepaid expenses and other assets	41,692	49,338
Deferred tax assets, net	24,179	22,939
Inventory — finished goods	21,352	18,838
Lease commissions, net of accumulated amortization of $10,674 and $9,569 as of September 30, 2026 and December 31, 2025, respectively	16,719	17,081
Real estate deposits	9,028	6,053
Deferred financing costs, net of accumulated amortization of $969 and $1,854 as of September 30, 2026 and December 31, 2025, respectively	6,396	2,251
Investments in unconsolidated entities	5,413	3,616
Lease inducement, net of accumulated amortization of $3,509 and $3,246 as of September 30, 2026 and December 31, 2025, respectively (with a weighted average remaining life of 4.3 years and 5.0 years as of September 30, 2026 and December 31, 2025, respectively)	1,491	1,754
Derivative financial instruments	849	—
Total	$ 177,618	$ 171,028

Deferred financing costs included in other assets were related to the 2025 Trilogy Credit Facility, as defined in Note 8, Lines of Credit and Term Loan, as well as the senior unsecured revolving credit facility portions of the 2024 Credit Facility and 2026 Credit Facility, each as defined in Note 8, Lines of Credit and Term Loan. In April 2026, in connection with the amendment of the 2024 Credit Facility with the 2026 Credit Facility, we incurred a loss on extinguishment of $147,000 due to the partial write-off of unamortized deferred financing costs related to the senior unsecured revolving credit facility portion of the 2024 Credit Facility. In March 2025, in connection with the termination of our previous credit facility, we incurred a loss on extinguishment of $537,000 primarily consisting of the write-off of unamortized deferred financing costs associated with such facility. Loss on extinguishment of debt is recorded as an increase to interest expense in our accompanying condensed consolidated statements of operations and comprehensive income. See Note 8, Lines of Credit and Term Loan, for further discussion of our lines of credit. Amortization expense on lease inducement for the three months ended September 30, 2026 and 2025 was $88,000 and $87,000, respectively, and for both the nine months ended September 30, 2026 and 2025 was $263,000, which is recorded as a decrease to real estate revenue in our accompanying condensed consolidated statements of operations and comprehensive income.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

7. Mortgage Loans Payable

Mortgage loans payable, net consisted of the following as of September 30, 2026 and December 31, 2025 (dollars in thousands):

	September 30, 2026	December 31, 2025
Fixed-rate debt (83 and 85 loans as of September 30, 2026 and December 31, 2025, respectively)	$ 830,767	$ 985,565
Less: deferred financing costs, net	(7,883)	(9,214)
Less: discount	(7,927)	(9,426)
Mortgage loans payable, net	$ 814,957	$ 966,925

Based on interest rates in effect as of both September 30, 2026 and December 31, 2025, effective interest rates on mortgage loans payable ranged from 2.21% to 5.99% per annum, with a weighted average effective interest rate of 3.87% and 3.73%, respectively. We are required by the terms of certain loan documents to meet certain reporting requirements and covenants, such as net worth ratios, fixed charge coverage ratios and leverage ratios.

The following table reflects the changes in the carrying amount of mortgage loans payable, net for the periods presented below (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Beginning balance	$ 966,925	$ 982,071
Additions:		
Borrowings under mortgage loans payable	—	30,000
Amortization of deferred financing costs	1,330	1,338
Amortization of discount/premium on mortgage loans payable, net	1,500	2,717
Deductions:		
Scheduled principal payments on mortgage loans payable	(154,798)	(27,267)
Early payoff of mortgage loans payable	—	(1,191)
Payoff of mortgage loans payable due to dispositions of real estate investments	—	(15,254)
Deferred financing costs	—	(1,013)
Ending balance	$ 814,957	$ 971,401

Amortization of deferred financing costs and amortization of discount/premium on mortgage loans payable is included in interest expense in our accompanying condensed consolidated statements of operations and comprehensive income. For both the three and nine months ended September 30, 2026, we did not incur any loss on the extinguishment of mortgage loans payable. For the three and nine months ended September 30, 2025, we incurred an aggregate net gain (loss) on the early extinguishment of mortgage loans payable of $26,000 and $(1,247,000), respectively, which is recorded as a decrease (increase) to interest expense in our accompanying condensed consolidated statements of operations and comprehensive income. Such net gain (loss) was related to the payoff of a mortgage loan payable due to the disposition of the underlying real estate investment in May 2025 and the early payoff of a mortgage loan payable in August 2025 that was due to mature in August 2029.

As of September 30, 2026, the principal payments due on our mortgage loans payable for the remaining three months ending December 31, 2026 and for each of the next four years ending December 31, and thereafter were as follows (in thousands):

Year	Amount
2026	$ 4,888
2027	56,182
2028	139,740
2029	16,963
2030	44,732
Thereafter	568,262
Total	$ 830,767

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

8. Lines of Credit and Term Loan

2024 Credit Facility

We, through our operating partnership, as borrower, and certain of our subsidiaries, or the subsidiary guarantors, collectively, with us, as guarantors, were party to an amended loan agreement, or the 2024 Credit Agreement, with Bank of America, N.A., or Bank of America, KeyBank National Association, or KeyBank, Citizens Bank, National Association, or Citizens Bank, and a syndicate of other banks, as lenders, for a credit facility with an aggregate maximum principal amount up to $1,150,000,000, or the 2024 Credit Facility. The 2024 Credit Facility consisted of a senior unsecured revolving credit facility in the initial aggregate amount of $600,000,000 and a senior unsecured term loan facility in the initial aggregate amount of $550,000,000. The proceeds of loans made under the 2024 Credit Facility could have been used for general corporate purposes including for working capital, capital expenditures, refinancing existing indebtedness and other corporate purposes not inconsistent with obligations under the 2024 Credit Agreement. We could have also obtained up to $25,000,000 in the form of standby letters of credit pursuant to the 2024 Credit Facility. Unless defined herein, all capitalized terms under this "2024 Credit Facility" subsection are defined in the 2024 Credit Agreement.

Under the terms of the 2024 Credit Agreement, the Revolving Loans would have matured on February 14, 2028, and could have been extended for one 12-month period, subject to the satisfaction of certain conditions, including payment of an extension fee. The Term Loan matures on January 19, 2027, and may not be extended. The maximum principal amount of the 2024 Credit Facility could have been increased by an aggregate incremental amount of $600,000,000, subject to: (i) the terms of the 2024 Credit Agreement and (ii) at least five business days' prior written notice to Bank of America.

At our option, the 2024 Credit Facility bore interest at varying rates based upon (i) the Daily Simple Secured Overnight Financing Rate, or Daily Simple SOFR, plus the Applicable Rate for Daily SOFR Rate Loans or (ii) the Term Secured Overnight Financing Rate, or Term SOFR, plus the Applicable Rate for Term SOFR Rate Loans. If, under the terms of the 2024 Credit Agreement, there was an inability to determine the Daily SOFR or the Term SOFR, then the 2024 Credit Facility would have borne interest at a rate per annum equal to the Base Rate plus the Applicable Rate for Base Rate Loans. The loans could have been repaid in whole or in part without prepayment premium or penalty, subject to certain conditions.

We were required to pay a fee on the unused portion of the lenders' commitments under the 2024 Credit Agreement computed at (a) 0.25% per annum if the actual daily Commitment Utilization Percentage for such quarter was less than or equal to 50% and (b) 0.20% per annum if the actual daily Commitment Utilization Percentage for such quarter was greater than 50%, which fee was computed on the actual daily amount of the Available Commitments during the period for which payment was made and payable in arrears on a quarterly basis.

The 2024 Credit Agreement required us to add additional subsidiaries as guarantors in the event the value of the assets owned by the subsidiary guarantors fell below a certain threshold as set forth in the 2024 Credit Agreement. In the event of default, Bank of America had the right to terminate the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions under the 2024 Credit Agreement and to accelerate the payment on any unpaid principal amount of all outstanding loans and all interest accrued and unpaid thereon.

As of December 31, 2025, our aggregate borrowing capacity under the 2024 Credit Facility was $1,150,000,000, excluding the $25,000,000 standby letters of credit described above. As of December 31, 2025, borrowings outstanding under the 2024 Credit Facility totaled $550,000,000 ($549,761,000, net of deferred financing costs related to the senior unsecured term loan facility portion of the 2024 Credit Facility), and the weighted average interest rate on such borrowings outstanding was 5.01% per annum.

On April 1, 2026, we entered into an agreement to further amend the 2024 Credit Agreement. See the "2026 Credit Facility" section below for further discussion.

2025 Trilogy Credit Facility

On October 31, 2025, we, through Trilogy RER, LLC, entered into a loan agreement, or the 2025 Trilogy Credit Agreement, with KeyBank, as lender named therein, with respect to a senior secured revolving credit facility that has an aggregate maximum principal amount of $50,000,000, or the 2025 Trilogy Credit Facility. The proceeds of the 2025 Trilogy Credit Facility may be used for acquisitions, debt repayment and general corporate and working capital purposes. Unless defined herein, all capitalized terms under this "2025 Trilogy Credit Facility" subsection are defined in the 2025 Trilogy Credit Agreement.

The 2025 Trilogy Credit Facility matures on October 31, 2028. At our option, the 2025 Trilogy Credit Facility bears interest at per annum rates equal to (a) Daily Simple SOFR, plus the Applicable Margin for SOFR Rate Loans and (b) for Base Rate Loans, the Applicable Margin plus a fluctuating rate per annum equal to the highest of: (i) Federal Funds Effective Rate in effect on such day

plus 0.50%, (ii) the rate of interest in effect for such day as established from time to time by KeyBank as its prime rate and (iii) one-month Term SOFR plus 1.00%.

As of both September 30, 2026 and December 31, 2025, our aggregate borrowing capacity under the 2025 Trilogy Credit Facility was $50,000,000, and there were no borrowings outstanding.

2026 Credit Facility

On April 1, 2026, we, through our operating partnership, as borrower, and certain of our subsidiaries, or the subsidiary guarantors, and our company, collectively as guarantors, entered into a second amendment to the 2024 Credit Agreement, or the 2026 Credit Agreement, with Bank of America, as administrative agent and letters of credit issuer; Citizens Bank, Fifth Third Bank, National Association, and KeyBank as syndication agents for the revolving facility and the term loan facility and letters of credit issuers; and a syndicate of other banks, as lenders, to amend certain terms of the 2024 Credit Facility. Unless defined herein, all capitalized terms are as defined in the 2024 Credit Agreement as conformed through the 2026 Credit Agreement.

The 2026 Credit Agreement provides for an amended revolving facility and term loan facility, or the 2026 Credit Facility, with: (i) Revolving Loans that mature on April 1, 2030, with two extension options to extend the maturity, first, until October 1, 2030, and, second, until April 1, 2031, in each case, subject to the satisfaction of certain conditions, including payment of an extension fee; and (ii) a Term Loan with a maturity date of January 19, 2027 that remains unchanged, and may not be extended. The principal amount of the Term Loan under the 2026 Credit Facility remains unchanged at $550,000,000, and the principal amount of the available Revolving Loans under the 2026 Credit Facility is increased to $800,000,000. We may also obtain up to $25,000,000 in the form of standby letters of credit pursuant to the 2026 Credit Facility. The aggregate borrowing capacity under the 2026 Credit Facility is $1,350,000,000, excluding the $25,000,000 standby letters of credit, which may be increased by an aggregate incremental amount such that after giving effect thereto, the maximum aggregate amount of Term Loans and available Revolving Loans does not exceed $1,850,000,000, subject to: (i) the terms of the 2026 Credit Agreement; and (ii) at least five business days' prior written notice to Bank of America.

The 2026 Credit Facility bears interest at varying rates based upon, at our option, (i) the Daily Simple SOFR, plus the Applicable Rate for Daily SOFR Rate Loans or (ii) the Term SOFR, plus the Applicable Rate for Term SOFR Rate Loans. If, under the terms of the 2026 Credit Agreement, there is an inability to determine the Daily SOFR or the Term SOFR, then the 2026 Credit Facility will bear interest at a rate per annum equal to the Base Rate plus the Applicable Rate for Base Rate Loans. The loans may be repaid in whole or in part without prepayment premium or penalty, subject to certain conditions.

Under the 2026 Credit Agreement, we are required to pay a facility fee as determined in the Consolidated Leverage Ratio Based Pricing Grid or the Debt Ratings Based Pricing Grid, as applicable depending on how the Applicable Rate is then determined, multiplied by the actual daily amount of the Aggregate Revolving Commitments, or, if the Aggregate Revolving Commitments have terminated, the Outstanding Amount of all Revolving Loans and L/C Obligations, regardless of usage.

The 2026 Credit Agreement requires us to add additional subsidiaries as guarantors in the event the value of the assets owned by the subsidiary guarantors falls below a certain threshold as set forth in the 2026 Credit Agreement. In the event of default, Bank of America has the right to terminate the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions under the 2026 Credit Agreement, and to accelerate the payment on any unpaid principal amount of all outstanding loans and all interest accrued and unpaid thereon.

As of September 30, 2026, our aggregate borrowing capacity under the 2026 Credit Facility was $1,350,000,000, excluding the $25,000,000 standby letters of credit. As of September 30, 2026, our borrowings outstanding under the 2026 Credit Facility totaled $550,000,000 ($549,927,000, net of deferred financing costs related to the senior unsecured term loan facility portion of the 2026 Credit Facility), and the weighted average interest rate on such borrowings outstanding was 5.22% per annum.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

9. Derivative Financial Instruments

We use derivative financial instruments to manage interest rate risk associated with variable-rate debt. We recorded such derivative financial instruments in our accompanying condensed consolidated balance sheets as either an asset or a liability, as applicable, measured at fair value. The following table lists the derivative financial instruments held by us as of September 30, 2026 and December 31, 2025, which were included in other assets and other liabilities in our accompanying condensed consolidated balance sheets (dollars in thousands):

Instrument	Notional Amount	Index	Interest Rate	Effective Date	Maturity Date	Fair Value	
						September 30, 2026	December 31, 2025
Swap	$ 275,000	Daily SOFR	3.74%	02/01/2023	01/19/2026	$ —	$ (6)
Swap	$ 275,000	Daily SOFR	4.41%	08/08/2023	01/19/2026	—	(99)
Swap	$ 350,000	Daily SOFR	3.51%	01/20/2026	01/19/2027	542	(518)
Swap	$ 200,000	Daily SOFR	3.52%	01/20/2026	01/19/2027	307	(306)
						$ 849	$ (929)

As of both September 30, 2026 and December 31, 2025, none of our derivative financial instruments were designated as hedges. Derivative financial instruments not designated as hedges are not speculative and are used to manage our exposure to interest rate movements, but do not meet the strict hedge accounting requirements. For the three months ended September 30, 2026 and 2025, we recorded a net (loss) gain in the fair value of derivative financial instruments of $(106,000) and $166,000, respectively, and for the nine months ended September 30, 2026 and 2025, we recorded a net gain (loss) in the fair value of derivative financial instruments of $1,778,000 and $(1,213,000), respectively, as a decrease (increase) to total interest expense in our accompanying condensed consolidated statements of operations and comprehensive income related to the change in the fair value of our derivative financial instruments.

See Note 13, Fair Value Measurements, for further discussion of the fair value of our derivative financial instruments.

On October 1, 2026, we, through our operating partnership, entered into an interest rate swap transaction with a notional amount of $175,000,000, an effective date of January 19, 2027 and a maturity date of January 19, 2029. Beginning on February 1, 2027, we are required to make monthly fixed-rate payments at a rate of 4.25% while the counterparty is obligated to make monthly floating-rate payments based on Daily SOFR, as defined in the swap agreement.

10. Commitments and Contingencies

Litigation

We are not presently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us, which, if determined unfavorably to us, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Environmental Matters

We follow a policy of monitoring our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at our properties, we are not currently aware of any environmental liability with respect to our properties that would have a material adverse effect on our consolidated financial position, results of operations or cash flows. Further, we are not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability that we believe would require additional disclosure or the recording of a loss contingency.

Other

Our other commitments and contingencies include the usual obligations of real estate owners and operators in the normal course of business, which include calls and puts to sell or acquire properties and indemnification obligations in connection with the acquisition and disposition of real estate investments. In certain circumstances, regardless of whether we are a named party in a lawsuit, investigation, claim or other legal or regulatory proceeding, we may be contractually obligated to indemnify, defend and hold harmless our tenants, operators, managers or other third parties against, or may otherwise be responsible for, such actions, legal or regulatory proceedings or claims. In other circumstances, certain of our tenants, operators, managers or other third parties may be obligated to indemnify, defend and hold us harmless in whole or in part with respect to certain actions, legal or regulatory proceedings

or claims. In addition, as of September 30, 2026, we were under contract to acquire two real estate properties totaling $301,000,000 that we are obligated to purchase subject to various seller performance contingencies. In our view, these matters are not expected to have a material adverse effect on our consolidated financial position, results of operations or cash flows.

11. Redeemable Noncontrolling Interests

On September 1, 2026, we, through our operating partnership, formed two joint ventures with affiliates of the seller to acquire each of the senior housing communities located in Redwood City, California and Sierra Madre, California, respectively. Our ownership of each joint venture is approximately 49%. The noncontrolling interests have redemption features outside of our control and are accounted for as redeemable noncontrolling interests in our accompanying condensed consolidated balance sheets.

We record the carrying amount of redeemable noncontrolling interests at the greater of: (i) the initial carrying amount, increased or decreased for the noncontrolling interests' share of net income or loss and distributions or (ii) the redemption value. The changes in the carrying amount of redeemable noncontrolling interests consisted of the following for the periods presented below (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Beginning balance	$ —	$ 220
Additions	66,810	—
Adjustment to redemption value	55	(205)
Net loss attributable to redeemable noncontrolling interests	(55)	(15)
Ending balance	$ 66,810	$ —

12. Equity

Preferred Stock

Pursuant to our charter, we are authorized to issue 200,000,000 shares of our preferred stock, $0.01 par value per share. As of both September 30, 2026 and December 31, 2025, no shares of preferred stock were issued and outstanding.

Common Stock

Pursuant to our charter, as amended, we are authorized to issue 1,000,000,000 shares of our common stock, $0.01 par value per share. As of September 30, 2026 and December 31, 2025, we had 231,479,253 and 185,911,442 shares of our common stock issued and outstanding, respectively.

ATM Offerings

On August 8, 2025, we established an at-the-market, or ATM, equity offering program, or the 2025 ATM Offering, pursuant to which we offered to sell shares of our common stock for a maximum gross sales price of up to $1,000,000,000. On February 27, 2026, we terminated the 2025 ATM Offering, at which time, $230,140,000 in shares of our common stock remained unsold under such program. On February 27, 2026, concurrent with the termination of the 2025 ATM Offering, we entered into a new ATM equity offering program, or the 2026 ATM Offering, pursuant to which we may, from time to time, offer and sell shares of our common stock for a maximum gross sales price of up to $1,750,000,000. Shares sold through our 2025 ATM Offering and 2026 ATM Offering, or our ATM offering programs, were and are offered and sold in amounts determined by us from time to time, and are sold in negotiated transactions at market prices prevailing at the time of sale in accordance with Rule 415 under the Securities Act of 1933, as amended.

Our ATM offering programs allow us to enter into forward sale agreements which give us the ability to lock in a share price on the sale of common stock at or shortly after the time the forward sale agreement becomes effective, while postponing the receipt of proceeds from the sale of shares until a future date. We evaluated our forward sale agreements in accordance with ASC Subtopic 815-40, *Derivatives and Hedging — Contracts in Entity's Own Equity*, and concluded that they meet the conditions to be classified within equity as of September 30, 2026. Shares issuable under a forward sale agreement are reflected in the diluted earnings per share calculations for the applicable periods using the treasury stock method.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Through September 30, 2026, we have entered into forward sale agreements pursuant to our ATM offering programs with maturities extending through October 9, 2027. For the three and nine months ended September 30, 2026, we settled a total of 19,480,946 and 24,824,847 shares of common stock, respectively, under forward sale agreements for our ATM offering programs for gross proceeds of $996,911,000 and $1,256,648,000, respectively, at an average gross price of $51.17 and $50.62 per share, respectively, before commissions, fees and other adjustments. As of September 30, 2026, a total of 9,679,138 shares of common stock remain unsettled under these agreements, representing approximately $525,809,000 in gross proceeds at an average gross price of $54.32 per share. Subsequent to September 30, 2026, we settled an additional 589,179 shares of common stock under forward sale agreements for our ATM offering programs for gross proceeds of $31,226,000, at an average gross price of $53.00 per share, before commissions, fees and other adjustments.

Follow-on Public Offerings

On November 24, 2025 and November 26, 2025, we completed a follow-on public offering, or the November 2025 Offering, for the sale of 9,315,000 shares of our common stock for gross proceeds of $447,120,000 at an average gross price of $48.00 per share, including the exercise in full of the underwriter's option to purchase up to an additional 1,215,000 shares of common stock. In connection with the November 2025 Offering, we entered into forward sale agreements to postpone the delivery and settlement of such shares until a future date no later than May 20, 2027. For the nine months ended September 30, 2026, we settled and issued all of the remaining 3,335,386 shares of common stock outstanding pursuant to such forward sale agreements for gross proceeds of $160,099,000 at a gross price of $48.00 per share, before commissions, fees and other adjustments.

On May 22, 2026 and May 28, 2026, we completed an additional follow-on public offering, or the May 2026 Offering, for the sale of 16,100,000 shares of our common stock for gross proceeds of $811,440,000 at an average gross price of $50.40 per share, including the exercise in full of the underwriter's option to purchase up to an additional 2,100,000 shares of common stock. In connection with the May 2026 Offering, we entered into forward sale agreements to postpone the delivery and settlement of shares until a future date no later than May 20, 2028. For both the three and nine months ended September 30, 2026, we settled and issued all of the 16,100,000 shares of common stock outstanding pursuant to such forward sale agreements for gross proceeds of $811,440,000, at a gross price of $50.40 per share, before other adjustments.

On August 12, 2026 and August 24, 2026, we completed an additional follow-on public offering, or the August 2026 Offering, for the sale of 15,237,500 shares of our common stock for gross proceeds of $819,016,000 at an average gross price of $53.75 per share, including the exercise in full of the underwriters' option to purchase up to an additional 1,987,500 shares of common stock. In connection with the August 2026 Offering, we entered into forward sale agreements to postpone the delivery and settlement of shares until a future date no later than August 10, 2028. For both the three and nine months ended September 30, 2026, we settled 1,252,400 shares of common stock under such forward sale agreements for gross proceeds of $67,317,000 at a gross price of $53.75 per share, before other adjustments. As of September 30, 2026, a total of 13,985,100 shares of common stock remain unsettled under these agreements representing approximately $751,699,000 in gross proceeds at an average gross price of $53.75 per share.

Equity Compensation Plans

AHR Incentive Plan

Pursuant to our Second Amended and Restated 2015 Incentive Plan, or the AHR Incentive Plan, our board of directors (with respect to options and restricted shares of common stock granted to independent directors) or our compensation committee (with respect to any other award) may grant options, restricted shares of common stock, stock purchase rights, stock appreciation rights or other awards to our independent directors, officers, employees and consultants. The AHR Incentive Plan terminates on June 15, 2033, and the maximum number of shares of our common stock that may be issued pursuant to such plan is 4,000,000 shares.

Restricted common stock

Pursuant to the AHR Incentive Plan, we may grant shares of our restricted common stock, or RSAs, as defined in the AHR Incentive Plan, to our independent directors in connection with their initial election or re-election to our board or in consideration of their past services rendered, as well as to certain executive officers and key employees. Our RSAs generally have a vesting period between one to four years and are subject to continuous service through the vesting dates.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Restricted stock units

Pursuant to the AHR Incentive Plan, we may grant to our executive officers and certain employees performance-based restricted stock units, or PBUs, and/or time-based restricted stock units, or TBUs, which represent the right to receive shares of our common stock upon vesting. PBUs and TBUs are collectively referred to as RSUs. RSUs granted to executive officers and employees generally have a vesting period of up to three years and are subject to continuous service through the vesting dates and performance conditions, as applicable.

The total fair value of the RSAs and RSUs granted pursuant to the AHR Incentive Plan during the nine months ended September 30, 2026 and 2025 was $20,089,000 and $12,126,000, respectively. For the three months ended September 30, 2026 and 2025, we recognized stock compensation expense related to such awards of $7,907,000 and $3,415,000, respectively, and for the nine months ended September 30, 2026 and 2025, we recognized stock compensation expense related to such awards of $15,713,000 and $9,115,000, respectively. For both the three and nine months ended September 30, 2026, stock compensation expense includes $4,594,000 related to the accelerated vesting and modification of certain outstanding equity awards in connection with our previously disclosed Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, transitions during the third quarter of 2026, net of forfeitures. Stock compensation expense is recognized over the requisite service or performance period and is included in general and administrative expenses in our accompanying condensed consolidated statements of operations and comprehensive income. As of September 30, 2026, we had $23,535,000 of total unrecognized stock compensation expense related to nonvested RSAs and RSUs, which we expect to recognize over a weighted average period of 1.9 years. A summary of the status of our nonvested RSAs and RSUs pursuant to the AHR Incentive Plan as of September 30, 2026 and December 31, 2025, and the changes for the nine months ended September 30, 2026, is presented below:

	Number of Nonvested RSAs	Weighted Average Grant Date Fair Value — RSAs	Number of Nonvested RSUs	Weighted Average Grant Date Fair Value — RSUs
Balance — December 31, 2025	753,522	$ 13.86	815,953	$ 26.41
Granted	20,752	$ 51.04	389,088	$ 54.73
Vested	(378,513) (1)	$ 14.60	(328,832) (1)	$ 25.75
Forfeited/cancelled	(20,926)	$ 13.12	(105,978)	$ 37.77
Balance — September 30, 2026	374,835	$ 15.22	770,231	$ 38.18

(1) Amount includes 311,352 shares of common stock that were withheld to satisfy employee minimum tax withholding requirements associated with the vesting of RSAs and RSUs during the nine months ended September 30, 2026.

Employee Stock Purchase Plan

Pursuant to our 2024 Employee Stock Purchase Plan, or the ESPP, eligible employees may purchase shares of our common stock at a purchase price equal to the lesser of 85.0% of the fair market value of a share on the applicable enrollment date for such offering period or on the applicable exercise date. The maximum number of shares of our common stock that may be issued pursuant to the ESPP is 1,000,000 shares. For the nine months ended September 30, 2026, employees purchased and we issued 13,294 shares under the ESPP and 976,627 shares remained available for future issuance. As of December 31, 2025, 10,079 shares were purchased and issued under the ESPP.

Manager Equity Plan

We adopted the 2025 Manager Equity Plan, or the Manager Plan, to align the incentives of our external third-party RIDEA managers with the overall success of our business by issuing equity-based incentives to such RIDEA managers. Pursuant to the Manager Plan, we may issue shares of our common stock to the RIDEA managers, which they may in turn issue to their directors, officers, employees, advisors or consultants. The maximum number of shares of our common stock that may be issued pursuant to the Manager Plan is 1,000,000 shares. The Manager Plan allows for the grant of stock options, stock appreciation rights, restricted stock, RSUs and other equity-based awards. We have granted TBUs and PBUs to one of our RIDEA managers pursuant to the Manager Plan. Such RSUs have a vesting period of up to three years and are subject to continuous service through the vesting dates and any performance conditions, as applicable.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

We did not grant any equity-based awards pursuant to the Manager Plan during the nine months ended September 30, 2025. The total fair value of the RSUs granted pursuant to the Manager Plan during the nine months ended September 30, 2026 was $4,270,000. Stock compensation expense related to such awards for the three and nine months ended September 30, 2026, was $1,364,000 and $4,120,000, respectively. As of September 30, 2026, we had $8,526,000 of total unrecognized stock compensation expense related to nonvested RSUs, which we expect to recognize over a weighted average period of 1.7 years. Stock compensation expense is recognized over the requisite service or performance period and is included in general and administrative expenses in our accompanying condensed consolidated statements of operations and comprehensive income. A summary of the status of our nonvested RSUs pursuant to the Manager Plan as of September 30, 2026 and December 31, 2025, and the changes for the nine months ended September 30, 2026, is presented below:

	Number of Nonvested RSUs	Weighted Average Grant Date Fair Value — RSUs
Balance — December 31, 2025	147,468	$ 49.34
Granted	90,534	$ 47.16
Vested	(24,578)	$ 49.34
Balance — September 30, 2026	213,424	$ 48.42

13. Fair Value Measurements

Assets and Liabilities Reported at Fair Value

The table below presents our assets and liabilities measured at fair value on a recurring basis as of September 30, 2026, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Derivative financial instruments	$ —	$ 849	$ —	$ 849
Total assets at fair value	$ —	$ 849	$ —	$ 849

The table below presents our assets and liabilities measured at fair value on a recurring basis as of December 31, 2025, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities:				
Derivative financial instruments	$ —	$ (929)	$ —	$ (929)
Total liabilities at fair value	$ —	$ (929)	$ —	$ (929)

There were no transfers into and out of fair value measurement levels during the nine months ended September 30, 2026 and 2025.

Derivative Financial Instruments

We entered into interest rate swaps to manage interest rate risk associated with variable-rate debt. The valuation of these instruments was determined using widely accepted valuation techniques including a discounted cash flow analysis on the expected cash flows of each derivative. Such valuation reflected the contractual terms of the derivatives, including the period to maturity, and used observable market-based inputs, including interest rate curves, as well as option volatility. The fair values of our interest rate

swaps were determined by netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts were based on an expectation of future interest rates derived from observable market interest rate curves.

We incorporated credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Although we determined that the majority of the inputs used to value our derivative financial instruments fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with these instruments utilized Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparty. However, as of September 30, 2026, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives. As a result, we determined that our derivative valuations in their entirety were classified in Level 2 of the fair value hierarchy.

Financial Instruments Disclosed at Fair Value

Our accompanying condensed consolidated balance sheets include the following financial instruments: notes receivable, debt security investment, cash and cash equivalents, restricted cash, accounts and other receivables, accounts payable and accrued liabilities, mortgage loans payable and borrowings under our lines of credit and term loan.

We consider the carrying values of cash and cash equivalents, restricted cash, accounts and other receivables, notes receivable and accounts payable and accrued liabilities to approximate the fair value for these financial instruments based upon an evaluation of the underlying characteristics of the instruments and market data, in light of the short period of time between origination of the instruments and their expected realization. The fair values of such financial instruments are classified in Level 2 of the fair value hierarchy.

The fair value of our debt security investment is estimated using a discounted cash flow analysis using interest rates available to us for investments with similar terms and maturities. The fair values of our mortgage loans payable and our lines of credit and term loan are estimated using discounted cash flow analyses using borrowing rates available to us for debt instruments with similar terms and maturities. We have determined that the valuations of our debt security investment, mortgage loans payable and lines of credit and term loan are classified in Level 2 within the fair value hierarchy. The carrying amounts and estimated fair values of such financial instruments as of September 30, 2026 and December 31, 2025 were as follows (in thousands):

	September 30, 2026		December 31, 2025	
	Carrying Amount(1)	Fair Value	Carrying Amount(1)	Fair Value
Financial Assets:				
Debt security investment	$ 92,614	$ 93,051	$ 92,136	$ 93,107
Financial Liabilities:				
Mortgage loans payable	$ 814,957	$ 682,514	$ 966,925	$ 898,892
Lines of credit and term loan	$ 543,531	$ 549,871	$ 547,510	$ 549,946

(1) Carrying amount is net of any discount/premium and unamortized deferred financing costs.

14. Income Taxes

As a REIT, we generally will not be subject to U.S. federal income tax on taxable income that we distribute to our stockholders. We have elected to treat certain of our consolidated subsidiaries as taxable REIT subsidiaries, or TRS, pursuant to the Code. TRS may participate in services that would otherwise be considered impermissible for REITs and are subject to federal and state income tax at regular corporate tax rates.

Current Income Tax

Federal and state income taxes are generally a function of the level of income recognized by our TRS. Foreign income taxes are generally a function of our income on our real estate located in the UK and Isle of Man.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Deferred Taxes

Deferred income tax is generally a function of the period's temporary differences (primarily basis differences between tax and financial reporting for real estate assets and equity investments) and generation of tax net operating loss that may be realized in future periods depending on sufficient taxable income.

We recognize the effects of an uncertain tax position on the financial statements, when it is more likely than not, based on the technical merits of the tax position, that such a position will be sustained upon examination by the relevant tax authorities. If the tax benefit meets the "more likely than not" threshold, the measurement of the tax benefit will be based on our estimate of the ultimate tax benefit to be sustained if audited by the taxing authority. As of both September 30, 2026 and December 31, 2025, we did not have any tax benefits or liabilities for uncertain tax positions that we believe should be recognized in our accompanying condensed consolidated financial statements.

We assess the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A valuation allowance is established if we believe it is more likely than not that all or a portion of the deferred tax assets are not realizable. As of both September 30, 2026 and December 31, 2025, our valuation allowance partially reserved our net deferred tax assets, due to historical losses and inherent uncertainty of future income. We will continue to monitor industry and economic conditions, and our ability to generate taxable income based on our business plan and available tax planning strategies, which would allow us to utilize the tax benefits of the net deferred tax assets and thereby allow us to reverse all, or a portion of, our valuation allowance in the future.

15. Leases

Lessor

We have operating leases with tenants that expire at various dates through 2050. For the three months ended September 30, 2026 and 2025, we recognized $39,584,000 and $40,172,000, respectively, of revenues related to operating lease payments, of which $9,340,000 and $9,103,000, respectively, was for variable lease payments. For the nine months ended September 30, 2026 and 2025, we recognized $119,016,000 and $123,227,000, respectively, of revenues related to operating lease payments, of which $27,960,000 and $27,928,000, respectively, was for variable lease payments. As of September 30, 2026, the following table sets forth the undiscounted cash flows for future minimum base rents due under operating leases for the remaining three months ending December 31, 2026 and for each of the next four years ending December 31 and thereafter for properties that we wholly own (in thousands):

Year	Amount
2026	$ 29,537
2027	116,302
2028	107,294
2029	95,875
2030	83,990
Thereafter	445,426
Total	$ 878,424

Lessee

We lease certain land, buildings, campuses, office equipment and automobiles. We have lease agreements with lease and non-lease components, which are generally accounted for separately. Most leases include one or more options to renew, with renewal terms that generally can extend at various dates through 2107, excluding extension options. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property.

The depreciable life of assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Certain of our lease agreements include rental payments that are adjusted periodically based on the United States Bureau of Labor Statistics' Consumer Price Index and may also include other variable lease costs (i.e., common area maintenance, property taxes and insurance). Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

The components of lease costs were as follows (in thousands):

Lease Cost	Classification	Three Months Ended September 30, 2026	2025
Operating lease cost(1)	Property operating expenses, rental expenses or general and administrative expenses	$ 8,271	$ 8,469
Finance lease cost:			
Amortization of leased assets	Depreciation and amortization	6	16
Interest on lease liabilities	Interest expense	2	3
Sublease income	Resident fees and services revenue or other income	(53)	(52)
Total lease cost		$ 8,226	$ 8,436

Lease Cost	Classification	Nine Months Ended September 30, 2026	2025
Operating lease cost(1)	Property operating expenses, rental expenses or general and administrative expenses	$ 24,644	$ 26,118
Finance lease cost:			
Amortization of leased assets	Depreciation and amortization	19	48
Interest on lease liabilities	Interest expense	6	10
Sublease income	Resident fees and services revenue or other income	(159)	(289)
Total lease cost		$ 24,510	$ 25,887

(1) Includes short-term leases and variable lease costs, which are immaterial.

Additional information related to our leases for the periods presented below was as follows (dollars in thousands):

Lease Term and Discount Rate	September 30, 2026	December 31, 2025
Weighted average remaining lease term (in years):		
Operating leases	15.9	11.4
Finance leases	1.8	3.6
Weighted average discount rate:		
Operating leases	5.75%	5.85%
Finance leases	11.25%	11.25%

Supplemental Disclosure of Cash Flows Information	Nine Months Ended September 30, 2026	2025
Operating cash outflows related to finance leases	$ 6	$ 10
Financing cash outflows related to finance leases	$ 22	$ 44
Right-of-use assets obtained in exchange for operating lease liabilities	$ 15,964	$ 1,281

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Operating Leases

As of September 30, 2026, the following table sets forth the undiscounted cash flows of our scheduled obligations for future minimum payments for the remaining three months ending December 31, 2026 and for each of the next four years ending December 31 and thereafter, as well as the reconciliation of those cash flows to operating lease liabilities on our accompanying condensed consolidated balance sheet (in thousands):

Year	Amount
2026	$ 7,433
2027	29,705
2028	30,080
2029	29,221
2030	27,332
Thereafter	111,372
Total undiscounted operating lease payments	235,143
Less: interest	(99,713)
Present value of operating lease liabilities	$ 135,430

Finance Leases and Financing Obligations

As of September 30, 2026, the following table sets forth the undiscounted cash flows of our scheduled obligations for future minimum payments for the remaining three months ending December 31, 2026 and for each of the next four years ending December 31 and thereafter, as well as a reconciliation of those cash flows to finance lease liabilities and financing obligations (in thousands):

Year	Amount
2026	$ 744
2027	2,846
2028	2,465
2029	19,368
2030	92
Thereafter	—
Total undiscounted payments	25,515
Less: interest	(6,307)
Present value of finance lease liabilities and financing obligations	$ 19,208

16. Segment Reporting

Our chief operating decision maker, or CODM, who is our Chief Executive Officer, evaluates our business and makes resource allocations based on four operating segments: ISHC, SHOP, OM and Triple-Net Leased Properties. These operating segments are also our reportable segments.

Our ISHC segment includes properties that each provide a range of independent living, assisted living, memory care, skilled nursing services and certain ancillary businesses. Our SHOP segment includes senior housing, which may provide assisted living, independent living or memory care services, that are owned and operated utilizing a RIDEA structure. In addition, our SHOP segment includes notes receivable secured by partnership interests. Our OM segment includes buildings that are typically leased to multiple tenants under separate leases, thus requiring active management and responsibility for many of the associated operating expenses (much of which are, or can effectively be, passed through to the tenants). Our Triple-Net Leased Properties segment includes senior housing, skilled nursing facilities and hospital investments, which are single-tenant properties for which we lease the properties to unaffiliated tenants under triple-net and generally master leases that transfer the obligation for all property operating costs (including maintenance, repairs, taxes, insurance and capital expenditures) to the tenant. In addition, our Triple-Net Leased Properties segment includes our debt security investment and notes receivable secured by mortgages. During the first quarter of 2026, we reclassified two senior housing properties from our SHOP reportable segment to our ISHC reportable segment to align the properties that are managed by Trilogy Management Services, LLC within ISHC. Our reportable segments and the measure of segment profit or loss reviewed by our CODM were unchanged. As of and for the three and nine months ended September 30, 2026, prior-period segment information presented in this Quarterly Report on Form 10-Q has been recast to conform to the current-period presentation. The reclassification had no impact on previously reported consolidated amounts.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Our CODM evaluates the performance of our combined properties in each reportable segment and determines how to allocate resources to those segments, primarily based on net operating income, or NOI, for each segment. NOI excludes certain items that are not associated with the operations of our properties. Our CODM also primarily uses NOI for each segment in the annual budget and forecasting process. Further, our CODM considers budget-to-actual variances in NOI on a quarterly basis when making decisions about the allocation of operating and capital resources to each segment. We define segment NOI as total revenues, less property operating expenses and rental expenses, which excludes depreciation and amortization, general and administrative expenses, transaction, transition and restructuring costs, net interest expense, gain or loss in fair value of derivative financial instruments, gain or loss on dispositions of real estate investments, impairment of real estate investments, impairment of intangible assets and goodwill, income or loss from unconsolidated entities, gain on re-measurement of previously held equity interests, foreign currency gain or loss, other income or expense and income tax benefit or expense for each segment. We believe that segment NOI serves as an appropriate supplemental performance measure to net income (loss) because it allows investors and our management to measure unlevered property-level operating results and to compare our operating results to the operating results of other real estate companies and between periods on a consistent basis. We also believe that NOI is a widely accepted measure of comparative operating performance in the real estate community. However, our use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this performance measure.

Interest expense, depreciation and amortization and other expenses not attributable to individual properties are not allocated to individual segments for purposes of assessing segment performance. Non-segment assets primarily consist of corporate assets, including cash and cash equivalents, deferred financing costs, operating lease right-of-use asset and other assets not attributable to individual properties.

Summary information for our reportable segments, including a summary of segment operating expenses, during the three and nine months ended September 30, 2026 and 2025 was as follows (in thousands):

	ISHC	SHOP	OM	Triple-Net Leased Properties	Three Months Ended September 30, 2026
Revenues:					
Resident fees and services	$ 534,189	$ 166,904	$ —	$ —	$ 701,093
Real estate revenue	—	—	30,666	10,390	41,056
Total revenues	534,189	166,904	30,666	10,390	742,149
Less(1):					
Compensation expense	266,241	71,781	—	—	
Controllable expenses(2)	158,266	40,888	—	—	
Non-controllable expenses(3)	12,883	7,924	—	—	
Facility rental expense(4)	6,752	—	—	—	
Other segment items(5)	—	102	12,093	424	
Segment net operating income	$ 90,047	$ 46,209	$ 18,573	$ 9,966	$ 164,795
General and administrative					$ 21,582
Transaction, transition and restructuring costs					5,113
Depreciation and amortization					90,869
Interest expense:					
Interest expense, net					(17,773)
Loss in fair value of derivative financial instruments					(106)
Income from unconsolidated entities					49
Foreign currency loss					(619)
Other income, net					3,473
Income before income taxes					32,255
Income tax expense					(740)
Net income					$ 31,515

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	ISHC	SHOP	OM	Triple-Net Leased Properties	Three Months Ended September 30, 2025
Revenues:					
Resident fees and services	$ 455,452	$ 76,606	$ —	$ —	$ 532,058
Real estate revenue	—	—	31,181	9,698	40,879
Total revenues	455,452	76,606	31,181	9,698	572,937
Less(1):					
Compensation expense	232,752	36,851	—	—	
Controllable expenses(2)	142,331	20,836	—	—	
Non-controllable expenses(3)	11,171	3,559	—	—	
Facility rental expense(4)	7,030	—	—	—	
Other segment items(5)	—	—	12,053	539	
Segment net operating income	$ 62,168	$ 15,360	$ 19,128	$ 9,159	$ 105,815
General and administrative					$ 14,108
Transaction, transition and restructuring costs					50
Depreciation and amortization					49,181
Interest expense:					
Interest expense, net					(20,392)
Gain in fair value of derivative financial instruments					166
Gain on dispositions of real estate investments, net					691
Impairment of real estate investments					(3,768)
Income from unconsolidated entities					462
Gain on re-measurement of previously held equity interest					14,580
Foreign currency loss					(977)
Other income, net					2,309
Income before income taxes					35,547
Income tax benefit					21,092
Net income					$ 56,639

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	ISHC	SHOP	OM	Triple-Net Leased Properties	Nine Months Ended September 30, 2026
Revenues:					
Resident fees and services	$ 1,549,810	$ 395,569	$ —	$ —	$ 1,945,379
Real estate revenue	—	—	91,493	30,301	121,794
Total revenues	1,549,810	395,569	91,493	30,301	2,067,173
Less(1):					
Compensation expense	783,817	172,576	—	—	
Controllable expenses(2)	467,276	100,516	—	—	
Non-controllable expenses(3)	38,487	18,807	—	—	
Facility rental expense(4)	20,265	—	—	—	
Other segment items(5)	—	102	35,710	2,080	
Segment net operating income	$ 239,965	$ 103,568	$ 55,783	$ 28,221	$ 427,537
General and administrative					$ 59,078
Transaction, transition and restructuring costs					9,870
Depreciation and amortization					230,056
Interest expense:					
Interest expense, net					(55,195)
Gain in fair value of derivative financial instruments					1,778
Gain on dispositions of real estate investments, net					5,647
Impairment of real estate investments					(2,137)
Income from unconsolidated entities					1,733
Foreign currency loss					(1,363)
Other income, net					7,722
Income before income taxes					86,718
Income tax expense					(212)
Net income					$ 86,506

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

	ISHC	SHOP	OM	Triple-Net Leased Properties	Nine Months Ended September 30, 2025
Revenues:					
Resident fees and services	$ 1,313,494	$ 217,025	$ —	$ —	$ 1,530,519
Real estate revenue	—	—	95,629	29,895	125,524
Total revenues	1,313,494	217,025	95,629	29,895	1,656,043
Less(1):					
Compensation expense	669,119	105,839	—	—	
Controllable expenses(2)	412,570	59,563	—	—	
Non-controllable expenses(3)	33,905	10,435	—	—	
Facility rental expense(4)	21,807	—	—	—	
Other segment items(5)	—	—	36,930	2,295	
Segment net operating income	$ 176,093	$ 41,188	$ 58,699	$ 27,600	$ 303,580
General and administrative					$ 42,206
Transaction, transition and restructuring costs					1,808
Depreciation and amortization					132,236
Interest expense:					
Interest expense, net					(65,969)
Loss in fair value of derivative financial instruments					(1,213)
Loss on dispositions of real estate investments, net					(2,344)
Impairment of real estate investments					(38,133)
Loss from unconsolidated entities					(2,624)
Gain on re-measurement of previously held equity interest					14,580
Foreign currency gain					3,181
Other income, net					5,314
Income before income taxes					40,122
Income tax benefit					19,756
Net income					$ 59,878

(1) The significant expense categories and amounts below align with the segment-level information that is regularly provided to our CODM.

(2) Controllable expenses include utilities, food, repairs and maintenance and other operating expenses.

(3) Non-controllable expenses include property taxes and insurance.

(4) Facility rental expense relates to properties operated, but not owned.

(5) Other segment items for the following reportable segments primarily include:

- OM — property taxes, insurance, utilities, management fees and certain overhead expenses.
- Triple-Net Leased Properties — property taxes and insurance.
- SHOP — ground lease rental expense.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

Total assets by reportable segment as of September 30, 2026 and December 31, 2025 were as follows (in thousands):

	September 30, 2026	December 31, 2025
SHOP	$ 3,314,385	$ 1,273,714
ISHC	2,745,332	2,686,143
OM	1,037,288	1,048,810
Triple-Net Leased Properties	473,043	393,952
Other	39,309	23,607
Total assets	$ 7,609,357	$ 5,426,226

As of both September 30, 2026 and December 31, 2025, goodwill of $168,177,000, $47,812,000 and $18,953,000 was allocated to our ISHC, OM and Triple-Net Leased Properties segments, respectively.

Our portfolio of properties and other investments are located in the United States, the UK and Isle of Man. Revenues and assets are attributed to the country in which the property is physically located. The following is a summary of geographic information for our operations for the periods presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues:				
United States	$ 739,617	$ 571,272	$ 2,061,314	$ 1,651,175
International	2,532	1,665	5,859	4,868
Total	$ 742,149	$ 572,937	$ 2,067,173	$ 1,656,043

The following is a summary of real estate investments, net by geographic regions as of September 30, 2026 and December 31, 2025 (in thousands):

	September 30, 2026	December 31, 2025
Real estate investments, net:		
United States	$ 5,907,674	$ 4,140,169
International	41,410	43,250
Total	$ 5,949,084	$ 4,183,419

17. Concentration of Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk are primarily our debt investments, cash and cash equivalents, restricted cash and accounts and other receivables. We are exposed to credit risk with respect to our debt investments, but we believe collection of the outstanding amounts is probable. Cash and cash equivalents are generally invested in investment-grade, short-term instruments with a maturity of three months or less when purchased. We have cash and cash equivalents in financial institutions that are insured by the Federal Deposit Insurance Corporation, or FDIC. As of September 30, 2026 and December 31, 2025, we had cash and cash equivalents in excess of FDIC insured limits. We believe this risk is not significant. Concentration of credit risk with respect to accounts receivable from tenants and residents is limited. We perform credit evaluations of prospective tenants and security deposits are obtained at the time of property acquisition and upon lease execution.

Based on leases in effect as of September 30, 2026, properties in two states in the United States accounted for 10% or more of our total consolidated property portfolio's annualized base rent or annualized NOI, which is based on contractual base rent from leases in effect for our non-RIDEA properties and annualized NOI for our ISHC and SHOP as of September 30, 2026. Properties located in Indiana and Ohio accounted for 28.7% and 10.5%, respectively, of our total consolidated property portfolio's annualized base rent or annualized NOI. Accordingly, there is a geographic concentration of risk subject to fluctuations in each state's economy.

Based on leases in effect as of September 30, 2026, our ISHC, SHOP, OM and Triple-Net Leased Properties accounted for 51.3%, 31.2%, 12.8% and 4.7%, respectively, of our total consolidated property portfolio's annualized base rent or annualized NOI.

AMERICAN HEALTHCARE REIT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

As of September 30, 2026, none of our tenants at our properties accounted for 10% or more of our total consolidated property portfolio's annualized base rent or annualized NOI.

18. Earnings Per Share

The following table presents the amounts used in computing our basic and diluted earnings per share (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net income attributable to controlling interest — basic	$ 31,213	$ 55,927	$ 85,532	$ 59,031
Adjustment for net (loss) income allocated to participating securities	(1)	3	(2)	(3)
Net income attributable to controlling interest — diluted	$ 31,212	$ 55,930	$ 85,530	$ 59,028
Denominator:				
Denominator for basic earnings per share — weighted average shares	216,783,990	169,010,301	199,046,304	162,188,510
Effect of dilutive securities:				
Nonvested restricted common stock and stock units	467,758	791,588	448,378	719,508
ESPP	112	201	112	201
Forward sale agreements	459,723	—	—	—
Denominator for diluted earnings per share — adjusted weighted average shares	217,711,583	169,802,090	199,494,794	162,908,219
Basic earnings per share:				
Net income attributable to controlling interest	$ 0.14	$ 0.33	$ 0.43	$ 0.36
Diluted earnings per share:				
Net income attributable to controlling interest	$ 0.14	$ 0.33	$ 0.43	$ 0.36

Basic earnings per share for all periods presented is computed by dividing net income applicable to common stock by the weighted average number of shares of our common stock outstanding during the period. Diluted earnings per share are computed based on the weighted average number of shares of our common stock and all dilutive securities, if any. TBUs, RSAs and limited OP units, as well as common stock issued pursuant to the ESPP, the Manager Plan and forward sale agreements, give rise to potentially dilutive shares of our common stock.

The following securities were excluded from the computation of diluted earnings per share because such securities were anti-dilutive during the periods presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Nonvested TBUs	42,019	1,353	52,317	1,353
Nonvested RSAs	2,594	—	2,594	24,336
Limited OP units	1,936,425	2,004,216	1,936,425	2,004,216
Forward sale agreements	—	5,866,000	23,664,238	5,866,000

For the three and nine months ended September 30, 2026 and 2025, 562,582 and 424,788 nonvested PBUs, respectively, were treated as contingently issuable shares pursuant to ASC Topic 718, Compensation — Stock Compensation. Such contingently issuable shares were excluded from the computation of diluted earnings per share because they were anti-dilutive during the period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The use of the words "we," "us" or "our" refers to American Healthcare REIT, Inc. and its subsidiaries, including American Healthcare REIT Holdings, LP, except where otherwise noted.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to promote understanding of our results of operations and financial condition. Such discussion is provided as a supplement to, and should be read in conjunction with our accompanying condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the United States Securities and Exchange Commission, or SEC, on February 27, 2026, or the 2025 Annual Report on Form 10-K. Such condensed consolidated financial statements and information have been prepared to reflect our financial position as of September 30, 2026 and December 31, 2025, together with our results of operations for the three and nine months ended September 30, 2026 and 2025 and cash flows for the nine months ended September 30, 2026 and 2025. Our results of operations and financial condition, as reflected in the accompanying condensed consolidated financial statements and related notes, are subject to management's evaluation and interpretation of business conditions, changing capital market conditions, and other factors that could affect the on-going operations and occupancy of our tenants and residents.

Forward-Looking Statements

Certain statements contained in this report, other than historical facts, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the Private Securities Litigation Reform Act of 1995 (collectively with the Securities Act and Exchange Act, or the "Acts"). We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Acts. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "can," "expect," "intend," "anticipate," "estimate," "believe," "continue," "possible," "initiatives," "focus," "seek," "objective," "goal," "strategy," "plan," "potential," "potentially," "preparing," "projected," "future," "long-term," "once," "should," "could," "would," "might," "uncertainty," or other similar words.

Any such forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate, and beliefs of, and assumptions made by, our management and involve uncertainties that could significantly affect our financial results. Such statements include, but are not limited to: (i) statements about our plans, strategies, initiatives and prospects, including any future capital-raising initiatives and planned or future acquisitions or dispositions of properties and other assets; and (ii) statements about our future results of operations, capital expenditures and liquidity. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including, without limitation: changes in economic conditions generally and the real estate market specifically; legislative and regulatory changes, including changes to laws governing the taxation of real estate investment trusts, or REITs, and regulations or proposed regulations governing the operations and sales of healthcare properties; the availability of capital; our ability to pay down, refinance, restructure or extend our indebtedness as it becomes due; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes; changes in interest rates; competition in the real estate industry; changes in accounting principles generally accepted in the United States of America, or GAAP, policies and guidelines applicable to REITs; the success of our investment strategy; cybersecurity incidents and information technology failures, including unauthorized access to our computer systems and/or our vendors' computer systems and our third-party management companies' computer systems and/or their vendors' computer systems; our ability to retain our executive officers and key employees; our ability to settle outstanding forward sale agreements; unexpected labor costs and inflationary pressures; changing macroeconomic, domestic legal and fiscal policies; geopolitical conditions; and those risks identified in Item 1A, Risk Factors in our 2025 Annual Report on Form 10-K, this Quarterly Report on Form 10-Q, and any future filings we make with the SEC. These risks and uncertainties should be considered in evaluating forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date on which such statements are made, and undue reliance should not be placed on such statements. We undertake no obligation to update any such statements that may become untrue because of subsequent events. Additional information concerning us and our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Overview and Background

American Healthcare REIT, Inc., a Maryland corporation, is a self-managed REIT that acquires, owns and operates a diversified portfolio of clinical healthcare real estate properties, focusing primarily on senior housing, skilled nursing facilities, outpatient medical, or OM, buildings and other healthcare-related facilities. We have built a fully integrated management platform that operates clinical healthcare properties throughout the United States, and in the United Kingdom and the Isle of Man. We own and operate our integrated senior health campuses, or ISHC, and senior housing operating properties, or SHOP, utilizing the structure permitted by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a "RIDEA" structure. We have also originated and acquired secured loans and may originate and acquire other real estate-related investments in the future on an infrequent and opportunistic basis. We generally seek investments that produce current income; however, we have selectively developed, and may continue to selectively develop, healthcare real estate properties. We have elected to be taxed as a REIT for U.S. federal income tax purposes. We believe that we have been organized and operated, and we intend to continue to operate, in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code of 1986, or the Code.

Operating Partnership

We conduct substantially all of our operations through American Healthcare REIT Holdings, LP, or our operating partnership, and we are the sole general partner of our operating partnership. As of September 30, 2026 and December 31, 2025, we owned 99.2% and 99.0%, respectively, of the operating partnership units, or OP units, in our operating partnership, and the remaining 0.8% and 1.0%, respectively, of the OP units were owned by the following limited partners: (i) AHI Group Holdings, LLC, which is owned and controlled by Jeffrey T. Hanson, our Chairman of the Board of Directors and Chief Executive Officer, Danny Prosky, one of our non-executive directors, and Mathieu B. Streiff, one of our independent directors; and (ii) a wholly-owned subsidiary of Griffin Capital Company, LLC.

Investment Portfolio

We currently operate through four reportable business segments: ISHC, SHOP, OM and triple-net leased properties, or Triple-Net Leased Properties. As of September 30, 2026, we owned and/or operated 366 buildings and ISHC, which represent in total approximately 25,437,000 square feet of gross leasable area, or GLA, for an aggregate contract purchase price of $7,426,645,000. In addition, as of September 30, 2026, we originated an aggregate $146,343,000 in notes receivable and had a real estate-related debt security investment purchased for $60,429,000.

Critical Accounting Estimates

Our accompanying condensed consolidated financial statements are prepared in conformity with GAAP, which requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying footnotes. These estimates are made and evaluated on an on-going basis using information that is currently available, as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in material adverse ways, and those estimates could be different under different assumptions or conditions. The complete listing of our Critical Accounting Estimates was previously disclosed in our 2025 Annual Report on Form 10-K, and there have been no material changes to our Critical Accounting Estimates as disclosed therein, except as included within Note 2, Summary of Significant Accounting Policies, to our accompanying condensed consolidated financial statements.

Interim Unaudited Financial Data

For a discussion of interim unaudited financial data, see Note 2, Summary of Significant Accounting Policies — Interim Unaudited Financial Data, to our accompanying condensed consolidated financial statements. Our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2025 Annual Report on Form 10-K.

Acquisitions and Dispositions in 2026

For a discussion of our acquisitions and dispositions of investments in 2026, see Note 3, Real Estate Investments, to our accompanying condensed consolidated financial statements.

Factors Which May Influence Results of Operations

Other than the effects of inflation and scheduled lease expirations discussed below, as well as other national economic conditions affecting real estate generally, and as otherwise disclosed in our risk factors, we are not aware of any material trends or uncertainties that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the acquisition, disposition, management and operation of our properties. For a further discussion of these and other factors that could impact our future results or performance, see "Forward-Looking Statements" above and Part II, Item 1A, Risk Factors, of this Quarterly Report on Form 10-Q and those Risk Factors previously disclosed in our 2025 Annual Report on Form 10-K, as filed with the SEC on February 27, 2026.

Inflation

During the nine months ended September 30, 2026 and 2025, inflation has affected our operations. The annual rate of inflation in the United States was 3.7% in September 2026 and 3.0% in September 2025, as measured by the Consumer Price Index. We believe inflation has impacted our operations such that we have experienced, and continue to experience, increases in the cost of labor, services, energy and supplies, and therefore continued inflationary pressures on our ISHC and SHOP could continue to impact our profitability in future periods. To offset the impact of inflation on the cost of labor and services, our RIDEA managers may have billed higher than average annual rent and care fee increases for existing residents in 2025 and 2026, as compared to prior years, while adjusting market rates as frequently as needed based on competitor pricing and market conditions. We believe this practice will improve operating performance in our ISHC and SHOP, as well as increase rent coverage and the stability of our real estate revenue in our Triple-Net Leased Properties over time.

For properties that are not operated under a RIDEA structure, there are provisions in the majority of our tenant leases that help us mitigate the impact of inflation. These provisions include negotiated rental increases, which historically range from 2% to 3% per year, reimbursement billings for operating expense pass-through charges and real estate tax and insurance reimbursements. However, due to the long-term nature of existing leases, among other factors, the leases may not reset frequently enough to cover inflation.

In addition, inflation has also caused an increase in the cost of our variable-rate debt due to historically rising interest rates. See Item 3, Quantitative and Qualitative Disclosures About Market Risk — Interest Rate Risk, of this Quarterly Report on Form 10-Q for further discussion.

Scheduled Lease Expirations

Excluding our ISHC and SHOP, as of September 30, 2026, our properties were 90.3% leased, and, during the remainder of 2026, 1.3% of the leased GLA is scheduled to expire. Our leasing strategy focuses on negotiating renewals for leases scheduled to expire during the next 12 months. In the future, if we are unable to negotiate renewals, we will try to identify new tenants or collaborate with existing tenants who are seeking additional space to occupy. As of September 30, 2026, our remaining weighted average lease term was 6.5 years, excluding our ISHC and SHOP.

Our combined ISHC and SHOP were 90.8% leased as of September 30, 2026. Substantially all of our leases with residents at such properties are for a term of one year or less.

Results of Operations

Comparison of Three and Nine Months Ended September 30, 2026 and 2025

Our operating results are primarily comprised of income derived from our portfolio of properties and expenses in connection with the acquisition and operation of such properties. Our primary sources of revenue include rent generated by our leased, non-RIDEA properties and resident fees and services revenue from our RIDEA properties. Our primary expenses include property operating expenses and rental expenses. In general, we expect such revenues and expenses related to our portfolio of RIDEA properties to increase in the future due to an overall increase in occupancies, resident fees and pricing of care services provided.

We segregate our operations into reporting segments in order to assess the performance of our business in the same way that management reviews our performance and makes operating decisions. As of September 30, 2026, we operated through four reportable business segments: ISHC, SHOP, OM and Triple-Net Leased Properties. During the first quarter of 2026, we reclassified two senior housing properties from our SHOP segment to our ISHC segment to align the properties that are managed by Trilogy Management Services, LLC within ISHC. Prior-period segment results discussed below have been recast to conform to the current-period presentation, and the reclassification did not affect consolidated results.

The most significant drivers behind changes in our consolidated results of operations for the three and nine months ended September 30, 2026 compared to the corresponding periods in 2025 were primarily due to: our increase in resident occupancies and billing rates; the adverse impact of inflation, which resulted in increases in the cost of labor, services, energy and supplies; and our acquisitions and dispositions of investments. Additional information behind the changes in our consolidated results of operations is discussed in more detail below. See Note 3, Real Estate Investments, to our accompanying condensed consolidated financial statements for further discussion of our acquisitions and dispositions during 2026. As of September 30, 2026 and 2025, we owned and/or operated the following types of properties (dollars in thousands):

	September 30,					
	2026			2025		
	Number of Buildings/ Campuses	Aggregate Contract Purchase Price	Leased % (1)	Number of Buildings/ Campuses	Aggregate Contract Purchase Price	Leased % (1)
ISHC	149	$ 2,519,189	91.3%	135	$ 2,271,077	90.2%
SHOP	126	3,460,424	90.2%	85	1,025,408	88.6%
OM	73	1,085,567	87.7%	76	1,113,327	86.5%
Triple-Net Leased Properties	18	361,465	100%	19	368,665	100%
Total/weighted average(2)	366	$ 7,426,645	90.3%	315	$ 4,778,477	89.3%

(1) Leased percentage includes all third-party leased space at our non-RIDEA properties (including master leases), except for our ISHC and SHOP where leased percentage represents resident occupancy of the available units/beds therein.

(2) Weighted average leased percentage excludes our ISHC and SHOP segments.

Revenues

Our primary sources of revenue include resident fees and services revenue generated by our RIDEA properties and rent from our leased, non-RIDEA properties. For the three and nine months ended September 30, 2026 and 2025, resident fees and services revenue primarily consisted of rental fees related to resident leases, extended healthcare fees and other ancillary services, and real estate revenue primarily consisted of base rent related to tenant leases and expense recoveries. The amount of revenues generated by our RIDEA properties depends principally on our ability to maintain resident occupancy rates, adjust resident rent and care fees to market billing rates and optimize the quality of our payor mix. The amount of revenues generated by our non-RIDEA properties is dependent on our ability to maintain tenant occupancy rates of currently leased space and to lease available space at the then existing rental rates. Revenues by reportable segment consisted of the following for the periods presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Resident Fees and Services Revenue				
ISHC	$ 534,189	$ 455,452	$ 1,549,810	$ 1,313,494
SHOP	166,904	76,606	395,569	217,025
Total resident fees and services revenue	701,093	532,058	1,945,379	1,530,519
Real Estate Revenue				
OM	30,666	31,181	91,493	95,629
Triple-Net Leased Properties	10,390	9,698	30,301	29,895
Total real estate revenue	41,056	40,879	121,794	125,524
Total revenues	$ 742,149	$ 572,937	$ 2,067,173	$ 1,656,043

For our ISHC segment, resident fees and services revenue increased by $78,737,000 and $236,316,000, respectively, for the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025, primarily due to: (i) increased resident occupancy, a more favorable payor mix and higher resident fees as a result of an increase in billing rates and levels of care service; (ii) an increase of $5,077,000 and $45,484,000, respectively, due to the acquisition in July 2025 of nine senior housing properties located in Ohio, Michigan and Kentucky; and (iii) an increase of $34,977,000 and $104,693,000, respectively, due to the acquisition in December 2025 of 14 senior housing properties located in Ohio, Indiana, New Mexico and North Carolina. In addition, for both the three and nine months ended September 30, 2026, revenue for our ISHC segment included $8,815,000 for certain Ohio Medicaid quality incentive payments received pursuant to Ohio House Bill 479, or HB 479, and related to rate periods prior to 2026. HB 479 was enacted in June 2026 and appropriated funding for nursing facility quality incentive payments.

For our SHOP segment, resident fees and services revenue increased by $90,298,000 and $178,544,000, respectively, for the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025, primarily due to: (i) an increase of $1,070,000 and $9,343,000, respectively, due to the acquisition of three senior housing properties in Minnesota and Idaho in the third quarter of 2025; (ii) an increase of $23,850,000 and $69,559,000, respectively, due to the acquisition of 10 senior housing properties in California, Minnesota, Pennsylvania, Utah and Wisconsin in the fourth quarter of 2025; (iii) an increase of $10,680,000 and $25,625,000, respectively, due to the acquisition of seven senior housing properties in California, Kansas and Missouri in the first quarter of 2026; (iv) an increase of $7,591,000 and $13,557,000, respectively, due to the acquisition of seven senior housing properties in Georgia, Minnesota and South Carolina in the second quarter of 2026; (v) an increase of $39,958,000 due to the acquisition of 18 senior housing properties in California, Massachusetts, New Jersey, Pennsylvania, Connecticut, Delaware, Georgia, New York and Virginia in the third quarter of 2026; and (vi) increased resident occupancy and higher resident fees as a result of an increase in billing rates.

Property Operating Expenses and Rental Expenses

Our ISHC and SHOP segments typically have a higher percentage of direct operating expenses to revenue than each of our OM and Triple-Net Leased Properties segments due to the nature of RIDEA-type facilities where we conduct day-to-day operations. Property operating expenses and property operating expenses as a percentage of resident fees and services revenue, as well as rental expenses and rental expenses as a percentage of real estate revenue, by reportable segment consisted of the following for the periods presented below (dollars in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026		2025		2026		2025	
Property Operating Expenses								
ISHC	$ 444,142	83.1%	$ 393,284	86.4%	$ 1,309,845	84.5%	$ 1,137,401	86.6%
SHOP	120,593	72.3%	61,246	79.9%	291,899	73.8%	175,837	81.0%
Total property operating expenses	$ 564,735	80.6%	$ 454,530	85.4%	$ 1,601,744	82.3%	$ 1,313,238	85.8%
Rental Expenses								
OM	$ 12,093	39.4%	$ 12,053	38.7%	$ 35,710	39.0%	$ 36,930	38.6%
Triple-Net Leased Properties	424	4.1%	539	5.6%	2,080	6.9%	2,295	7.7%
SHOP	102	—	—	—	102	—	—	—
Total rental expenses	$ 12,619	30.7%	$ 12,592	30.8%	$ 37,892	31.1%	$ 39,225	31.2%

For our ISHC segment, total property operating expenses increased by $50,858,000 and $172,444,000, respectively, for the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025, primarily due to: (i) increased resident occupancy and levels of care services at the facilities within such segment, thereby increasing labor costs and other operating expenses; (ii) an increase of $2,763,000 and $36,080,000, respectively, due to the acquisition in July 2025 of nine senior housing properties located in Ohio, Michigan and Kentucky; and (iii) an increase of $30,915,000 and $93,382,000, respectively, due to the acquisition in December 2025 of 14 senior housing properties located in Ohio, Indiana, New Mexico and North Carolina.

For our SHOP segment, total property operating expenses increased by $59,347,000 and $116,062,000, respectively, for the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025, primarily due to: (i) an increase of $761,000 and $6,789,000, respectively, due to the acquisitions of three senior housing properties in Minnesota and Idaho in the third quarter of 2025; (ii) an increase of $16,138,000 and $46,103,000, respectively, due to the acquisition of 10 senior housing properties in California, Minnesota, Pennsylvania, Utah and Wisconsin in the fourth quarter of 2025; (iii) an increase of $8,077,000 and $19,100,000, respectively, due to the acquisition of seven senior housing properties in California, Kansas and Missouri in the first quarter of 2026; (iv) an increase of $5,581,000 and $9,817,000, respectively, due to the acquisition of seven senior housing properties in Georgia, Minnesota and South Carolina in the second quarter of 2026; (v) an increase of $26,759,000 due to the acquisition of 18 senior housing properties in California, Massachusetts, New Jersey, Pennsylvania, Connecticut, Delaware, Georgia, New York and Virginia in the third quarter of 2026; and (vi) increased occupancy at the facilities within such segment, which resulted in increasing labor costs from additional staffing and other operating expenses.

General and Administrative

For the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025, general and administrative expenses increased $7,474,000 and $16,872,000, respectively, primarily due to an increase in stock compensation expense of $5,855,000 and $10,739,000, respectively, and an increase in salaries and benefits expense of $1,376,000 and $5,353,000, respectively. For both the three and nine months ended September 30, 2026, stock compensation expense includes $4,594,000 related to the accelerated vesting and modification of certain outstanding equity awards in connection with our previously disclosed Chief Executive Officer and Chief Financial Officer transitions during the third quarter of 2026, net of forfeitures.

Depreciation and Amortization

For the three months ended September 30, 2026 and 2025, depreciation and amortization was $90,869,000 and $49,181,000, respectively, which primarily consisted of depreciation on our operating properties of $53,785,000 and $39,644,000, respectively, and amortization of our identified intangible assets of $36,347,000 and $8,799,000, respectively. For the nine months ended September 30, 2026 and 2025, depreciation and amortization was $230,056,000 and $132,236,000, respectively, which primarily consisted of depreciation on our operating properties of $145,142,000 and $113,505,000, respectively, and amortization of our identified intangible assets of $82,702,000 and $16,538,000, respectively.

For the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025, depreciation and amortization increased by $41,688,000 and $97,820,000, respectively, primarily attributable to an increase of $27,519,000 and $66,192,000, respectively, in the amortization of in-place lease intangible assets due to property acquisitions since 2025.

Interest Expense

Interest expense, including gain or loss in fair value of derivative financial instruments, consisted of the following for the periods presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest expense:				
Mortgage loans payable	$ 9,437	$ 10,453	$ 29,629	$ 31,629
Lines of credit and term loan and derivative financial instruments	7,200	8,390	21,535	27,195
Amortization of deferred financing costs:				
Mortgage loans payable	410	469	1,330	1,339
Lines of credit and term loan	521	305	1,361	1,235
Amortization of debt discount/premium, net	499	499	1,500	1,519
Loss (gain) in fair value of derivative financial instruments	106	(166)	(1,778)	1,213
(Gain) loss on debt extinguishments	—	(22)	147	1,784
Interest on finance lease liabilities	2	3	6	10
Interest expense on financing obligations and other liabilities	538	696	1,876	2,101
Capitalized interest	(834)	(401)	(2,189)	(843)
Total	$ 17,879	$ 20,226	$ 53,417	$ 67,182

The decrease in total interest expense for the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025, was primarily due to the $2,206,000 and $7,660,000, respectively, decrease in interest expense related to a decrease in debt balances during 2025 and 2026. Such decrease was primarily a result of the paydown of our variable-rate lines of credit and payoff of certain mortgage loans payable using net proceeds raised from our equity offerings during 2025 and cash flow from operations. The decrease in total interest expense for the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025, was also driven by: (i) a $2,991,000 change from loss to gain in fair value of derivative financial instruments; (ii) a $1,637,000 decrease in loss on debt extinguishments; and (iii) a $1,346,000 increase in capitalized interest.

Impairment of Real Estate Investments

For the three months ended September 30, 2026, we did not recognize any impairment charges on real estate investments. For the nine months ended September 30, 2026, as we continued to evaluate our properties based on their historical operating performance and our expected holding period, we recognized an aggregate impairment charge of $2,137,000 for two OM buildings. For the three and nine months ended September 30, 2025, we recognized an aggregate impairment charge of $3,768,000 and $38,133,000, respectively, for one and seven OM buildings, respectively. See Note 3, Real Estate Investments — Impairment of Real Estate Investments, to our accompanying condensed consolidated financial statements for further discussion.

Liquidity and Capital Resources

Our principal sources of liquidity are cash flows from operations, net proceeds from the issuances of shares through our equity offerings, including through the 2026 ATM Offering and the August 2026 Offering (as defined and described in Note 12, Equity — Common Stock, to our accompanying condensed consolidated financial statements), and borrowings under our lines of credit (see the "Credit Facilities" section below). For the next 12 months, our principal liquidity needs are to: (i) fund property operating expenses and general and administrative expenses; (ii) meet our debt service requirements (including principal and interest); (iii) fund the acquisition of real estate investments, development activities and capital expenditures; and (iv) make distributions to our stockholders, as required for us to continue to qualify as a REIT. We believe that the sources of liquidity described above will be sufficient to satisfy our cash requirements for the next 12 months and the longer term thereafter. We do not have any material off-balance sheet arrangements that we expect would materially affect our liquidity and capital resources.

Material Cash Requirements

Capital Improvement Expenditures

A capital plan for each investment is established upon acquisition that contemplates the estimated capital needs of that investment, including costs of refurbishment, tenant improvements or other major capital expenditures. The capital plan also sets forth the anticipated sources of the necessary capital, which may include operating cash generated by the investment, capital reserves, a line of credit or other loan established with respect to the investment, other borrowings or additional equity investments from us and joint venture partners. The capital plan for each investment is adjusted through on-going, regular reviews of our portfolio or as necessary to respond to unanticipated additional capital needs. As of September 30, 2026, we had $11,681,000 of restricted cash in loan impounds and reserve accounts to fund a portion of such capital expenditures. Based on the budget for the properties we owned as of September 30, 2026, we estimate that expenditures for capital and tenant improvements as of such date will be approximately $18,788,000 for the remaining three months of 2026, although actual expenditures are predominantly discretionary and are dependent on many factors which are not presently known.

Contractual Obligations

The following table provides information with respect to: (i) the maturity and scheduled principal repayment of our secured mortgage loans payable and lines of credit and term loan; (ii) interest payments on our mortgage loans payable and lines of credit and term loan, excluding the effect of our interest rate swaps; (iii) operating lease obligations; and (iv) financing and other obligations as of September 30, 2026 (in thousands):

	Payments Due by Period				
	2026	2027-2028	2029-2030	Thereafter	Total
Principal payments — fixed-rate debt	$ 4,888	$ 195,922	$ 61,695	$ 568,262	$ 830,767
Interest payments — fixed-rate debt	8,032	55,169	45,341	298,626	407,168
Principal payments — variable-rate debt	—	550,000	—	—	550,000
Interest payments — variable-rate debt (based on rates in effect as of September 30, 2026)	7,337	1,436	—	—	8,773
Operating lease obligations	7,433	59,785	56,553	111,372	235,143
Financing and other obligations	744	5,311	19,460	—	25,515
Total	$ 28,434	$ 867,623	$ 183,049	$ 978,260	$ 2,057,366

As of September 30, 2026, we were under contract to acquire two additional real estate properties for an aggregate purchase price of $301,000,000 that we are obligated to purchase subject to various seller performance contingencies. We expect to fund these purchases, if completed, with proceeds from our equity offerings.

Distributions

For information on distributions, see the "Distributions" section below.

Credit Facilities

As of September 30, 2026, we are party to a credit agreement, as amended, with an aggregate maximum principal amount up to $1,350,000,000, which may be increased by an aggregate incremental amount (see Note 8, Lines of Credit and Term Loan, for further discussion), or the 2026 Credit Facility. In addition, we are party to an agreement regarding a senior secured revolving credit facility with an aggregate maximum principal amount of $50,000,000, or the 2025 Trilogy Credit Facility. See Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements for further discussion.

As of September 30, 2026, our aggregate borrowing capacity under the 2026 Credit Facility and the 2025 Trilogy Credit Facility was $1,400,000,000. As of September 30, 2026, our aggregate borrowings outstanding under such credit facilities were $550,000,000, and we had $850,000,000 available on such facilities, excluding the $25,000,000 standby letters of credit available pursuant to the 2026 Credit Facility.

Cash Flows

The following table sets forth changes in cash flows (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Cash, cash equivalents and restricted cash — beginning of period	$ 151,753	$ 123,301
Net cash provided by operating activities	366,579	239,276
Net cash used in investing activities	(2,225,883)	(373,319)
Net cash provided by financing activities	1,966,263	195,039
Effect of foreign currency translation on cash, cash equivalents and restricted cash	(40)	66
Cash, cash equivalents and restricted cash — end of period	$ 258,672	$ 184,363

The following summary discussion of our changes in our cash flows is based on our accompanying condensed consolidated statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

Operating Activities

For the nine months ended September 30, 2026 and 2025, cash flows from operating activities were primarily related to property operations, offset by payments of general and administrative expenses and interest payments on our outstanding indebtedness. In general, cash flows from operating activities are affected by the timing of cash receipts and payments, and have increased since 2025 primarily due to improved resident occupancy, an increase in billing rates and expense management at our properties operated under a RIDEA structure, the increase in the size of our real estate investments portfolio since 2025 thereby increasing our net operating income, as well as a decrease in interest paid on our outstanding indebtedness as a result of mortgage loan payoffs and paydowns on our lines of credit using net proceeds from our equity offerings in 2025. See the “Results of Operations” section above for further discussion.

Investing Activities

For the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025, the increase in net cash used in investing activities was primarily due to a $1,587,109,000 increase in cash paid to acquire real estate investments, a $140,488,000 increase in originations of notes receivable, a $70,939,000 increase in developments and capital expenditures, as well as a $39,274,000 decrease in proceeds from dispositions of real estate investments.

Financing Activities

For the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025, the increase in net cash provided by financing activities was primarily due to a $1,819,546,000 increase in gross equity offering proceeds, partially offset by a $22,548,000 increase in distributions paid, a $13,712,000 increase in the payment of equity offering costs and a $13,598,000 increase in payments to taxing authorities in connection with common stock directly withheld from employees.

Distributions

Our board of directors, or our board, shall authorize distributions, if any, on a quarterly basis, in such amounts as our board shall determine, and each quarterly record date for the purposes of such distributions shall be determined and authorized by our board in the last month of each calendar quarter until such time as our board changes our distribution policy. Our board has authorized a quarterly distribution equal to $0.25 per share to holders of our common stock, which we expect will continue to be paid in the future, though

we cannot guarantee that our distributions will continue at the current value or at all. Such quarterly distributions were equal to an annualized distribution rate of $1.00 per share and paid in cash, only from legally available funds.

The amount of the quarterly distributions paid to our common stockholders was determined by our board and was dependent on a number of factors, including funds available for payment of distributions, our financial condition, capital expenditure requirements and annual distribution requirements needed to maintain our qualification as a REIT under the Code. As of September 30, 2026, any distributions of amounts in excess of our current and accumulated earnings and profits have resulted in a return of capital to our stockholders, and some portion of a distribution to our stockholders may have been paid from borrowings.

Financing

Mortgage Loans Payable, Net

For a discussion of our mortgage loans payable, see Note 7, Mortgage Loans Payable, to our accompanying condensed consolidated financial statements.

Lines of Credit and Term Loan

For a discussion of our lines of credit and term loan, see Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

REIT Requirements

In order to maintain our qualification as a REIT for U.S. federal income tax purposes, we are required to distribute to our stockholders a minimum of 90.0% of our REIT taxable income. Existing Internal Revenue Service, or IRS, guidance includes a safe harbor pursuant to which publicly offered REITs can satisfy the distribution requirement by distributing a combination of cash and stock to stockholders. In general, to qualify under the safe harbor, each stockholder must elect to receive either cash or stock, and the aggregate cash component of the distribution to stockholders must represent at least 20.0% of the total distribution. In the event that there is a shortfall in net cash available due to factors including, without limitation, the timing of such distributions or the timing of the collection of receivables, we may seek to obtain capital to make distributions by means of unsecured and secured debt financing through one or more unaffiliated third parties. We may also make distributions with cash from capital transactions including, without limitation, the sale of one or more of our properties.

Commitments and Contingencies

For a discussion of our commitments and contingencies, see Note 10, Commitments and Contingencies, to our accompanying condensed consolidated financial statements.

Debt Service Requirements

A significant liquidity need is the payment of principal and interest on our outstanding indebtedness. As of September 30, 2026, we had $830,767,000 of fixed-rate mortgage loans payable outstanding secured by our properties. As of September 30, 2026, we had $550,000,000 outstanding, and $850,000,000 remained available under our lines of credit. The weighted average effective interest rate on our outstanding debt, factoring in our interest rate swaps, was 4.26% per annum as of September 30, 2026. See Note 7, Mortgage Loans Payable, and Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

We are required by the terms of certain loan documents to meet various financial and non-financial covenants, such as leverage ratios, net worth ratios, debt service coverage ratios and fixed charge coverage ratios. As of September 30, 2026, we were in compliance with all such covenants and requirements on our mortgage loans payable and our lines of credit and term loan. If any future covenants are violated, we anticipate seeking a waiver or amending the debt covenants with the lenders when and if such event should occur. However, there can be no assurances that management will be able to effectively achieve such plans.

Funds from Operations and Normalized Funds from Operations

Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts, or NAREIT, an industry trade group, has promulgated a measure known as funds from operations, or FFO, a non-GAAP financial measure, which we believe to be an appropriate supplemental performance measure to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental performance measure, and our management uses FFO to evaluate our performance over time. FFO is not equivalent to our net income (loss) as determined under GAAP.

Our FFO calculation complies with NAREIT's policy, under which we define FFO as net income (loss) computed in accordance with GAAP, excluding gains or losses from sales of certain real estate assets, gains or losses upon consolidation of a previously held equity interest, and impairment writedowns of certain real estate assets and investments, plus depreciation and amortization related to real estate, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO.

Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate-related depreciation and amortization and impairments, provides a further understanding of our operating performance to investors, industry analysts and our management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs, which may not be immediately apparent from net income (loss).

We define normalized FFO attributable to controlling interest, or Normalized FFO, as FFO further adjusted for the following items included in the determination of GAAP net income (loss): transaction, transition and restructuring costs; amounts relating to changes in deferred rent and amortization of above- and below-market leases; the non-cash impact of changes to our equity instruments; non-cash or non-recurring income or expense; the non-cash effect of income tax benefits or expenses; capitalized interest; impairment of intangible assets and goodwill; amortization of direct origination and closing costs on debt investments; mark-to-market adjustments included in net income (loss); gains or losses included in net income (loss) from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan; and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments calculated to reflect Normalized FFO on the same basis.

However, FFO and Normalized FFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss) as an indicator of our operating performance, GAAP cash flows from operations as an indicator of our liquidity or indicative of funds available to fund our cash needs, including our ability to make distributions to our stockholders. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO and Normalized FFO measures and the adjustments to GAAP in calculating FFO and Normalized FFO. Presentation of this information is intended to provide useful information to investors, industry analysts and management as they compare the operating performance used by the REIT industry, although it should be noted that not all REITs calculate FFO and normalized FFO the same way, so comparisons with other REITs may not be meaningful. FFO and Normalized FFO should be reviewed in conjunction with other measurements as an indication of our performance. None of the SEC, NAREIT, or any other regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO or Normalized FFO.

The following is a reconciliation of net income or loss, which is the most directly comparable GAAP financial measure, to FFO and Normalized FFO for the periods presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 31,515	$ 56,639	$ 86,506	$ 59,878
Depreciation and amortization related to real estate — consolidated properties	90,800	49,115	229,849	131,980
Depreciation and amortization related to real estate — unconsolidated entities	43	15	71	1,018
Impairment of real estate investments — consolidated properties	—	3,768	2,137	38,133
(Gain) loss on dispositions of real estate investments, net — consolidated properties	—	(691)	(5,647)	2,344
Gain on re-measurement of previously held equity interest	—	(14,580)	—	(14,580)
Net income attributable to noncontrolling interests	(302)	(712)	(974)	(847)
Depreciation, amortization, impairments, net gain/loss on dispositions and gain on re-measurement — noncontrolling interests	(1,449)	(521)	(3,005)	(2,216)
NAREIT FFO attributable to controlling interest	$ 120,607	$ 93,033	$ 308,937	$ 215,710
Transaction, transition and restructuring costs	$ 5,113	$ 50	$ 9,870	$ 1,808
Amortization of above- and below-market leases	281	295	911	1,063
Amortization of direct origination and closing costs — debt investments	739	11	763	60
Change in deferred rent	(184)	(485)	(1,120)	(1,877)
Non-cash impact of changes to equity instruments(1)	9,284	3,429	19,909	9,170
Non-cash income tax benefit	(294)	(21,401)	(1,241)	(21,401)
Capitalized interest	(834)	(401)	(2,189)	(843)
(Gain) loss on debt extinguishments	—	(22)	147	1,784
Loss (gain) in fair value of derivative financial instruments	106	(166)	(1,778)	1,213
Foreign currency loss (gain)	619	977	1,363	(3,181)
Other non-recurring income(2)	(8,815)	—	(8,815)	—
Adjustments for unconsolidated entities	(1)	(1)	(2)	4
Adjustments for noncontrolling interests	(62)	211	(192)	139
Normalized FFO attributable to controlling interest	$ 126,559	$ 75,530	$ 326,563	$ 203,649

(1) For the three and nine months ended September 30, 2026, stock compensation expense includes $4,594,000 related to the accelerated vesting and modification of certain outstanding equity awards in connection with our previously disclosed Chief Executive Officer and Chief Financial Officer transitions during the third quarter of 2026, net of forfeitures.

(2) Represents certain Ohio Medicaid quality incentive payments received by our ISHC segment pursuant to HB 479 that do not relate to the 2026 rate period. HB 479 was enacted in June 2026 and appropriated funding for nursing facility quality incentive payments. These amounts are included in resident fees and services revenue in our accompanying condensed consolidated statements of operations and comprehensive income, but are not reflective of our on-going operating performance.

Net Operating Income

Net operating income, or NOI, is a non-GAAP financial measure that is defined as net income (loss), computed in accordance with GAAP, generated from properties before general and administrative expenses, transaction, transition and restructuring costs, depreciation and amortization, interest expense, gain or loss in fair value of derivative financial instruments, gain or loss on dispositions of real estate investments, impairment of real estate investments, impairment of intangible assets and goodwill, income or loss from unconsolidated entities, gain on re-measurement of previously held equity interests, foreign currency gain or loss, other income or expense and income tax benefit or expense.

NOI is not equivalent to our net income (loss) as determined under GAAP and may not be a useful measure in measuring operational income or cash flows. Furthermore, NOI should not be considered as an alternative to net income (loss) as an indication of our operating performance or as an alternative to cash flows from operations as an indication of our liquidity. NOI should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss). NOI should be reviewed in conjunction with other measurements as an indication of our performance.

We believe that NOI is an appropriate supplemental performance measure to reflect the performance of our operating assets because NOI excludes certain items that are not associated with the operations of our properties. We believe that NOI is a widely accepted measure of comparative operating performance in the real estate community and is useful to investors in understanding the profitability and operating performance of our property portfolio. However, our use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount.

To facilitate understanding of this financial measure, the following is a reconciliation of net income or loss, which is the most directly comparable GAAP financial measure, to NOI for the periods presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 31,515	$ 56,639	$ 86,506	$ 59,878
General and administrative	21,582	14,108	59,078	42,206
Transaction, transition and restructuring costs	5,113	50	9,870	1,808
Depreciation and amortization	90,869	49,181	230,056	132,236
Interest expense, net	17,773	20,392	55,195	65,969
Loss (gain) in fair value of derivative financial instruments	106	(166)	(1,778)	1,213
(Gain) loss on dispositions of real estate investments, net	—	(691)	(5,647)	2,344
Impairment of real estate investments	—	3,768	2,137	38,133
(Income) loss from unconsolidated entities	(49)	(462)	(1,733)	2,624
Gain on re-measurement of previously held equity interest	—	(14,580)	—	(14,580)
Foreign currency loss (gain)	619	977	1,363	(3,181)
Other income, net	(3,473)	(2,309)	(7,722)	(5,314)
Income tax expense (benefit)	740	(21,092)	212	(19,756)
Net operating income	$ 164,795	$ 105,815	$ 427,537	$ 303,580

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risk to which we will be exposed is interest rate risk. There were no material changes in our market risk exposures, or in the methods we use to manage market risk, from those that were provided for in our 2025 Annual Report on Form 10-K, except that we are now exposed to interest rate risk on our fixed-rate notes receivable as noted below.

Interest Rate Risk

We are exposed to the effects of interest rate changes primarily as a result of long-term debt used to acquire and develop properties and other investments. We are also exposed to the effects of changes in interest rates as a result of our investments in real estate notes receivable. Our interest rate risk is monitored using a variety of techniques. Our interest rate risk management objectives are to limit the impact of interest rate increases on earnings, prepayment penalties and cash flows and to lower overall borrowing costs while taking into account variable interest rate risk. To achieve our objectives, we may borrow or lend at fixed or variable rates.

We have entered into, and may continue to enter into, derivative financial instruments, such as interest rate swaps and interest rate caps, in order to mitigate our interest rate risk on a related financial instrument. We have not elected, and may continue not to elect, to apply hedge accounting treatment to these derivatives; therefore, changes in the fair value of interest rate derivative financial instruments were recorded as a component of interest expense in gain or loss in fair value of derivative financial instruments in our accompanying condensed consolidated statements of operations and comprehensive income. As of September 30, 2026, our interest rate swaps are recorded in other assets in our accompanying condensed consolidated balance sheet at their aggregate fair value of $849,000. We do not enter into derivative transactions for speculative purposes. For information on our interest rate swaps, see Note 9, Derivative Financial Instruments, and Note 13, Fair Value Measurements, to our accompanying condensed consolidated financial statements for further discussion.

As of September 30, 2026, the table below presents the principal amounts and weighted average interest rates by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes, excluding the effect of our interest rate swaps (dollars in thousands):

	Expected Maturity Date							
	2026	2027	2028	2029	2030	Thereafter	Total	Fair Value
Assets								
Fixed-rate notes receivable — principal payments	$ —	$ 85,569	$ 60,129	$ —	$ —	$ —	$ 145,698	$ 145,698
Weighted average interest rate on maturing fixed-rate notes receivable	—%	8.09%	5.98%	—%	—%	—%	7.22%	—
Debt security held-to-maturity	$ —	$ —	$ 93,433	$ —	$ —	$ —	$ 93,433	$ 93,051
Weighted average interest rate on maturing fixed-rate debt security	—%	—%	4.24%	—%	—%	—%	4.24%	—
Liabilities								
Fixed-rate debt — principal payments	$ 4,888	$ 56,182	$ 139,740	$ 16,963	$ 44,732	$ 568,262	$ 830,767	$ 682,514
Weighted average interest rate on maturing fixed-rate debt	3.52%	3.51%	4.40%	3.36%	4.51%	3.74%	3.87%	—
Variable-rate debt — principal payments	$ —	$ 550,000	$ —	$ —	$ —	$ —	$ 550,000	$ 549,871
Weighted average interest rate on maturing variable-rate debt (based on rates in effect as of September 30, 2026)	—%	5.22%	—%	—%	—%	—%	5.22%	—

Debt Investments

As of September 30, 2026, the net carrying value of our debt investments was $240,808,000. As we expect to hold our fixed-rate debt investments to maturity and the amounts due under such debt investments are limited to the outstanding principal balance and any accrued and unpaid interest, we do not expect that fluctuations in interest rates, and the resulting change in fair value of our fixed-rate debt investments, would have a significant impact on our operations. See Note 13, Fair Value Measurements, to our accompanying condensed consolidated financial statements for a discussion of the fair value of our debt investments. The weighted average effective interest rate on our outstanding debt investments was 6.06% per annum as of September 30, 2026.

Mortgage Loans Payable and Lines of Credit and Term Loan

Mortgage loans payable were $830,767,000 ($814,957,000, net of discount/premium and deferred financing costs) as of September 30, 2026. As of September 30, 2026, we had 83 fixed-rate mortgage loans payable with effective interest rates ranging from 2.21% to 5.99% per annum and a weighted average effective interest rate of 3.87%. In addition, as of September 30, 2026, we had $550,000,000 ($549,927,000, net of deferred financing costs) outstanding under our lines of credit and term loan, at a weighted average interest rate of 5.22% per annum.

As of September 30, 2026, the weighted average effective interest rate on our outstanding debt, factoring in our fixed-rate interest rate swaps, was 4.26% per annum. An increase in the variable interest rate on our variable-rate lines of credit and term loan constitutes a market risk. As of September 30, 2026, a 0.50% increase in the market rates of interest would have no impact on our overall annualized interest expense as all variable-rate loan balances as of September 30, 2026 have interest rate swap arrangements in place. See Note 7, Mortgage Loans Payable, and Note 8, Lines of Credit and Term Loan, to our accompanying condensed consolidated financial statements.

Other Market Risk

In addition to changes in interest rates, the value of our future investments is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of tenants and residents, which may affect our ability to refinance our debt if necessary.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we necessarily are required to apply our judgment in evaluating whether the benefits of the controls and procedures that we adopt outweigh their costs.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation as of September 30, 2026 was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of September 30, 2026, were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

For a discussion of our legal proceedings, see Note 10, Commitments and Contingencies — Litigation, to our accompanying condensed consolidated financial statements.

Item 1A. Risk Factors.

There were no material changes from the risk factors previously disclosed in our 2025 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

In July 2026, we acquired 59,945 shares of our common stock, for an aggregate of $3,396,000, at a weighted average price of $56.66 per share in order to satisfy employee tax withholding requirements associated with the vesting of restricted stock awards issued pursuant to the AHR Incentive Plan. The value of the shares withheld is based on the closing price of our common stock on the day prior to the vesting date, or if such date is not a trading day, the immediately preceding trading day. In August and September 2026, we did not acquire any shares of our common stock.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the period ended September 30, 2026 (and are numbered in accordance with Item 601 of Regulation S-K).

3.1	Fourth Articles of Amendment and Restatement of Griffin-American Healthcare REIT IV, Inc., dated October 1, 2021 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed October 1, 2021 and incorporated herein by reference)
3.2	Articles of Amendment (Reverse Stock Split) of American Healthcare REIT, Inc., dated November 15, 2022 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed November 16, 2022 and incorporated herein by reference)
3.3	Articles of Amendment (Par Value Decrease) of American Healthcare REIT, Inc., dated November 15, 2022 (included as Exhibit 3.2 to our Current Report on Form 8-K (File No. 000-55775) filed November 16, 2022 and incorporated herein by reference)
3.4	Articles Supplementary (Common Stock Reclassification) of American Healthcare REIT, Inc., dated January 26, 2024 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 000-55775) filed January 30, 2024 and incorporated herein by reference)
3.5	Articles Supplementary (Subtitle 8 Opt-Out) of American Healthcare REIT, Inc., dated February 7, 2024 (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 001-41951) filed February 12, 2024 and incorporated herein by reference)
3.6	Second Amended and Restated Bylaws of American Healthcare REIT, Inc. (included as Exhibit 3.1 to our Current Report on Form 8-K (File No. 001-41951) filed February 24, 2025 and incorporated herein by reference)
10.1	Release of Claims Agreement, dated July 21, 2026, by and among, American Healthcare REIT, Inc., American Healthcare Opps Holdings, LLC and Danny Prosky (included as Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-41951) filed July 22, 2026 and incorporated herein by reference)
10.2*+^	Purchase Agreement, dated August 10, 2026, by and among, American Healthcare REIT Holdings, LP, Kensington Senior Living, LLC, White Plains Kensington Borrower, LLC, White Plains Kensington, LLC, Kensington SM GP LLC, FSDW Redwood City LLC, The Kensington of Falls Church, LLC, Kensington Redondo Owner LLC, and Kensington Reston Owner, LLC
10.3*+^	Purchase Agreement, dated August 10, 2026, by and among, American Healthcare REIT Holdings, LP, Kensington Senior Living, LLC and FSP-Kensington, LLC
10.4*+^	Purchase Agreement, dated August 10, 2026, by and among, American Healthcare REIT Holdings, LP, Kensington Senior Living, LLC and Regency Kensington Bethesda Owner, LLC
10.5†+	Employment Letter, dated as of September 2, 2026, by and between American Healthcare REIT, Inc. and Aric Chang (included as Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-41951) filed September 2, 2026 and incorporated herein by reference)
10.6†^	Transition and Separation Agreement and General Release, dated September 2, 2026, by and among, American Healthcare REIT, Inc., American Healthcare Opps Holdings, LLC and Brian S. Peay (included as Exhibit 10.2 to our Current Report on Form 8-K (File No. 001-41951) filed September 2, 2026 and incorporated herein by reference)
31.1*	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents

104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*	Filed herewith.
**	Furnished herewith. In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.
†	Management contract or compensatory plan or arrangement.
+	Certain information in this exhibit has been redacted pursuant to item 601(a)(6) of Regulation S-K.
^	Certain information in this exhibit has been redacted pursuant to item 601(a)(5) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

American Healthcare REIT, Inc.
(Registrant)

November 6, 2026	By:	/s/ JEFFREY T. HANSON
Date		Jeffrey T. Hanson Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
November 6, 2026	By:	/s/ ARIC CHANG
Date		Aric Chang Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.2

PURCHASE AGREEMENT

(Kensington Senior Living Portfolio)

SELLER:

THOSE CERTAIN PARTIES REFERENCED HEREIN AS "SELLER"

and

BUYER:

AMERICAN HEALTHCARE REIT HOLDINGS, LP,
a Delaware limited partnership

August 10, 2026

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made as of August 10, 2026 (the "**Effective Date**"), by and among the following parties: (i) American Healthcare REIT Holdings, LP, a Delaware limited partnership ("**Buyer**"); (ii) Kensington Senior Living, LLC, a Virginia limited liability company ("**Manager**"); and (iii) the following seller parties (each a "**Seller**" and any two or more being referred to as a "**Seller"**, as context requires): White Plains Kensington Borrower, LLC, a New York limited liability company ("**White Plains Owner**"); White Plains Kensington, LLC, a New York limited liability company ("**White Plains Operator**"); Kensington SM GP LLC, a California limited liability company ("**Sierra Madre Seller**"); FSDW Redwood City LLC, a California limited liability company ("**Redwood Seller**"); The Kensington of Falls Church, LLC, a Virginia limited liability company ("**Falls Church Seller**"); Kensington Redondo Owner LLC, a Virginia limited liability company ("**Redondo Seller**"); and Kensington Reston Owner, LLC, a Virginia limited liability company ("**Reston Seller**").

RECITALS

A. White Plains Owner is the owner of (i) the land located at 100 Maple Ave., White Plains NY legally described on **Exhibit A-2** attached hereto, together with all of White Plains Owner's right, title and interest in and to all appurtenances relating thereto (collectively, the "**White Plains Land**"), and (ii) all of the improvements, structures and fixtures located on the White Plains Land (collectively, the "**White Plains Improvements**"). White Plains Owner and White Plains Operator are parties to that certain Facility Lease Agreement dated September 21, 2009, which lease was amended pursuant to a First Amendment to Lease dated March 24, 2014, a Second Amendment to Lease dated February 6, 2015, a Third Amendment to Lease dated August 15, 2016, and a Fourth Amendment dated June 1, 2020 (the "**White Plains Lease**") pursuant to which (a) White Plains Owner leases the White Plains Land and White Plains Improvements to White Plains Operator and (b) White Plains Operator operates the 130-bed assisted living and memory care facility known as "*Kensington White Plains*" (the "**White Plains Facility**"). White Plains Operator and Manager are parties to that certain Marketing and Management Agreement dated October 25, 2010 pursuant to which Manager manages the operation of the White Plains Facility (the "**White Plains MSA**").

B. Sierra Madre Seller is the owner of (i) the land located at 245 W Sierra Madre Blvd., Sierra Madre CA legally described on **Exhibit A-3** attached hereto, together with all of Sierra Madre Seller's right, title and interest in and to all appurtenances relating thereto (collectively, the "**Sierra Madre Land**"), and (ii) all of the improvements, structures and fixtures located on the Sierra Madre Land (collectively, the "**Sierra Madre Improvements**"). Sierra Madre Seller is the licensed operator of the 106-bed Residential Care Facility for the Elderly known as "*The Kensington Sierra Madre*" located on the Sierra Madre Land (the "**Sierra Madre Facility**"). Sierra Madre Seller and Manager are parties to that certain Marketing and Management Agreement dated January 1, 2024, pursuant to which Manager manages the operation of the Sierra Madre Facility (the "**Sierra Madre MSA**"). Manager and Sierra Madre Seller jointly are the holders of the Residential Care Elderly License issued by the California Department of Social Services required for the operation of the Sierra Madre Facility.

C. Redwood Seller is the owner of (i) the land located at 2800 El Camino Real, Redwood CA legally described on **Exhibit A-4** attached hereto, together with all of Redwood Seller's right, title and interest in and to all appurtenances relating thereto (collectively, the "**Redwood Land**"), and (ii) all of the improvements, structures and fixtures located on the Redwood Land (collectively, the "**Redwood Improvements**"). Redwood Seller is the licensed operator of the 67-bed Residential Care Facility for the Elderly known as "*The Kensington Redwood City*" located on the Redwood Land (the "**Redwood Facility**"). Redwood Seller and Manager are parties to that certain Marketing and Management Agreement dated April 25, 2014, pursuant to which Manager manages the operation of the Redwood Facility (the "**Redwood MSA**"). Manager and Redwood Seller jointly are the holders of the Residential Care Elderly

License issued by the California Department of Social Services required for the operation of the Redwood Facility.

D. Falls Church Seller is the owner of (i) the land located at 700 W Broad St. Falls Church VA legally described on **Exhibit A-5** attached hereto, together with all of Falls Church Seller's right, title and interest in and to all appurtenances relating thereto (collectively, the "**Falls Church Land**"), and (ii) all of the improvements, structures and fixtures located on the Falls Church Land (collectively, the "**Falls Church Improvements**"). Falls Church Seller is the licensed operator of the 131-bed assisted living and memory care facility known as "*The Kensington Falls Church*" located on the Falls Church Land (the "**Falls Church Facility**"). Falls Church Seller and Manager are parties to that certain Amended and Restated Marketing and Management Agreement Dated July 1, 2017, pursuant to which Manager manages the operation of the Falls Church Facility (the "**Falls Church MSA**").

E. Redondo Seller as ground lessee, and The Redondo Beach Unified School District, a political subdivision of the State of California ("**District**"), as ground lessor are parties to that certain Ground Lease Agreement dated November 5, 2012, as amended by a First Amendment to Ground Lease dated October 23, 2013, a Second Amendment to Ground Lease dated January 31, 2016, a Third Amendment to Ground Lease dated March 16, 2016, a Fourth Amendment to Ground Lease dated November 21, 2016 and a Fifth Amendment to Ground Lease dated June 22, 2017 (the "**Redondo Ground Lease**") pursuant to which Redondo Seller leases from District that certain real property located at 801 S Pacific Coast Hwy., Redondo Beach CA and legally described on **Exhibit A-6** attached hereto, together with all of right, title and interest in and to all appurtenances relating thereto (the "**Redondo Land**"). Pursuant to the Redondo Ground Lease, Redondo Seller owns and operates the real property improvements consisting of a 132-bed licensed assisted living and memory care facility known as "*The Kensington Redondo Beach*" (collectively, the "**Redondo Facility**"). Redondo Seller and Manager are parties to that certain Marketing and Management Agreement dated November 20, 2017, as amended August 10, 2022, pursuant to which Manager manages the operation of the Redondo Facility (the "**Redondo MSA**"). Manager and Redondo Seller jointly are the holders of the Residential Care Elderly License issued by the California Department of Social Services required for the operation of the Redondo Facility.

F. Reston Seller is the owner of (i) the land located at 11501 Sunrise Valley Dr., Reston VA legally described on **Exhibit A-7** attached hereto, together with all of Reston Seller's right, title and interest in and to all appurtenances relating thereto (collectively, the "**Reston Land**"), and (ii) all of the improvements, structures and fixtures located on the Reston Land (collectively, the "**Reston Improvements**"). Reston Seller is the licensed operator of the 105-bed assisted living and memory care facility known as "*The Kensington Reston*" located on the Reston Land (the "**Reston Facility**"). Reston Seller and Manager are parties to that certain Marketing and Management Agreement dated April 24, 2019, pursuant to which Manager manages the operation of the Reston Facility (the "**Reston MSA**").

G. As used in this Agreement: (i) the term "**Land**" shall mean the White Plains Land, the Sierra Madre Land, the Redwood Land, the Falls Church Land, the Redondo Land and the Reston Land; (ii) the term "**Improvements**" shall mean the White Plains Improvements, the Sierra Madre Improvements, the Redwood Improvements, the Falls Church Improvements, the Redondo Improvements and the Reston Improvements; (iii) as the context requires, the term "**Facility**" shall mean one of, and the term "**Facilities**" shall mean one or more of, the White Plains Facility, the Sierra Madre Facility, the Redwood Facility, the Falls Church Facility, the Redondo Facility and/or the Reston Facility; and (iv) as the context requires, the term "**Current Management Agreement**" shall mean one of, and the term "**Current Management Agreements**" shall mean one or more of, the White Plains MSA, the Sierra Madre MSA, the Redwood MSA, the Falls Church MSA, the Redondo MSA and/or the Reston MSA.

H. Buyer desires to purchase from Sellers, and Sellers desire to sell to Buyer, all of Sellers' right, title and interest in and to the Property (as defined below), on the terms and conditions set forth in this Agreement.

I. A list of defined terms used in this Agreement is set forth on initial exhibit attached to this Agreement entitled "*Exhibit - List of Defined Terms*".

NOW, THEREFORE, in consideration of the foregoing recitals (which by reference thereto are incorporated into the body of this Agreement), the respective promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

AGREEMENT

1. Purchase and Sale. Subject to the terms and conditions of this Agreement, Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, the following, as applicable (collectively, the "**Property**"):

(A) All of each Sellers' and, if applicable, Manager's respective rights title and interest in the Land that each owns or leases, including without limitation (i) fee title to all of the Land other than the Redondo Land, and (ii); the leasehold interest of Redondo Seller in and to the Redondo Land;

(B) the Improvements located upon the Land, including the Facilities;

(C) all tangible personal property that is located on and used in connection with the ownership, leasing, management, use, operation or repair of the Land and Improvements and expressly including any owned or leased motor vehicles and the furniture, fixtures, equipment, supplies and inventory (collectively, the "**Personal Property**");

(D) the Occupancy Agreements (as hereinafter defined);

(E) subject to the terms of Section 5(C), all of the following:

(i) all rights, title and interests in and to the contracts, equipment leases, and other agreements relating to the Property, together with any additional contracts, equipment leases and agreements and any modifications of any of the foregoing that are entered into in accordance with the terms of Section 9(D) hereof (collectively, the "**Contracts**"), which Contracts specifically ***exclude*** the following:

(a) the Current Management Agreements and the White Plains Lease, each of which shall be terminated as of Closing;

(b) any Occupancy Agreements, which are addressed separately above and elsewhere in this Agreement; and

(c) any other written agreement, license or contract relating to the leasing, operation, maintenance or management of the Property or any portion thereof by and between Sellers, Manager, and/or any affiliate of Sellers or Manager, on the one hand, and any affiliate of Sellers or Manager, on the other hand ("**Affiliate Agreements**").

(ii) each and all of the following items (collectively, the "**Intangible Property**"):

(a) Facility-related data from any and all electronic management systems used in connection with each Facility (including, but not limited to, property management systems, CRM or other sales and marketing systems, electronic health records and healthcare systems, payroll systems, digital training/learning platforms, IT systems (including firewall), and other similar systems) that is necessary or advisable for the transition of operations of each Facility (collectively, the "**Data Property**");

(b) all telephone and facsimile numbers and telephone listing for each Facility; and

(c) the permits, licenses, certificates, certificates of need, bed rights, approvals, development rights and warranties, if any, held or used in connection with all or any portion of the Improvements or the Personal Property (other than the Excluded Property, as defined below).

The Land (excluding the Redondo Land), the Redondo Seller's leasehold interests in the Redondo Land, Improvements, Personal Property, Occupancy Agreements, Contracts, and Intangible Property associated with each Facility and all other real and personal property expressly referenced in this Agreement as included in the transaction contemplated by this Agreement collectively are referred to as the "**Property**."

(F) Notwithstanding anything to the contrary contained in this Agreement, the Property excludes the following (the "**Excluded Property**"):

(i) the Affiliate Agreements;

(ii) any personal property owned by residents, occupants or employees of each Facility, if any;

(iii) all cash, account balances at banks or other financial institutions, prepaid insurance premiums, financial records of each Seller and Manager, and all accounts receivable of Sellers as of the Closing Date; and

(iv) any trade name, trademarks, service marks, domain names and email addresses associated with each Facility (including the name "*Kensington,*" or any derivations thereof or other trade names, trademarks or service marks associated therewith as shown on **Schedule 1(F)** attached hereto) Notwithstanding the foregoing, so long as Manager is the manager of a Facility on behalf of Buyer, Buyer shall have the right to use the name "*Kensington,*" or any derivations thereof or other trade names, trademarks or service marks associated therewith as shown on **Schedule 1(F)** at said Facility pursuant to a license agreement executed by the parties at Closing (the "**Name License**");

(G) Notwithstanding anything to the contrary set forth in this Agreement, Buyer shall not assume, pay, perform, satisfy or discharge any liability or obligation of Sellers, Manager and/or or any of their respective affiliates existing or accruing on or prior to the Closing Date (as hereinafter defined) or arising out of any transactions entered into, or any state of facts existing or accruing or any incidents occurring, on or prior to the Closing Date, except for those monetary obligations for which, and only to the extent that Buyer expressly and specifically assumes in writing and for which Buyer receives a credit at Closing pursuant to the express provisions of this Agreement (collectively, the "**Excluded Liabilities**"). The term "***Excluded Liabilities***" shall include, without limitation, the following:

(1) any liabilities or obligations of Sellers, Manager and/or any of their respective affiliates relating to employee benefits or compensation arrangements of any nature, including, but not limited to compensation, severance, accrued paid time off, sick time, personal days, any amounts

accrued under any employee benefit or welfare plan relating to the period prior to the Closing Date, except to the extent a credit has been provided for in the prorations provisions below;

(2) any liabilities or obligations of Sellers and Manager and their respective affiliates under the Current Management Agreement or other agreements between or among them;

(3) any liability or obligation of Sellers, Manager or any other current occupant or operator for breach of contract, any wrongful or willful acts, bodily injury (including death), malpractice, workers compensation, personal injury, advertising injury or property damage (whether based on negligence, breach of warranty, strict liability or any other theory);

(4) any liability or obligation of Sellers, Manager and/or any of their respective affiliates for money borrowed;

(5) any amounts due, claimed or becoming due to the payor under any federal healthcare program, or any other health care plan or reimbursement or payment intermediary (including so-called "HMO" and "PPO" programs) (collectively, "**Third-Party Payor Programs**"), including, but not limited to, any statutory or regulatory claims, fines or civil monetary claims, recapture, adjustment, overpayment, recoupment, penalty assessment or any other financial obligation or charge whatsoever with respect to any period, including but not limited to those arising from any adjustments (whether retroactive or otherwise) or reductions in reimbursement rates under any Third-Party Payor Programs, or claims of any state or federal agencies or governmental authorities, whether civil or criminal, fraud-based or otherwise, all of which Seller shall pay at or prior to Closing, or after Closing if the assessment thereof first occurs following Closing, which covenant shall survive Closing;

(6) the Survey Fines costs related to the Correction Plans, each as defined below;

(7) the WARN Act Liabilities;

(8) the payment of all taxes and assessments of any kind and nature due and payable or accrued but not yet paid arising from Sellers' ownership and/or the operation of the Property prior to the Closing Date, including amounts due under any "bulk sale" law or similar law in the State where the Property is located;

(9) any Environmental Liabilities. For purposes of this Agreement, "**Environmental Liabilities**" shall mean: any and all losses, damages, claims, causes of action, judgments, costs and expenses (including, without limitation, reasonable fees and expenses of attorneys) and other liabilities arising in connection with or in any way relating to the Property, or the use, operation or ownership of the Property, whether vested or unvested, contingent or fixed, actual or potential, that (i) arise under or relate to Environmental Laws (as hereinafter defined) or Hazardous Materials (as hereinafter defined) and (ii) arise from or relate in any way to actions occurring or conditions existing prior to the Closing Date; provided, however, (a) the Excluded Liabilities shall not include any Environmental Liabilities that Buyer is strictly liable for under applicable laws, and (b) Sellers shall not have a duty or obligation to indemnify Buyer for Environmental Liabilities;

(10) any actual, pending, or threatened litigation with respect to the Property which relates to events that occurred prior to the Closing;

(11) any and all obligations and liabilities of Redondo Seller accruing or arising under the Redondo Ground Lease prior to Closing;

(12) any and all other liabilities and obligations of every kind of Sellers, Manager and/or any of their respective affiliates incurred in connection with, or arising by reason of, their ownership or operation, as applicable, of the Property prior to the Closing; and

(13) any and all other liabilities and obligations of every kind arising under the White Plains Regulatory Agreements, including those arising as a result of a breach or default thereunder existing prior to, as of or as a result of Closing.

2. Purchase Price.

(A) The purchase price for the Property shall be Five Hundred Seventy-Two Million Dollars ($572,000,000.00) (the "**Purchase Price**"), subject to the prorations and adjustments provided for in this Agreement. The Purchase Price shall be paid to the Sellers by the Buyer in accordance with Section 3.

(B) The Purchase Price shall be allocated among each Facility (and that Facility's related Property) in accordance with the allocations set forth on **Schedule 2(B)** hereto (such allocation the "**Purchase Price Allocation**"). The Purchase Price Allocation shall control and be binding for purposes of determining any real estate transfer taxes, personal property taxes or other similar taxes levied in connection with the transfer of the Property only (including, without limitation, any applicable documentary stamp tax and surtax on the deed). Notwithstanding anything herein to the contrary, Sellers and Buyer will each file federal, state and local income tax returns based on each party's own separate determination, each bearing its own consequences of any discrepancies. This subsection shall survive the Closing without limitation, provided that each Party's income tax and other non-property tax matters are not governed by the Purchase Price Allocation.

3. Payment of Purchase Price. The Purchase Price shall be paid to Sellers by Buyer as follows:

(A) Deposit.

(1) Deposit. Within three (3) Business Days following the Effective Date, Buyer shall deliver to the Dallas office of Chicago Title Insurance Company, having an address of 2699 Howell Street, Suite 200, Dallas, Texas 75204, Attn: Shannon Bright, Email: brights@ctt.com (the "**Title Company**" and/or the "**Escrow Agent**") (pursuant to wiring instructions provided to Buyer) a wire transfer of immediately available funds, in an amount equal to Five Million Seven Hundred Twenty Thousand Dollars ($5,720,000.00) as a deposit (the "**Deposit**"). Failure of Buyer to timely deposit the Deposit with Escrow Agent as provided in this Section 3(A)(1) shall be deemed to be a disapproval of this Agreement by Buyer, in which case this Agreement shall automatically terminate, it being expressly agreed by Sellers and Buyer that time is of the essence with respect to Buyer's obligation to deliver the Deposit.

(2) Refundability If Buyer has not delivered the Termination Notice as provided (and defined) in Section 5(B) below prior to the expiration of the Due Diligence Period, then the Deposit shall be non-refundable to Buyer except as otherwise specifically provided in this Agreement where the Deposit is expressly refundable to Buyer.

(3) Independent Consideration. The sum of One Hundred and No/100 Dollars ($100.00) (the "**Independent Consideration**") out of the Deposit is independent of any other consideration provided hereunder, shall be fully earned by Sellers upon the Effective Date, and is not refundable to Buyer under any circumstances. Accordingly, if this Agreement is terminated for any reason by either party, the Independent Consideration shall be paid by the Title Company to Sellers.

(B) Closing Payment; Closing Date. The balance of the Purchase Price, less the Deposit and the Units Consideration, and as adjusted by the adjustments, prorations, credits and allocations of income and expenses provided for in this Agreement, shall be delivered by Buyer to Title Company in immediately available funds on or prior to the Closing Date. Such balance of the Purchase Price, as so adjusted, is herein called the "**Closing Payment**." The Units Consideration shall be delivered to the Sierra Madre Seller and the Redwood Seller, as applicable, in accordance with the Sierra Madre Subscription Agreement and the Redwood Subscription Agreement, as applicable (which Units Consideration shall be issued in exchange for the tax-deferred contribution of an undivided interest in Sierra Madre Land and Sierra Madre Improvements and the Redwood Land and Redwood Improvements, as applicable).

As used herein, the term "Units Consideration" means (1) with respect to the Sierra Madre Land and Sierra Madre Improvements, membership interests in Sierra JV Holdco equal to, as of the Closing Date, fifty one percent (51%) of the equity value of Sierra JV Holdco, and (2) with respect to the Redwood Land and Redwood Improvements, membership interests in Redwood JV Holdco equal to, as of the Closing Date, fifty one percent (51%) of the equity value of Redwood JV Holdco.

As used herein, the term "Sierra Madre Subscription Agreement" means a subscription agreement by and between Sierra JV Holdco and Sierra Madre Seller, in a form satisfactory to Sierra JV Holdco and the Sierra Madre Seller,

As used herein, the term "Redwood Subscription Agreement" means a subscription agreement by and between Redwood JV Holdco and Redwood Seller, in a form satisfactory to Redwood JV Holdco and Redwood Seller.

As used herein the "**Closing Date**" shall mean the fifteenth (15th) day after the expiration of the Due Diligence Period; provided the following shall apply:

(1) the Closing Date shall occur no earlier than September 1, 2026;

(2) Buyer shall have a one-time right to extend the Closing Date until October 15th, 2026 by delivering written notice (the "**Extension Notice**") to Seller at least one (1) Business Days prior to the then-scheduled Closing Date, provided for such notice to be effective, Buyer shall wire transfer to Seller immediately available funds in the amount set forth on Schedule 3(A)(1) (the "**Additional Deposit**"), which amount, together with the initial Deposit, will total the amount set forth on Schedule 3(A)(1) (the "**Full Deposit**"). Without limiting the foregoing, the Full Deposit is and shall be applicable to the Purchase Price and Buyer shall receive at Closing a credit for same reflecting the application of the Full Deposit to the aggregate Purchase Price. Provided that Escrow Agent has not received from Buyer written notice alleging that Seller is in default of its obligations under this Agreement, if Buyer delivers the Extension Notice, Escrow Agent shall pay the Initial Deposit to Sellers within three (3) Business Days after receipt of a copy of the Extension Notice from Buyer pursuant to verified written wire instructions provided by Sellers; *provided* that, upon receipt of the Full Deposit, Sellers shall hold the Full Deposit in segregated accounts in the name of one or more Sellers, not comingle the Full Deposit with any other funds of Sellers, Manager or their affiliates, and not distribute the funds from said account to themselves or any other party prior to Closing without first obtaining the written consent of Buyer, which consent Buyer may withhold in its sole and absolute discretion. Notwithstanding the payment of the Full Deposit to Seller as provided in this Section, the Full Deposit shall be fully refundable to Buyer, and Seller shall pay the Full Deposit to Buyer, as directed by Buyer, within two (2) Business Days following a termination of this Agreement in its entirety:

(a) by Buyer pursuant to Section 3 following a default by a Seller or Manager under this Agreement,

(b) by Seller or Buyer pursuant to Section 8 following a Casualty/Condemnation Event (as defined in said Section) prior to September 1, 2026, or

(c) by Buyer pursuant to the failure of one of the following conditions precedent to Buyer's obligation to complete Closing expressly stated in this Agreement: (i) Section 11(B)(1) [regarding Sellers and Manager performance]; (ii) Section 11(B)(2) [regarding receipt of Regulatory Approvals or alternate execution of the Interim Agreements]; (iii) Section 11(B)(3) [regarding accuracy of Sellers' and Manager's representations and warranties]; Section 11(B)(4) [regarding the absence of injunctions, etc. preventing Closing], (iv) Section 11(B)(6) [regarding a failure of Manager and WP Manager NewCo to execute the New Management Agreements, and of WP Manager NewCo to execute the Interim Consultancy Agreement]; (v) Section 11(B)(7) [regarding a failure of the owners of Manager and WP Manager NewCo to execute the Manager ROFO Agreement]; (v) Section 11(B)(8) [regarding a failure of Sellers and/or the applicable owners and affiliates of Sellers to execute the HoldCo JVAs]; (vi) Section 11(B)(9) [regarding Sellers' and Manager's obligations with respect to a Buyer audit]; (vii) Section 11(B)(10) [regarding Sellers' obligation to deliver the Redondo Ground Lease Closing Documents]; and/or (viii) Section 11(B)(11) [regarding Sellers' obligation to deliver the Title Clearing Documents]. The terms of this Section shall survive the termination of this Agreement;

(3) if the Closing Date as calculated above is a Monday or a Business Day following a non-Business Day, the Closing Date shall be delayed by one (1) Business Day to the next Business Day;

(4) the parties may agree (but shall have no obligation to agree) to extend the Closing Date to occur on or effective as of the first day of a calendar month.

(C) Other Purchase Agreements.

(1) Notwithstanding anything to the contrary provided in this Agreement, Buyer, Sellers and Manager acknowledge and agree that:

(a) Buyer, Manager and FSP-Kensington, LLC, a Maryland limited liability company and an affiliate of Sellers ("**Kensington Park Seller**"), are parties to that certain Purchase Agreement dated of even date herewith, with respect to certain property located at 3620 Littledale Road in Kensington, Maryland, as more particularly set forth therein ("**Kensington Park Purchase Agreement**");

(b) Buyer, Manager and Regency Kensington Bethesda Owner, LLC, a Maryland limited liability company and an affiliate of Sellers ("**Bethesda Seller**"), are parties to that certain Purchase Agreement dated of even date herewith, with respect to certain property located at 5485 Westbard Avenue, Bethesda, Maryland, as more particularly set forth therein ("**Bethesda Purchase Agreement**");

(c) Any default and/or breach beyond any applicable notice and cure period by Kensington Park Seller, Bethesda Seller and/or Manager under the Kensington Park Purchase Agreement and/or the Bethesda Purchase Agreement ("**Seller/Manager Other Purchase Agreement Default**") shall automatically be deemed a default and/or breach by Seller and/or Manager (as applicable) hereunder;

(d) Any default and/or breach beyond any applicable notice and cure period by Buyer or its permitted assignee under the Kensington Park Purchase Agreement and/or the Bethesda Purchase Agreement ("**Buyer Other Purchase Agreement Default**") shall automatically be deemed a default and/or breach by Buyer hereunder;

(e) In addition to any conditions expressly provided in other provisions of this Agreement, Sellers' obligations to proceed to Closing and to consummate the sale of the Property are conditioned on both the Kensington Park Purchase Agreement and the Bethesda Purchase Agreement remaining in full force and effect until the consummation of the closings thereunder (with the termination prior to closing of the Kensington Park Purchase Agreement being referred to herein as the "**Kensington Park Termination**"; and with the termination prior to closing of the Bethesda Purchase Agreement being referred to herein as the "**Bethesda Termination**"), which condition(s) may be waived in writing by Sellers, and which conditions are without limitation of each Seller's remedies for a default by Buyer as set forth in Section 3(D), including, without limitation, a Buyer Other Purchase Agreement Default. If a Kensington Park Termination and/or a Bethesda Termination occurs, then Sellers may elect to terminate this Agreement by written notice to Buyer within ten (10) days following the date of the applicable termination, in which case this Agreement shall terminate, and the Deposit (including the Independent Consideration and the Additional Deposit, if applicable) shall be returned to Buyer unless the failure of this condition precedent is due to a Buyer Other Purchase Agreement Default giving Sellers the right under this Agreement to recover the Deposit as provided for in Section 3(D), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination. Notwithstanding anything to the contrary provided in this Section, if the Kensington Park Termination and/or the Bethesda Termination occurs (i) due to a Seller/Manager Other Purchase Agreement Default, or (ii) due to a Casualty/Condemnation Event as defined in the Kensington Park Purchase Agreement and the Bethesda Purchase Agreement, as applicable, then this condition precedent of Sellers with respect to the Kensington Park Termination and/or the Bethesda Termination, as applicable, shall be automatically waived by Seller and be deemed satisfied for all purposes under this Agreement; and

(f) In addition to any conditions expressly provided in other provisions of this Agreement, Buyer's obligations to proceed to Closing and to consummate the sale of the Property are conditioned on both the Kensington Park Purchase Agreement and the Bethesda Purchase Agreement remaining in full force and effect until the consummation of the closings thereunder, which condition(s) may be waived in writing by Buyer, and which conditions are without limitation of Buyer's remedies for a default by Sellers and/or Manager as set forth in Section 3(D), including, without limitation, a Seller/Manager Other Purchase Agreement Default. If a Kensington Park Termination and/or a Bethesda Termination occurs, then Buyer may elect to terminate this Agreement by written notice to Sellers within ten (10) days following the date of the applicable termination, in which case this Agreement shall terminate, and the Deposit (including the Independent Consideration and the Additional Deposit, if applicable) shall be returned to Buyer unless the failure of this condition precedent is due to a Buyer Other Purchase Agreement Default giving Sellers the right under this Agreement to recover the Deposit as provided for in Section 3(D), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination. Notwithstanding anything to the contrary provided in this Section, if the Kensington Park Termination and/or the Bethesda Termination occurs (i) due to a Buyer Other Purchase Agreement Default, or (ii) due to a Casualty/Condemnation Event as defined in the Kensington Park Purchase Agreement and the Bethesda Purchase Agreement, as applicable, then this condition precedent of Buyer with respect to the Kensington Park Termination and/or the Bethesda Termination, as applicable, shall be automatically waived by Buyer and be deemed satisfied for all purposes under this Agreement.

(D) Remedies; Damages.

(1) Buyer, Sellers and Manager recognize that the Property will be removed from the market during the term of this Agreement and that, if Buyer defaults in its obligations under this Agreement and such default is not cured by Buyer within ten (10) Business Days after written notice from Sellers to Buyer, and such default is the sole reason Closing does not occur, then Sellers should be compensated for such detriment; provided, however, that such notice and cure period shall not be applicable

with respect to any Buyer Other Purchase Agreement Default, and any Buyer Other Purchase Agreement Default shall immediately be deemed a default by Buyer under this Agreement. It is extremely difficult and impractical to ascertain the extent of the detriment and, to avoid this problem, the parties agree that if this transaction is not consummated due solely to Buyer's default hereunder (and such default is not cured within the ten (10) Business Day cure period described above, as applicable), Sellers shall be entitled to recover from Buyer as liquidated damages the amount of the Full Deposit, which shall be disbursed by the Escrow Agent (if applicable) (or retained by Sellers) to Sellers as Sellers' and Manager's sole and exclusive remedy hereunder, at law or in equity, and Sellers and Manager hereby irrevocably and unconditionally waive all other rights and remedies they have or may have against Buyer. This amount has been agreed upon, after negotiation, as the parties' best estimate of Sellers' and Manager's damages for Buyer's default of its obligation to proceed to Closing when required to do so under this Agreement. The parties agree that the sum stated above as liquidated damages shall be in lieu of any other damages to which Sellers and/or Manager might otherwise be entitled by virtue of this Agreement or by operation of law (and Sellers and Manager shall not be entitled to any recovery under Section 13(d)). Upon payment, release or retention of such amount, Buyer shall be released from any other liability to Sellers hereunder, except as to those obligations, agreements and indemnities that expressly survive the termination of this Agreement. **THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF APPLICABLE LAW BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLERS.** Except as expressly provided otherwise in this Agreement (including in this Section 3(d)(1) and in Sections 9(c)(4) and 9(c)(5)), no limitation on damages that are recoverable under this Agreement shall limit, impair or affect a party's recovery of attorneys' fees under Section 13(d) or recovery with respect to any surviving obligations, agreements and indemnities. **SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389.**

/s/ DF

SELLER'S INITIALS

(2) If, at or prior to the Closing, Sellers and/or Manager fail to perform any of their covenants or obligations in any material respect, or if a Seller/Manager Other Purchase Agreement Default occurs, or if any of Sellers' and/or Manager's representations or warranties hereunder were untrue in any material respect when made as of the Effective Date or, subject to Section 11(b)(4), as of the Closing Date, in each case after notice from Buyer specifying such breach and Sellers' or Manager's failure to cure the same within a period of ten (10) Business Days from and after receipt of such notice (provided, however, Sellers and Manager shall be in default if one or more of them breach their obligation to complete closing hereunder on the Closing Date and such failure continues for three (3) business days after notice thereof from Buyer to Sellers), then Buyer may elect either to: (a) bring an action for specific performance of this Agreement (but specifically excluding damages; provided, however, that Buyer shall be entitled to recovery of attorneys' fees and expenses under Section 13(d) in connection with any action for specific performance); or (b) terminate this Agreement by written notice to Sellers and Title Company, and upon such termination: (1) Sellers (and/or Escrow Agent, if Escrow Agent continues to hold any of the Full Deposit) shall within two (2) Business Days after delivery of such notice of termination) pay the Full Deposit to and as directed by Buyer, and (2) Sellers shall immediately (and in any event, within three (3) Business Days after delivery of such notice of termination and evidence of payment of Buyer's Pursuit Costs) pay to Buyer the Buyer's actual third-party out-of-pocket fees, costs and expenses incurred by Buyer in pursuit of the transactions contemplated by this Agreement, up to a maximum of One Million Seven Hundred Fifty Thousand Dollars ($1,750,000.00) ("**Buyer's Pursuit Costs**"); provided, however, that no notice and cure period shall apply to any Seller/Manager Other Purchase Agreement Default, and any Seller/Manager Other Purchase Agreement Default shall immediately be deemed a default by Seller and Manager under this Agreement.

(3) If the Closing occurs in accordance with the terms of this Agreement, the Full Deposit shall be applied as a credit toward the Purchase Price.

This Section 3(d) shall survive the termination of this Agreement and, except as expressly provided otherwise in this Agreement (including the limitations set forth in Section 3(d)(1)), nothing contained in this Section 3(d) is intended to limit the rights and obligations of the parties under Sections 13(a), 13(d) or 13(e).

4. Title.

(A) Title Report; Pro Forma. Prior to the Effective Date, Sellers furnished to Buyer (i) a copy of Sellers' existing owner's or (as applicable) lessee's title insurance policy for the Land and Improvements of each Facility and (ii) a copy of Sellers' existing survey of each of the Land. Prior to the Effective Date, Buyer ordered a current title insurance commitment to be issued by Title Company covering the Land and Improvements; together with copies of the documents evidencing the exceptions to title stated therein (collectively, the "**Title Report**"); and Buyer ordered an update to the existing surveys of the Land and Improvements provided by Sellers or a new surveys of the Land and Improvements (the "**Survey**").

(B) Title Review. Buyer shall satisfy itself prior to expiration of the Due Diligence Period as to the condition of title and survey to the Property, subject to the terms of Section 4(D) regarding New Matters (as defined below). Unless Buyer gives written notice ("**Title Disapproval Notice**") that it disapproves any exceptions to title shown in the Title Report, on the Survey, in zoning reports obtained by Buyer or otherwise discovered by Buyer during the conduct of its due diligence, stating the exceptions or matters so disapproved (each, a "**Disapproved Title Matter**") not later than the expiration of the Due Diligence Period ("**Objection Deadline**"), then, subject to Section 4(D) below regarding New Matters, Buyer shall be conclusively deemed to have approved the Survey and the Title Report except with respect to any Required Removal Item (as defined herein).

(1) Upon receipt by Sellers of a Title Disapproval Notice given on or before the Objection Deadline, Sellers shall have five (5) Business Days from receipt of such Title Disapproval Notice to notify Buyer in writing (a "**Seller Response Notice**") as to each Disapproved Title Matter either that: (i) Sellers elect not to cause such Disapproved Title Matter to be removed as of the Closing Date (or otherwise take any action with respect thereto), or (ii) Sellers intend to either: (a) cause such Disapproved Title Matter to be removed or released as of the Closing Date; or (b) cause the Title Company to insure or endorse over such Disapproved Title Matter on terms and conditions acceptable to Buyer in its reasonable discretion in writing prior to the expiration of the Due Diligence Period. If Sellers deliver a Seller Response Notice to Buyer within such five (5) Business Day period stating that Sellers will not remove, release or otherwise correct any such Disapproved Title Matter or if Sellers fail to deliver a Seller Response Notice to Buyer within such five (5) Business Day period (which shall be deemed an election by Sellers not to take any action with respect to any such Disapproved Title Matter), then Buyer may elect in writing within three (3) Business Days after the expiration of said five (5) Business Day period either to waive Buyer's objection to any such Disapproved Title Matter for which Sellers will take no action to cure or to terminate this Agreement; provided that Buyer's failure to deliver a Termination Notice as provided in Section 5(B) below shall be deemed a waiver of Buyer's objection to any such Disapproved Title Matter for which Sellers have indicated that it would take no action to remove. If Buyer shall fail to make such election in the immediately preceding sentence, then Buyer shall be deemed to have elected to terminate this Agreement. In the event Buyer shall elect in writing prior to the expiration of the Due Diligence Period to terminate this Agreement, or is deemed to have elected to terminate this Agreement pursuant to this Section 4(B), then the portion of the Deposit held by Escrow Agent (less than and excluding the Independent Consideration) shall be promptly delivered by the Title Company to Buyer, Seller shall return the Additional Deposit (if paid) to

Buyer, and the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement).

(2) If Sellers have provided a Seller Response Notice to Buyer stating that Sellers have unconditionally elected to remove or cure any Disapproved Title Matter(s) pursuant to clause (ii) of this Section (as opposed to an agreement by Sellers to use commercially reasonable efforts to remove or cure), and any such Disapproved Title Matter that is not a Required Removal Item is not so removed, released, insured or endorsed over in accordance with this Section 4(B) as of the Closing Date, then Buyer shall have the right either to (A) terminate this Agreement, in which event Escrow Agent shall immediately pay to Buyer the portion of the Full Deposit it holds (minus the Independent Consideration), Seller shall immediately (and in any event within two (2) Business Days after such termination) pay the Full Deposit (if previously paid to Seller) to Buyer, and Seller shall pay Buyer for Buyer's Pursuit Costs, and thereafter the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement), or (B) waive the foregoing right of termination on account of any such Disapproved Title Matter and proceed to close the transaction contemplated by this Agreement, without any reduction or abatement of the Purchase Price. If Buyer fails to make such election, then Buyer shall be deemed to have made the election set forth in the immediately preceding subclause (B) above. Subject to Section 4(C) below, all non-standard exceptions in the Title Report and matters on the Survey other than (i) matters addressed by the Seller's Title Affidavit and (ii) the Required Removal Items that are approved or deemed approved by Buyer pursuant to this Section 4(B) shall become Permitted Exceptions (as hereinafter defined).

(C) Required Removal Items; Permitted Exceptions. At Closing, Sellers shall convey to Buyer (i) marketable fee title to the Land (other than the Redondo Land) and Improvements and (ii) Redondo Seller's rights and interest to and under the Redondo Lease, subject only to the following: (1) those Disapproved Title Matters (other than Required Removal Items) that are expressly approved or are deemed approved pursuant to Section 4(B); (2) those New Matters (as defined below and expressly excluding Required Removal Items) that are expressly approved or deemed approved pursuant to Section 4(D) below; (3) real estate taxes and assessments that are not yet due and payable; (4) with respect to only the Redondo Land, the Redondo Lease (excluding the obligations of the Redondo Seller arising thereunder prior to Closing, as separately addressed in this Agreement); and (5) the printed standard exceptions which appear in the jacket of the extended coverage form Title Policy (defined below) of title insurance issued by Title Company (the foregoing being collectively referred to as the "**Permitted Exceptions**"). On or prior to Closing, Sellers shall be unconditionally obligated to cure or remove the following (collectively, the "**Required Removal Items**"), whether described in the Title Report, or first arising or first disclosed by the Title Company (or otherwise) to Buyer after the date of the Title Report, and regardless of whether raised in the Title Disapproval Notice or any "**New Matter Notice**" (defined below); provided that Sellers shall not effect any cure by insuring or bonding over any Required Removal Items without Buyer's prior written consent in Buyer's reasonable discretion: (a) mortgages, deeds of trust, financing instruments or liens; (b) all judgment liens against a Seller, Manager or their agents or affiliates; (c) all tax liens (other than liens for non-delinquent real estate taxes); (d) mechanics liens for improvements to the Property; (f) all ground leases other than the Redondo Ground Lease; (g) matters created by the acts or omissions of a Seller or agents or affiliates after the date of the Title Report or Survey in violation of the terms of this Agreement; and (h) the UCC-1s listed on Schedule 4(C) attached hereto. Anything to the contrary in this Agreement notwithstanding, Buyer hereby objects to all Required Removal Items and all Required Removal Items are Disapproved Title Matters and deemed automatically objected to such that Buyer need not raise any Required Removal Items in any Title Disapproval Notice.

Notwithstanding the foregoing or any other provision of this Agreement, the following instruments are recorded against the White Plains Land (collectively, the "**White Plains Regulatory Agreements**"): (i) Terms, Conditions and Agreements as described in Regulatory Agreement- Nursing Homes with U.S

Department of Housing and Urban Development in Control No. 50083144 and as modified in Control No. 530883230; and (ii) HUD Regulatory Agreement for Multifamily Housing Projects by White Plains Kensington Borrower, LLC to U.S. Department of Housing and Urban Development dated December 18, 2009 and recorded February 3, 2010 as Control No. 500190067, as modified by the following: (a) Modification of HUD Regulatory Agreement for Multifamily Housing Projects dated December 14, 2012 and recorded April 30, 2013 as Control No. 530883171; (b) Second Modification of HUD Regulatory Agreement for Multifamily Housing Projects dated March 24, 2014 and recorded March 28, 2014 as Control No. 540843479; (c) Third Modification of HUD Regulatory Agreement for Multifamily Housing Projects dated January 23, 2015 and recorded February 5, 2015 as Control No. 550233215; (d) Fourth Modification of HUD Regulatory Agreement for Multifamily Housing Projects dated August 15, 2016 and recorded August 17, 2016 as Control No. 562283341; and (e) Corrective Fourth Modification of HUD Regulatory Agreement dated August 15, 2016 and recorded September 23, 2016 as Control No. 562463131. Following the Effective Date and continuing after Closing, White Plains Owner, White Plains Operator and Manager shall, at their sole cost and expense, use their respective best efforts to cause the satisfaction, termination and release of the White Plains Regulatory Agreements to be recorded against the land title records pertaining to the White Plains Land. Accordingly, the White Plains Regulatory Agreements constitute Required Removal Items, however Seller's and Manager's obligations with respect to the White Plains Regulatory Agreements as Required Removal Items are subject to the terms of this paragraph. The terms of this paragraph will survive Closing.

(D) New Matters. If an exception to a title or survey matter affecting the Property ("**New Matter**") is first disclosed in writing to Buyer or arises after the Effective Date, including through an update to the Title Report, Pro Forma or Survey, which was not reflected in the Title Report or Pro Forma or shown on the Survey (and any updates to any of the foregoing received by Buyer prior to the Effective Date), and such New Matter is not a Required Removal Item (which shall be unconditionally obligated to remove on or prior to Closing and Buyer shall be deemed to have automatically objected to without any further notice or action by Buyer), then Buyer shall have five (5) Business Days from receipt of such update to deliver to Sellers Buyer's written objection to such New Matter (and the Closing Date shall be extended to accommodate such notice period) (each a "**New Matter Notice**"). Notwithstanding the foregoing, any New Matter that is the result of the activities of Buyer shall be deemed approved by Buyer, and Buyer shall have no right to object to such New Matter. So long as such New Matter is not a Required Removal Item, Sellers may elect, within three (3) Business Days from the date of receipt of Buyer's objection with respect to the New Matter, to notify Buyer in writing that Sellers will use commercially reasonable efforts to remove or release, or cause the Title Company to insure or endorse over such New Matter on terms and conditions reasonably acceptable to Buyer in writing, and the Closing Date shall be extended by up to five (5) Business Days to allow Sellers to attempt to so remove, release, insure or endorse over such New Matter. In the event that, within such five (5)-day period, Sellers (i) do not elect in writing to remove or release or cause the Title Company to bond, insure or endorse over such New Matter, or (ii) elect in writing to remove or release such New Matter (or cause the Title Company to insure or endorse over such New Matter on terms and conditions reasonably acceptable to Buyer) as of the Closing Date (as extended hereby) but fails to so remove or release or cause the Title Company to bond, insure or endorse over such New Matter as of the Closing Date (and such New Matter is not a Required Removal Item), then Buyer, as its sole and exclusive remedy hereunder for such failure, shall elect in writing within two (2) Business Days after such five (5)-day period as to subclause (i), or on or prior to Closing as to subclause (ii), either (a) to terminate this Agreement by written notice to Sellers, in which case the entire Deposit (including the Additional Deposit, if paid, but excluding the Independent Consideration) shall be returned to Buyer, and this Agreement shall be of no further force or effect and the parties hereto shall have no further obligations to the other (except for those obligations and liabilities that expressly survive termination of this Agreement), or (b) to waive the foregoing right of termination on account of such New Matter and to close the transaction contemplated by this Agreement, without any reduction or abatement of the

Purchase Price. If Buyer fails to make such election within the applicable time periods set forth in this Section 4(D), then Buyer shall be deemed to have made the election set forth in subclause (b) above.

(E) Conveyance of Title. Sellers (other than Redondo Seller) shall convey title in the condition required hereby to the Land and Improvements of all Facilities other than the Redondo Facility using the form of deed attached hereto as **Exhibits B-1** through **B-3** (each, a "**Deed**"), or in such form as otherwise reasonably required by Title Company and approved by Buyer parties, such approval not to be unreasonably withheld, conditioned or delayed, which Deed will convey the Land and Improvements to Buyer (or its permitted assignee hereunder) free and clear of all liens, claims and encumbrances, subject only to the Permitted Exceptions. Redondo Seller shall convey title to its leasehold interest in the Redondo Land and the entirety of its interests in the Improvements thereon pursuant to the Redondo Ground Lease Closing Documents, or in such form as otherwise reasonably required by Title Company and approved by Buyer, such approval not to be unreasonably withheld, conditioned or delayed, which will convey the grantor's leasehold interest in the Land and said grantor's entire interests in the Improvements thereon to Buyer (or its permitted assignee hereunder) free and clear of all liens, claims and encumbrances, subject only to the Permitted Exceptions.

(F) Endorsements to Title Policies. It is understood that Buyer may request a number of endorsements to or survey coverage for its Title Policies. Buyer shall satisfy itself that the Title Company will be willing to issue such endorsements or extended coverage in connection with each Title Policy at Closing, and, accordingly, in no event shall the issuance of such endorsements or survey coverage constitute a condition to Buyer's obligations under this Agreement. In no event shall either Seller be obligated to provide any indemnity in order to issue the same other than (i) the title affidavit in the forms of **Exhibit C▼-1** (for the fee parcels) and **Exhibit C▼-2** (for the leasehold parcel), or in such form as otherwise reasonably required by Title Company and approved by the parties, such approval not to be unreasonably withheld, conditioned or delayed, which Sellers shall deliver to Escrow Agent as of the Closing Date (the "**Seller Title Affidavit**"), (ii) a customary gap indemnity in form customarily required by Title Company to issue an ALTA extended coverage Title Policy of title insurance required under this Section 4(F), and (iii) such other documents, agreement and instruments agreed to by Seller in or in connection with a Seller Response or as required with respect to a Required Removal Item.

5. Diligence.

(A) Materials and Access

(1) Materials. Prior to the Effective Date, Sellers and Manager delivered to Buyer, by depositing same to an internet-based data room having a web address of [***] (the ("**Data Room**") copies of the documents referenced in that certain Access and Confidentiality Agreement dated June 16, 2026 (the "**Access Agreement**") as more particularly described in the Access Agreement (the "**Seller Due Diligence Materials**"). Sellers and Manager shall furnish such additional financial and operating data and other information as Buyer and Buyer's Representatives shall from time-to-time reasonably request provided that such information is readily available to Sellers and Manager at no material cost to Sellers or Manager. Sellers and Manager shall supplement or amend any information, written or otherwise, previously delivered or otherwise disclosed to Buyer with respect to any matter hereafter arising which, if existing, discovered or occurring at the Effective Date, would have been required to be set forth or disclosed. Sellers and Manager also shall provide to Buyer any new materials, inspections, reports, or similar documents that are included in the list of Due Diligence Materials that were not previously so delivered. Notwithstanding the foregoing, Sellers and Manager shall not be obligated to provide to Buyer the following: (a) documents covered by the attorney-client privilege, (b) loan documents, (c) proposals from, and correspondence with, other potential purchasers of the Property, so long as nothing material or deficient relative to normally

accepted practices in the market for institutionally owned and operated buildings as it relates to operations, compliance, physical plant or life safety concerns was made known to the Sellers, (d) the Current Management Agreement, the White Plains Lease or (f) any information Sellers or Manager are prohibited by law from disclosing.

(2) Access to Property. Subject to the terms and provisions of this Agreement, Sellers and Manager shall permit Buyer and its employees, authorized agents, consultants, contractors, and representatives (together with Buyer, collectively, the "**Buyer Representatives**") to enter upon the Property during normal business hours to perform any inspections, investigations, studies, and tests of the Property that Buyer deems reasonable or appropriate, including, but not limited to, ALTA land surveys, physical property condition inspections, geotechnical surveys, and so-called "Phase 1" environmental site assessments (generally, "**Inspections**"); provided, however, that Buyer shall not perform an Inspection that will require excavations, borings, drilling, removal or demolition of any portion of the Property, or any other invasive activities on the Property without the prior written consent of Sellers, as applicable, which may be given or withheld in Sellers' sole discretion. Buyer shall notify Manager of the intention of any Buyer Representative to enter the Property at least two (2) Business Days prior to such intended entry. Sellers and Manager shall have the right to have their employees, agents, consultants, contractors, or other representatives (the "**Seller Representatives**") present at any Inspections; provided, however, that Buyer's only responsibility shall be to notify Manager at least two (2) Business Days prior to any Inspection taking place. Buyer shall, at its sole cost and expense, promptly restore any portion of the Property (and any personal property located thereon) damaged as a result of the Inspections to substantially the same condition existing immediately prior to any Inspection, but in no event later than ten (10) days after any disturbance or damage occurs; provided, however, in no event shall Buyer's obligation to restore the Property include any remediation or restoration of any environmental contamination discovered or uncovered during the Inspections or any repair of damage caused by anyone other than any Buyer Representative. If Buyer fails to comply with the terms of this Section 5(A)(2), then Sellers shall have the right to make any repairs and/or restoration required to be made by Buyer hereunder, and Buyer shall reimburse Sellers for the actual, reasonable, third-party out-of-pocket cost of such repairs and/or restoration within ten (10) Business Days after receipt of invoice. Buyer shall (a) use commercially reasonable efforts to cause its investigation of the Property not to interfere with the operation of the Property, (b) maintain (i) comprehensive general liability (occurrence) insurance covering any accident arising in connection with the presence of any Buyer Representative on the Property with a single limit of liability of not less than $1 million per occurrence, $2 million aggregate, which liability insurance policy shall name Sellers as additional insureds and (ii) worker's compensation as required by law, and Buyer shall provide Sellers with a certificate of insurance evidencing the insurance required hereunder prior to commencing Buyer's physical inspections of the Property, and (c) not permit any liens to attach to the Property by reason of the exercise of Buyer's rights hereunder. Buyer hereby agrees to indemnify, defend, and hold Sellers and their members, partners, officers, directors, successors and assigns harmless from and against any and all liens, claims, causes of action, damages, liabilities, demands, suits, obligations, losses, penalties, costs, and expenses (including reasonable attorneys' fees) (generally, "**Damages**") arising from any act of an Buyer Representative in connection with the Inspections; provided, however, that Buyer's indemnity hereunder shall not include any Damages resulting from (a) the negligence or intentional misconduct of any Seller Representative, Manager, or invitees of the Property, or (b) the mere discovery of any pre-existing adverse physical conditions at the Property, except to the extent any Buyer Representative's failure to exercise reasonable care exacerbates such pre-existing condition. Buyer's obligations under this Section 5(A)(2) shall survive the termination of this Agreement.

(B) Buyer's Approval. If Buyer determines in its sole and absolute discretion that it will not acquire the Property and Buyer notifies Sellers and the Title Company in writing of its election to terminate this Agreement (the "**Termination Notice**") on or before 6:00 p.m. Eastern Time on July 31, 2026 (the "**Due Diligence Period**"), then this Agreement shall terminate, neither party shall have any

further rights or obligations hereunder (except for any rights and obligations that expressly survive termination) and Escrow Agent shall promptly return the Deposit (less the Independent Consideration) to Buyer, without any requirement of consent by Sellers. If Buyer does not deliver to Sellers and the Title Company the Termination Notice pursuant to this Section 5(B) on or prior to the expiration of the Due Diligence Period, then this Agreement shall continue in full force and effect and the Deposit shall be non-refundable to Buyer other than as expressly provided in this Agreement, including without limitation following a termination of this Agreement after a Seller default. ***Notwithstanding any provision of this Agreement to the contrary, Buyer shall have the right to deliver the Termination Notice exclusively via email and the same shall be effective for all purposes under this Agreement, notwithstanding the other terms of this Agreement proscribing the delivery of notices***. Prior to the expiration of the Due Diligence Period, Escrow Agent shall not be permitted to, and shall not, follow any conflicting instructions given by Sellers or any third-party as to the disposition of the Deposit but shall instead follow only the instructions of Buyer in connection therewith, Sellers agree in such instance not to deliver any conflicting instructions to Escrow Agent for any reason and hereby instructs the Escrow Agent to act in respect of the Deposit solely in accordance with Buyer's instructions on or prior to the expiration of the Due Diligence Period, including instructions of Buyer to return the Deposit to Buyer.

(C) Contracts.

(1) On the Closing Date, each Seller (as applicable) and Manager shall assign to Buyer all of such Seller's and Manager's rights, title and interest in and to, and Buyer shall assume to the extent arising from and after the Closing Date, such Seller's and Manager's obligations and liabilities under, any Contract that relates exclusively to the Property (i) for which the consent of any third-party is not required or (ii) for which the consent of a third-party is required and has been obtained, all pursuant to the Assignment of Intangible Property (as defined below), with such Seller and Manager (as applicable) being responsible for the payment of any fee or other charge imposed by any party to any such Contract in connection with such transfer, excluding those Contracts (if any) that Buyer identifies for termination in a written notice Buyer delivers to Sellers and/or Manager prior to expiration of the Due Diligence Period (such Contracts, excluding those so designated for termination, collectively, the "**Assumed Contracts**"). Without limiting the foregoing, any Contracts that Buyer notifies Sellers prior to expiration of the Due Diligence Period that it does not wish to assume shall not be assigned by the applicable Seller or Manager or assumed by Buyer and shall not constitute Assumed Contracts. Notwithstanding the foregoing, Sellers shall not assign, and Buyer shall not assume, any rights, obligations or liabilities in, to or under any Affiliate Agreements (which are excluded from the definition of Contracts hereunder) or, unless otherwise specified by Buyer, any Contracts to which Property Manager (rather than a Seller) is a party.

(2) Sellers and Manager shall use their best efforts, at Sellers' sole cost and expense, to obtain all third-party consents (if any) required to assign the Assumed Contracts to Buyer at Closing. If any Assumed Contract or any property or rights included therein is not assignable either by virtue of the provisions thereof or under applicable law without the consent of a third-party and such consent is not obtained prior to the Closing Date, despite Seller and Manager having exercised the efforts required by this Section, then the applicable Seller shall not assign and Buyer shall not assume the rights, obligations or liabilities of such Seller under such Assumed Contract. Seller shall pay all fees, costs and expenses arising or accruing as a result of the termination of a Contract or the assignment of a Contract pursuant to the terms of this Section 5(C).

(3) Sellers will not enter into any new Material Contracts nor make any material amendments to any existing Material Contracts prior to Closing without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed.

(4) This Section 5(C) shall survive the Closing.

6. Required Regulatory Approvals; White Plains Regulatory Approvals and Structure.

(A) Regulatory Approvals.

(1) After Buyer's receipt of all necessary information from Sellers and Manager, Buyer shall (i) make all notices, filings and applications with any governmental authority or agency having jurisdiction over the Property or any other entity identified in **Schedule 6(A)** required to be made in order to consummate the transactions contemplated hereby (the "**Required Regulatory Notices**") and following receipt of the Required Regulatory Approvals (as defined below), operate the Property; and thereafter (ii) diligently pursue and use its commercially reasonable efforts to obtain any and all required approvals from any governmental authority or agency having jurisdiction over the Property or any other entity identified in **Schedule 6(A)** in in order for Buyer or its designated affiliate to consummate the transactions contemplated hereby and operate the Property following approval by the applicable governmental authority or agency (such approvals being, collectively, the "**Required Regulatory Approvals**"). In addition, to the extent any notices or other documentation are required to be filed by Sellers or Manager in connection with Buyer's efforts to obtain the approvals contemplated by this Section 6, Sellers and Manager shall cause such notices or other documentation required of Sellers and Manager to be filed by the date set forth on **Schedule 6(A)** or as otherwise required and Sellers and Manager shall take such actions and comply with such Required Regulatory Notices. Each party hereto will cooperate with the other party with respect to all notices, filings, applications and such other information or documentation that a party is required to make in connection with the Required Regulatory Approvals and the transactions contemplated hereby.

(2) In furtherance and not in limitation of the foregoing, Buyer, Sellers and Manager shall reasonably cooperate and use their respective commercially reasonable efforts to obtain any and all Required Regulatory Approvals, and to respond to any request for information from any governmental authority or agency having jurisdiction over the Property or such other persons or entities from which or whom such Required Regulatory Approvals are sought. Sellers and Manager shall provide, to the extent in Sellers' and/or Manager's possession or reasonable control, all financial and other information with respect to the Property and the operation thereof as may be requested by such governmental authorities or agencies from time to time in connection with the delivery of the Required Regulatory Notices or obtaining the Required Regulatory Approvals.

(3) If, as anticipated, the Required Regulatory Approvals are not received as of the Closing, at Closing, Buyer (or its designated affiliate), Seller and Manager shall, as applicable, enter into such other mutually and reasonably acceptable documents and agreements as may be necessary and permitted under all applicable laws, rules, and regulations in each instance to cause the current healthcare license for the Property to remain in place pending receipt of the applicable Required Regulatory Approvals to Buyer (or its designated affiliate), including, without limitation, a sublease from Buyer or such designated affiliate to the applicable Seller and Manager parties, as the current healthcare license holder, in the form attached hereto as **Exhibit K-1** (the "**Interim Sublease**"), and an interim management agreement between said Seller party, as lessee under the Interim Sublease, and Manager (in its capacity as manager for Buyer or Buyer's affiliate, the lessor under the Interim Sublease), in the form attached hereto as **Exhibit K-2** (the "**Interim Management Agreement**") and the documents required by Section 6(B)(1) for the White Plains Facility; provided, however, that if the applicable governmental authority determines that the Interim Sublease and/or Interim Management Agreement are inadequate to permit the Closing and continued operation of the Property in compliance with applicable law, then Seller, Manager and Buyer shall have no obligation to enter into such agreements and Sellers or Buyer may extend the Closing Date by up to one hundred twenty (120) days to attempt to address such inadequacy.

(4) Buyer and Sellers each promptly shall notify and keep the other reasonably advised as to (i) any material communication (not to include routine phone calls or emails in the course of obtaining the Required Regulatory Approvals) from all such applicable governmental authorities or agencies regarding any of the transactions contemplated hereby and (ii) any claim or proceeding pending and known to such party or, to such party's knowledge, threatened in writing, which challenges the transactions contemplated hereby.

(5) In the unlikely event that any of the Required Regulatory Approvals are denied prior to Closing, Buyer shall have the right to terminate this Agreement and upon such termination Sellers (and/or Escrow Agent, if holds any portion of the Full Deposit) shall immediately (and in any event, within two (2) Business Days) pay the Full Deposit to Buyer, and thereafter the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement).

(6) The provisions of this Section 6(A) shall survive the Closing.

(B) White Plains Regulatory Approvals and Structure. Sellers and Buyer acknowledge that the Required Regulatory Approvals for the White Plains Facility will not be received as of Closing and therefore:

(1) White Plains Operator and Manager shall terminate the White Plains MSA and the White Plains Lease as of the Closing and at Closing (i) Manager shall form a subsidiary to serve as the new manager of the White Plains Facility ("**WP Manager NewCo**"), (ii) Buyer's designated entity (which will be either an affiliate of Buyer or a Virginia non-stock corporation established by Buyer) and White Plains Operator shall enter into the Interim Sublease for the White Plains Facility, (iii) Buyer's designated affiliate, as sublessor under the Interim Sublease, and White Plains Operator, as the sublessee under the Interim Sublease and the current license holder of the License for the White Plains Facility, shall enter into a cash surplus agreement (the "**WP Cash Surplus Agreement**") for the White Plains Facility and (iv) White Plains Operator and WP Manager NewCo shall enter into an interim consultative agreement substantially in the form as the New Management Agreement (with appropriate adjustments to comply with applicable regulations and policies of the New York State Department of Health) in the form attached hereto as **Exhibit K-4** (the "**Interim Consultancy Agreement**") and the Interim Management Agreement for the White Plains Facility in the form attached hereto as **Exhibit K-3** to allow WP Manager NewCo to consult with respect to, and then, upon approval of the Interim Management Agreement by the New York State Department of Health, manage the White Plains Facility pending receipt of the Required Regulatory Approvals for the Buyer's designated affiliate to become the licensed operator of the White Plains Facility. In connection with the Interim Consultancy Agreement and Interim Management Agreement for the White Plains Facility, Manager and WP Manager NewCo shall enter into an employee lease agreement (the "**WP Employee Lease Agreement**") pursuant to which Manager will provide the employees required for the operation of the White Plains Facility.

(2) White Plains Operator shall, at Buyer's cost and expense, submit an application to the New York State Department of Health for approval of the Interim Management Agreement for the White Plains Facility within five (5) calendar days of the Closing Date (provided that WP Manager NewCo has provided all necessary information in order for White Plains Operator to timely submit such application). Each of White Plains Operator and WP Manager NewCo shall cooperate with one another in delivering any and all reasonably requested information by the New York State Department of Health in connection with the approval of the Interim Management Agreement for the White Plains Facility. In connection with such application, White Plains Operator shall, within five (5) calendar days of the Closing Date, provide a fully executed copy of the Interim Consultancy Agreement to the New York State Department of Health by written notice. At Buyer's request, White Plains Operator will provide Buyer

access to the New York State Department of Health application portal and provide portal permission for Buyer designees to handle the Management Agreement submission.

(3) If required by Buyer, White Plains Operator shall, within five (5) business days after receipt of Buyer's written notice, and at Buyer's sole cost and expense, submit an application to the New York State Department of Health in order to change the name of the White Plains Facility to the name selected by Buyer. Buyer shall provide all information needed from Buyer in order for White Plains Operator to submit such application to the New York State Department of Health. White Plains Operator and Buyer shall cooperate with one another in delivering any and all reasonably requested information by the New York State Department of Health in connection with the approval of such name change application to change the name of the White Plains Facility to the name selected by Buyer.

(C) White Plains Operator and Buyer's designated affiliate shall enter into a short-form Operations Transfer Agreement and/or confirmatory bill of sale in such form as is necessary under the regulations and policies of the New York State Department of Health to effectuate the transfer of operations of the White Plains Facility, which shall close upon receipt of the Required Regulatory Approvals for Buyer's designated affiliate to become the new licensed operator of the White Plains Facility.

7. Closing. The sale and purchase herein provided shall be consummated (the "**Closing**") through escrow with all deliveries required hereunder to the Title Company on or prior to 4:00 p.m. Eastern Time on the Closing Date. Buyer, Sellers and Manager acknowledge and agree that the Closing Date is of extreme importance to Sellers and Buyer and that TIME IS OF THE ESSENCE with respect to Buyer's, Sellers' and Manager's obligation to close this transaction on the Closing Date, and that the parties' respective covenant to close the transaction contemplated by this Agreement on the Closing Date constitutes a material inducement to the entry by Sellers, Manager and Buyer into this Agreement. Attorneys for Sellers/Manager and Buyer shall exchange pdf copies of all executed Closing documents on the Business Day preceding the Closing Date so that each confirm completion of same. Buyer, Sellers and Manager shall deliver to the Title Company only those documents Escrow Agent requires to complete Closing and insure title to the Real Property, or as otherwise directed by Sellers and Buyer.

(A) Escrow. On or prior to 2:00 p.m. Eastern Time on the Closing Date, except as otherwise specified herein, the parties shall deliver to the Title Company the following:

(1) By Sellers and/or Manager. Sellers and Manager shall (as applicable to each) deliver, or cause its applicable affiliates to deliver, the following (collectively, the "**Seller Closing Documents**"):

(a) a duly executed and acknowledged original Deed for each Facility's Land and Improvements. If the legal description of the Land of any Facility set forth on the survey obtained by Buyer differs from the legal description of the Land set forth on the deed by which Seller acquired title, or (in the case of the Redondo Facility) differs from the legal description of the recorded memorandum of the Redondo Ground Lease, then the applicable Seller also shall deliver a quit claim deed conveying the applicable Land and Improvements to Buyer utilizing said survey legal description;

(b) a duly executed counterpart of a Bill of Sale transferring and conveying the Personal Property in the form of **Exhibit D-1** attached hereto (the "**Bill of Sale"**). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Personal Property, Sellers and (if applicable) Manager shall deliver a Bill of Sale to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Personal Property;

(c) a duly executed counterpart of an Assignment of Intangible Property assigning and conveying the Assumed Contracts and the Intangible Property in the form of **Exhibit D-2** attached hereto (the "**Assignment of Intangible Property**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Assumed Contracts and the Intangible Property, Sellers and (if applicable) Manager shall deliver an Assignment of Intangible Property to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Assumed Contracts and the Intangible Property;

(d) a duly executed counterpart of an Assignment and Assumption of Resident Agreements assigning and conveying the Resident Agreements in the form of **Exhibit D-3** attached hereto (the "**Assignment and Assumption of Resident Agreements**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Resident Agreements, Sellers and (if applicable) Manager shall deliver an Assignment and Assumption of Resident Agreement to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Resident Agreements;

(e) a duly executed counterpart of an Assignment and Assumption of Lease Agreements assigning and conveying the Commercial Leases in the form of **Exhibit D-4** attached hereto (the "**Assignment and Assumption of Lease Agreements**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Commercial Leases, Sellers and (if applicable) Manager shall deliver an Assignment and Assumption of Lease Agreement to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Commercial Leases;

(f) a single form announcement in a form reasonably acceptable to Buyer and Sellers, executed by Sellers and Manager, duplicate copies of which shall be sent by Buyer, to each resident and responsible family member under the Resident Agreements informing them of the transaction between Seller and Buyer;

(g) a duly executed certificate certifying that each Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended (the "**Code**") in the form of **Exhibit E** attached hereto, together with any similar form or forms required by the state in which the Property is located, and with respect to any Facility located in California, a California Form 593 for the calendar year in which the Closing occurs duly executed by the applicable Seller;

(h) Sellers' "**Closing Statement**" (as hereinafter defined), dated as of the Closing Date and duly executed by each Seller, setting forth, among other things, all payments to and from Seller in connection with the purchase and sale of the Property;

(i) the Sellers' Title Affidavits;

(j) one (1) original of the certificate of Sellers and Manager in the form of **Exhibit F** (the "**Sellers' and Manager Closing Certificate**");

(k) if required pursuant to Section 6(A)(3), a counterpart of each of (i) the Interim Sublease, duly executed by the applicable Seller, and (ii) the Interim Management Agreement, duly executed by the applicable Seller and Manager;

(l) evidence (to be delivered only to Title Company) reasonably satisfactory to the Title Company that all necessary authorizations of the transaction provided herein have

been obtained by each Seller and Manager, and such other documents and instruments as may be reasonably requested by the Title Company in order to consummate the transaction contemplated hereby and issue the Title Policy, including an original certificate of good standing issued for each Seller and Manager by the Secretary of State of the State in which the Seller's Facility is located;

(m) all documents and instruments as may be necessary pursuant to the applicable vehicle code to transfer title (or assign the vehicle lease, as applicable) to any motor vehicles being transferred by a Seller or Manager to Buyer in connection with this Agreement; provided that, upon the written agreement of Buyer, Seller or Manager shall be permitted to deliver same to Buyer promptly following Closing;

(n) any sales or real property transfer tax declarations or other disclosures or reports as are required by state or local law, executed by the applicable Seller as required by such laws;

(o) confirmation of the termination of the Current Management Agreement, such termination effective as of Closing (but not before);

(p) confirmation of the termination of the White Plains Lease Agreement (and any other lease agreement between Sellers), such termination effective as of Closing Date (but not before);

(q) as of the Closing Date, in each case to the extent the same are then in Seller's or Manager's possession or reasonable control, and have not theretofore been delivered to Buyer, originals (or copies, if originals are unavailable) of each and every commercial lease and license of space of all or any portion of the Facilities (each, a "**Commercial Lease**" and, collectively with the Resident Agreements, the "**Occupancy Agreements**"), all Assumed Contracts and originals (or copies if originals are unavailable) of all permits and licenses in the name of a Seller and/or Manager (which materials under this subsection 7(A)(1)(q) may be left at the management office the applicable Facility to which they relate);

(r) any motor vehicles being transferred (or the lease for the same assigned, as applicable) to Buyer in connection with this Agreement shall be deemed to be delivered as of the Closing Date if left at the Property provided the keys have been left at the management office at the Property or left with the Manager at the Manager's off-site office on the Closing Date; after a Seller has delivered to Buyer a completed form of transfer of title (or assignment of the vehicle lease) with respect thereto, Buyer shall be responsible for otherwise effectuating the conveyance of title to such vehicles to Buyer after Closing to the extent required under applicable law;

(s) for each Facility, the new management services agreement between Manager and Buyer (or Buyer's designated assignee affiliate) in form and substance reasonably acceptable to Buyer pursuant to which Manager manages the daily operation the Facility referenced therein, (each a "**New Management Agreement**" and two or more, as the context requires, the "**New Management Agreements**"), it being agreed that the New Management Agreement for the White Plains Facility will not be effective until completion of the CHOW license process and issuance of the new license in the name of the Virginia non-stock corporation established as the new licensed operator; and for only the White Plains Facility, (i) the Interim Consultancy Agreement and Interim Management Agreement (as said terms are defined in Section 6(B)), (ii) the WP Employee Lease Agreement (as said term is defined in Section 6(B)), and (iii) the WP Cash Surplus Agreement (as said term is defined in Section 6(B)(1));

(t) with respect to each New Management Agreement, the Interim Consultancy Agreement, and the Interim Management Agreements, certificates executed by Manager and

WP Manager NewCo in support of the legal opinion Buyer requires in connection with REIT and RIDEA matters relating to the transaction contemplated by this Agreement;

(u) The Sierra Madre Subscription Agreement and the Redwood Subscription Agreement;

(v) with respect to the Redondo Ground Lease, (i) an assignment and assumption of Redondo Seller's rights, title and interest in and to the Redondo Ground Lease (subject to the limitations stated in this Agreement with respect to Excluded Liabilities) in form and substance reasonably acceptable to Buyer and Title Company and executed by the Redondo Seller (the "Ground Lease Assignment"), and (ii) an Estoppel and Consent Certificate and Amendment to Memorandum of Lease substantially in the form attached to this Agreement as **Exhibit M**, or in such other form required by the District that is reasonably acceptable to Buyer and Title Company setting forth the material terms included in the form attached as **Exhibit M**, that is executed by the District (collectively, the "**Redondo Ground Lease Closing Documents**");

(w) each Title Estoppel or, as permitted by this Agreement, Seller Title Estoppel;

(x) the Name License;

(y) an executed counterpart of the Manager ROFO Agreement;

(z) an executed counterpart of the HoldCo JVAs;

(aa) intentionally deleted;

(bb) as to each Facility located in California, a Form 593;

(cc) intentionally deleted;

(dd) intentionally deleted;

(ee) the escrow holdback agreement for the Pending CapEx Work; and

(ff) the Holdback Agreement (as hereinafter defined), duly executed in counterpart by each Seller.

(2) By Buyer. Buyer shall deliver the following (collectively, the "**Buyer Closing Documents**" and, together with the Seller Closing Documents, collectively, the "**Closing Documents**"):

(a) the Closing Payment by wire transfer of immediately available federal funds (provided, however, that Buyer shall not be in default hereunder if the same is delivered after 4:00 pm Eastern Time on the Closing Date, as long as it is delivered prior on the Closing Date);

(b) an executed counterpart of each Bill of Sale;

(c) an executed counterpart of each Assignment of Intangible Property;

(d) an executed counterpart of each Assignment and Assumption of Resident Agreements;

(e) an executed counterpart of each Assignment and Assumption of Lease Agreements;

(f) Buyer's Closing Statement, dated as of the Closing Date and duly executed by Buyer setting forth, among other things, all payments to and from Buyer in connection with the purchase and sale of the Property;

(g) a duly executed certificate of Buyer in the form of **Exhibit G** ("**Buyer Closing Certificate**");

(h) if required pursuant to Section 6(A)(3), counterparts of the Interim Sublease duly executed by Buyer's designated affiliate;

(i) any sales or real property transfer tax declarations or other disclosures or reports as are required by state or local law, executed by Buyer as required by such laws including, with respect to any Facility located in California, a preliminary change of ownership report duly executed by Buyer;

(j) evidence reasonably satisfactory to the Title Company that all necessary authorizations of the transaction provided herein have been obtained by Buyer, and such other documents and instruments as may be reasonably requested by the Title Company in order to consummate the transaction contemplated hereby and to issue the Title Policy; and

(k) for each Facility, an executed counterpart of a New Management Agreement; and for only the White Plains Facility, an executed counterpart of the Interim Consultancy Agreement;

(l) an executed counterpart of those Redondo Ground Lease Closing Document requiring the signature of Buyer;

(m) the Name License;

(n) an executed counterpart of the Manager ROFO Agreement;

(o) an executed counterpart of the HoldCo JVAs;

(p) intentionally deleted;

(q) an executed counterpart of the WP Cash Surplus Agreements to which Buyer or its designated affiliate is a party;

(r) the escrow holdback agreement for the Pending CapEx Work; and

(s) the Holdback Agreement (as hereinafter defined), duly executed in counterpart by Buyer or its designee.

(B) Closing Costs.

(1) Buyer shall pay one-half of all escrow and closing fees for the transactions contemplated under this Agreement and all fees, costs or expenses in connection with Buyer's due diligence reviews hereunder. Sellers shall pay (a) the release of any of Sellers' existing monetary liens (including any prepayment or other penalties or amounts due and payable in connection with the discharge and satisfaction of such liens and/or the indebtedness secured thereby) and the cost to remove or insure over (to the extent permitted hereunder) all Required Removal Items and those matters that Sellers elected in writing to attempt to cure pursuant to Sections 4(B)-(D) above; (b) one-half of all escrow and closing fees for the transactions contemplated under this Agreement; and (c) all taxes on the transfer of the Personal Property.

(2) Buyer and Sellers shall pay their respective share of all state and local realty transfer tax, documentary stamp tax, and/or excise tax (collectively, "**RTT**"), the base premiums for the Title Policies (exclusive of endorsements) ("**Title Premiums**") based upon the state in which each Facility is located, as set forth on **Schedule 7(B)(2)**.

(3) Sellers and Buyer shall each pay their respective (a) legal fees and expenses (subject to Section 13(D) of this Agreement), (b) share of prorations (as provided below), and (c) the cost of all of its performances under this Agreement. All other Closing costs shall be allocated between Buyer and Sellers in accordance with local custom. Each party shall indemnify, protect, defend and hold the other harmless from and against any Losses in any way arising from the non-payment of any of the items for which such first party is responsible pursuant to this Section 7(B).

(4) The provisions of this Section 7(B) shall survive the Closing Date and the recording of the Deed.

(C) Prorations.

(1) Items to be Prorated. The following shall be prorated between Sellers and Buyer (and such amounts allocated to Buyer may be further allocated between Buyer's affiliate assignees of this Agreement as elected and directed by Buyers in their sole discretion) as of 12:01 a.m. local time for the Property on the Closing Date ("**Effective Time**"):

(a) *Taxes and Assessments; Association Fees and Assessments*.

(i) All real estate taxes and assessments on the Property (including the Personal Property) paid or payable during or attributable to the tax year in which the Closing occurs (the "**Current Tax Year**") shall be prorated as of the Closing Date on an accrual basis, based upon the latest available tax information for the Current Tax Year (such that Sellers are responsible for all such taxes and assessments attributable to the period prior to the Closing Date and Buyer is responsible for all such taxes and assessments attributable to the period from and after the Closing Date). If any assessments on the Property are payable in installments, then the installment for the current period shall be prorated as of the Closing Date, on an accrual basis, with Buyer being allocated the obligation to pay any installments due on and after the Closing Date (provided that Buyer receives a credit at Closing for any such payments attributable to periods prior to the Closing Date that have not been paid as of the Closing Date). Upon the Closing Date, Buyer shall be responsible for real estate taxes and assessments on the Property (i) payable with respect to periods prior to Closing for which Buyer receives a credit hereunder, and (ii) attributable to the period from and after the Closing Date, which first become due and payable from and after Closing, and any other real estate taxes and assessments attributable to the period from and after the Closing Date and payable to the governmental authorities on and after the Closing Date.

(ii) All tax refunds and credits attributable to taxes paid during any period prior to the Current Tax Year shall belong to and be the property of Sellers regardless of when received by Sellers or Buyer, and Buyer shall promptly pay the same to Sellers upon receipt thereof. All tax refunds and credits attributable to taxes paid or payable during any period from and after the Current Tax Year shall belong to and be the property of Buyer, and Sellers shall promptly pay the same to Buyer to the extent a Seller receives any of the same. All tax refunds and credits attributable to taxes paid during the Current Tax Year shall be prorated between Sellers and Buyer in accordance with subsection (i) above, whether received before or after Closing, and Sellers and Buyer shall mutually cooperate in the prosecution of any such tax appeal with respect to the Current Tax Year.

(iii) Any dues, fees, common charges, maintenance fees or similar fees or charges relating to any homeowners or commercial associations, planned unit developments and reciprocal easement agreements, and any other expenses pertaining to the Property thereunder, if any, shall be pro-rated on an accrual basis as of the Closing Date, with Sellers responsible for any such amounts which relate to the period prior to the Closing Date and Buyer responsible for any such amounts which relate to the period on and after the Closing Date.

(b) *Rents*. All amounts payable and receivable under the Occupancy Agreements and actually collected prior to Closing shall be prorated between Buyer and Sellers, with Sellers being charged and credited for all of the same which have been paid and are allocable to the period up to the Closing Date and Buyer being charged and credited for all of the same which have been paid and are allocable to the period from and after the Closing Date. Uncollected amounts shall not be prorated; provided, however, that to the extent Buyer receives rental amounts or other charges from and after the Closing Date, such payments shall be applied first toward the rental amounts or other charges for the month in which the Closing occurs, then to the rental amounts or other charges owed to Buyer, and then to any delinquent rental amounts or other charges owed to Sellers less reasonable out-of-pocket collection costs incurred by Buyer, with Sellers' share thereof being promptly delivered to or as directed by Sellers. Any pre-paid rents for the period from and after Closing shall be paid over by the applicable Seller to Buyer. Seller shall pay at or prior to Closing (and provide evidence of same to Buyer) all fees for referral services other than those signed during the period following the Effective Date that Buyer has approved in writing. Buyer shall receive a credit against the Purchase Price for (i) refundable resident deposits (if any) and/or (ii) resident trust funds held by a Seller party or its affiliate.

(c) *Utility Service*. Fuel, water, electricity, sewer, gas, telephone and other utility charges for the Property (including any taxes thereon) based, to the extent practicable, on final meter readings and final invoices (or, if it is not practicable to obtain final meter readings and final invoices by the Closing Date, then upon reasonable estimates) shall be pro-rated as of the Closing Date, with Sellers responsible for any such amounts which relate to the period prior to the Closing Date and Buyer responsible for any such amounts which relate to the period from and after the Closing Date. Sellers shall not assign to Buyer any of the utility deposits which Sellers have with any of the utility services or companies servicing the Property. The parties shall arrange with such services and companies to have new accounts opened in Buyer's (or its designee's) name beginning at the Effective Time, but the foregoing shall not be a condition to the parties' obligation to close hereunder. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading and post-closing adjustments between Buyer and Sellers shall be made within thirty (30) days after the date that actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and the recording of the Deed.

(d) *Permits*. Any fees relating to governmental permits, licenses, certificates, authorizations, accreditations and approvals relating exclusively to the use or operation of the Property which are assigned by any Seller to Buyer at Closing shall be pro-rated as of the Closing Date,

with Buyer receiving a payment for any amounts owed with respect to the period prior to the Closing Date and Sellers receiving a payment with respect to any prepaid fees for the period from and after the Closing Date.

(e) *Employees*. Buyer shall receive a credit against the Purchase Price at Closing equal to the amount of all wages, bonuses, and accrued/unpaid vacation days and PTO as of the Closing Date, plus an amount equal to all taxes relating thereto, with respect to all individuals who are employed by Sellers or Manager on a full-time or part-time basis at a Property. The foregoing shall apply notwithstanding the fact that Manager, rather than Seller, is the employer of said employees.

(f) *Contracts*. With respect to the Assumed Contracts, the applicable Seller shall be responsible for any payments that are due and payable thereunder and relate to the period prior to the Closing Date and Buyer shall be responsible for any payments that are due and payable thereunder and relate to the period from and after the Closing Date.

(g) *Operating Income and Expense*. Any other items of income and expense of the ownership, operation and maintenance of the Property (including ground lease rents) shall be prorated between Buyer and Sellers as of the Effective Time, with Sellers being charged and credited for all of the same allocable to the period up to the Closing Date and Buyer being charged and credited for all of the same allocable to the period from and after the Closing Date.

(2) Calculation; Reproration. The prorations and payments shall be made on the basis of draft settlement statements (with a separate statement for each of Sellers and Buyer) submitted to Buyer and Sellers by Title Company (based on information provided to Title Company by Buyer and Sellers) at least five (5) Business Days prior to the Closing Date and approved by Buyer and Sellers, to be reviewed and revised as necessary by Buyer, Sellers and Title Company, for approval by Buyer and Sellers, respectively (as to the statement for each) on or before Closing (as applicable, a "**Closing Statement**"). Any item which cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and adjusted when the information is available in accordance with this subsection. If the prorations and credits made under the Closing Statements shall prove to be incorrect or incomplete for any reason, then either party shall be entitled to an adjustment to correct the same; provided, however, that any adjustment shall be made, if at all, within one hundred twenty (120) days after the Closing Date (except with respect to real estate taxes and assessments, in which case such adjustment shall be made within thirty (30) days after issuance of the final tax bill for the Property for the period that includes the Closing Date, with reconciliation payment being made to the party entitled thereto within ten (10) Business Days thereafter), and if a party fails to request an adjustment to the Closing Statements by a written notice delivered to the other party within the applicable period set forth above (such notice to specify in reasonable detail the items within the Closing Statements that such party desires to adjust and the reasons for such adjustment), then the prorations and credits set forth in the Closing Statements shall be binding and conclusive against such party. Notwithstanding anything to the contrary contained in this Section 7, for any item for which Buyer receives a credit or otherwise assumes responsibility pursuant to this Section 7(C) and which is payable after Closing, Buyer shall be responsible for paying for such item when due.

(3) Items Not Prorated. Sellers and Buyer agree that none of the insurance policies relating to the Property (whether placed by Sellers or Manager) will be assigned to Buyer and Buyer shall be responsible for arranging for its own insurance as of the Closing Date.

(4) Survival. The provisions of this Section 7(C) shall survive the Closing Date.

8. Destruction/Condemnation of Property.

(A) In the event that, after the Effective Date but prior to September 1, 2026, all or any portion of the Land or Improvements of one Facility is damaged or destroyed by any casualty which would cost in excess of two percent (2%) of the portion of the Purchase Price allocated to that Facility to repair, as determined by a contractor mutually acceptable to Sellers and Buyer in their reasonable discretion, or there is a taking or condemnation under eminent domain laws whether permanent or temporary, that (i) materially restricts access to any of the Improvements of said Facility which would reasonably be expected to continue for any period of time from and after the Closing Date, (ii) affects five percent (5%) or more of the Improvements of a Facility, or (iii) reduces the parking available to the Improvements of a Facility to less than that which is required by law, under any Commercial Lease, or under any recorded instrument affecting the Property, or (iv) has a material adverse effect for any period of time after the Closing Date on the use or operation of the Property (each a "**Casualty/Condemnation Event**"), Sellers shall give Buyer prompt written notice of the same (a "**Casualty/Condemnation Notice**"), but Sellers shall have no obligation to repair or replace any damage or destruction caused by the foregoing. In such event, Buyer shall have the right to terminate this Agreement with respect to affected Property by written notice thereof delivered to Sellers within ten (10) days after Buyer has received the Casualty/Condemnation Notice from Sellers (with time being of the essence), and if such termination right is exercised, the proportionate share of the Deposit shall be immediately (and in any event, within two (2) Business Days) paid to Buyer and this Agreement shall terminate as to said Property and be of no further force or effect with respect thereto, except for the obligations and indemnifications hereof which survive the termination of this Agreement. If Buyer does not so elect to terminate this Agreement as to said Property, or if the casualty or condemnation is not a Casualty/Condemnation Event, Sellers shall have no obligation to (and, in the case of a Casualty/Condemnation Event, shall not, except in a manner required by applicable laws or regulations or to address an emergency situation, otherwise approved in advance by Buyer, which approval shall not be unreasonably withheld, conditioned, or delayed), repair the Land or Improvements or portion thereof so damaged, the Closing shall take place as provided herein, and Sellers shall, upon consummation of the transaction herein provided, assign to Buyer (to the extent assignable) all of Sellers' right, title and interest in and to the claims of Sellers under or pursuant to any applicable insurance coverage, including commercial property, business interruption or pollution liability, or under the provisions of eminent domain law, as applicable, and all proceeds from any such casualty insurance (including all rent loss insurance applicable to any period from and after, but not before, the Closing) or condemnation awards received by Sellers on account of any such casualty or condemnation, as the case may be (collectively, the "**Proceeds**") (but only to the extent the same have not been applied by Sellers prior to the Closing Date to repair the resulting damage in a manner reasonably approved by Buyer), and Buyer shall receive at Closing a credit against the Purchase Price in the amount of the deductible and/or self-insured retention under Sellers' applicable insurance policy (less any amount of the deductible expended by Sellers to repair the resulting damage in a manner permitted by this Section or otherwise reasonably approved by Buyer). This Section 8 shall survive the Closing.

9. Representations and Warranties; Certain Covenants.

(A) Representations and Warranties of Sellers. Each Seller represents and warrants to Buyer the following as of the Effective Date and, subject to the terms of Section 11(B)(2) below, as of the Closing Date, which representations and warranties shall survive Closing:

(1) Authority.

(a) Each Seller is a limited liability company duly formed and validly existing and in good standing under the laws of the state of its formation and is authorized to do business in the State in which the Facility it owns or leases, operates and/or manages is located. Each Seller has all requisite limited liability company power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and the Seller Closing Documents to which it is a party. Each Person signing this Agreement, the Seller Closing Documents to which a Seller is a party, and the other documents contemplated by this Agreement on behalf of Sellers has the legal right, power and authority to bind Sellers. As used herein, the term "**Person**" means any individual, partnership, association, corporation, limited liability company, business trust, trust or other entity

(b) Manager is a limited liability company duly formed and validly existing and in good standing under the laws of the State of Virginia and is authorized to do business in each State in which a Facility is located. Manager has all requisite limited liability company power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and the Seller Closing Documents to which it is a party. Each Person signing this Agreement, the Seller Closing Documents to which Manager is a party, and the other documents contemplated by this Agreement on behalf of Manager has the legal right, power and authority to bind Seller.

(2) Due Execution. The execution, delivery and performance of this Agreement and the Seller Closing Documents, and the sale of the Property in accordance with the terms hereof, have been duly authorized by all necessary action on the part of Sellers and Manager and do not and will not (a) require any consent, approval, license, order, permit or authorization that has not been obtained except as provided in this Agreement in connection with the Required Regulatory Approvals, or (b) violate any provision of Sellers' or Manager's organizational documents, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any material agreement or instrument to which either a Seller or Manager is a party or by which either a Seller or Manager may be bound in any case which would prevent Sellers and Managers from performing its obligations hereunder in all material respects, or (c) violate any order, judgment, injunction, decree ruling or regulation of any state or federal court or governmental authority binding on a Seller or Manager in any case which would prevent Sellers or Manager from performing its obligations hereunder in all material respects.

(3) Enforceability. This Agreement and, upon execution, the Seller Closing Documents, constitutes a legal, valid and binding obligation of Sellers and Manager enforceable against Sellers and Manager in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and general equitable principles.

(4) No Bankruptcy or Dissolution. No Bankruptcy/Dissolution Event (as defined below) has occurred with respect to a Seller or Manager. As used herein, a "**Bankruptcy/Dissolution Event**" means any of the following: (a) the commencement of a case under Title 11 of the United States Bankruptcy Code, as now constituted or hereafter amended, or under any other applicable bankruptcy law or other similar law; (b) the appointment of a trustee or receiver for the Property; (c) a dissolution or liquidation; or (d) a general assignment for the benefit of creditors or an offer of settlement, extension or composition to creditors generally.

(5) [Intentionally omitted].

(6) Resident Agreements. Attached as **Exhibit H** is a copy of the rent roll of each Facility dated as of the date stated thereon, which shall be no older than the last day of the month

preceding the month in which this Agreement is executed (the "**Rent Roll**"), and that was provided by Manager to Sellers and used in the ordinary course of operating the Facilities. The Rent Roll contains a materially true, complete and correct list of all resident agreements for occupancy by a resident of a bed or unit at each Facility (each a "**Resident Agreement**") that is in effect as of the date of the Rent Roll stated therein. There are no other agreements for residency at the Property other than the Resident Agreements described in **Exhibit H**. Except as shown on **Exhibit H**, each of the Resident Agreements is in full force and effect and neither Seller nor Manager has received or delivered written notice of default of any material obligations under any Resident Agreement which remains uncured as of the date of the Rent Roll or will remain uncured as of the Closing Date, as applicable. Except as set forth on **Exhibit H**, all rent currently due and payable under each Resident Agreement has been paid in full, and no rents under any Resident Agreement have been paid more than one month in advance. **Exhibit H** sets forth a true, correct and complete list of all security deposits, waitlist deposits, entrance fees and other prepaid fees currently held by or on behalf of Sellers or Manager or their respective affiliates under the Resident Agreements. Copies of all Resident Agreements (including all guaranties and amendments or modifications relating thereto), each of which is true, correct and complete in all material respects, have been made available to Buyer for Buyer's inspection at the Property (and, with respect to any Resident Agreement executed after the Effective Date in accordance with this Agreement, shall be made available promptly following such execution). Sellers have delivered to Buyer (by depositing same into the Data Room) the form of Resident Agreements which are the form of Resident Agreement currently used at each Facility during each Seller's ownership and operation thereof. Except pursuant to the Resident Agreements and medications held for residents, Manager does not hold, and is not holding, any material sums or property in trust for or on account of residents of the Property. Pursuant to Section 11(B)(2) below, seven (7) Business Days prior to Closing, Sellers and Manager shall deliver to Buyer an updated copy of the rent roll for the Property, which shall be a true, correct and complete in all material respects as of the date thereon (which shall be no more than one (1) Business Day prior to the date such updated rent roll is delivered to Buyer). No unit or bed at any Facility is subject to any rent subsidies or rental assistance programs and none of the Facilities is subject to any contract or other agreement with, or requirement of, any governmental or public authority controlling, restricting, or imposing rent controls or income eligibility limits with respect to any of the units, beds or any of the residents of the Facilities, except with respect to the Reston Facility and Falls Church Facility, as described on **Schedule 9(A)(6)**.

(7) Commercial Leases. Attached as **Exhibit H-1** is a true, complete and correct list of all Commercial Leases affecting the Property to which Sellers or Manager is a party and, except as set forth in on **Exhibit H-1** below, there are no leases of commercial, office, medical or retail space in each Facility other than the Commercial Leases described in **Exhibit H-1**. To Sellers' knowledge and Manager's knowledge, (defined below), each of the Commercial Leases is in full force and effect and neither Sellers nor Manager has received or delivered written notice of a default of any material obligations under any of the Commercial Leases which remains uncured as of the Effective Date. Except as set forth on **Exhibit H-1**, all rent currently due and payable under each Commercial Lease has been paid in full, and no rents under any Commercial Lease have been paid more than one month in advance. **Exhibit H-1** sets forth a true, correct and complete list of all security or similar deposits currently held by or on behalf of Sellers (or their affiliates) or Manager (or its affiliates) under the Commercial Leases. Except as set forth on **Exhibit H-1**, there are no (i) outstanding tenant allowances, tenant inducements costs or tenant concessions to be paid for or incurred by the landlord thereunder, (ii) outstanding tenant improvements to be performed by the landlord pursuant to the terms of the Commercial Leases, or (iii) tenant rights or claims to offsets or deductions under the Commercial Leases unless specifically set forth in such Commercial Leases. Sellers have provided to Buyer true, complete and correct copies of the Commercial Leases as part of the documents, information, and reports Sellers delivered to Buyer prior to the Effective Date (the "**Property Documents**").

(8) No Other Occupancy Agreements; Rents; No Leasing Agreements. To Seller's knowledge, except for the Resident Agreements and the Commercial Leases shown on and **Exhibit H-1**, there are no leases, subleases, license agreements, resident agreements, or other agreements demising space at the Property, or occupancies or tenancies or parties in possession of any part of the Property, and there are no other rights of possession which have been granted by Sellers or Manager to any third-party or parties that are presently in effect. No rents for any of the foregoing have been assigned, transferred or hypothecated by Sellers or Manager, except by virtue of instruments securing loans that shall be released from such rents and/or Occupancy Agreements at or prior to Closing. Except as set forth on **Exhibit H-2**, Sellers and Manager have not entered into, not assumed or is bound by any leasing or commission agreement or other similar arrangement, pursuant to which any commission, fee or other compensation is payable to any person or entity in connection with any Occupancy Agreements entered into prior to or after the Effective Date. Sellers shall pay prior to Closing all commissions, fees and compensation payable to any person or entity as a result of any Occupancy Agreement entered into prior to Closing. Buyer will be responsible for all commissions, fees, or other compensation payable to any person or entity as a result of an Occupancy Agreement executed after Closing.

(9) Personal Property. Sellers are the owners of all of their respective Personal Property and vehicles located at and used in connection with the operation of each Facility and each Seller has good title to its Personal Property and shall convey such interests to Buyer (or its designee) at Closing, at Sellers cost and expense, free and clear of liens, security interests and other encumbrances, except with respect to certain leased vehicles and office equipment as set forth on **Schedule 9(A)(9)**. To the extent Manager has any interest in the Personal Property, it shall convey such interest to Buyer at Closing.

(10) Litigation. Except as identified on **Schedule 9(A)(10)** attached hereto, there is no action, litigation or other proceeding pending against a Sellers or Manager, or to Sellers' knowledge, filed but not yet served upon Sellers or Manager, or otherwise with respect to the Property or the operations conducted thereon, including actions, litigation or other proceedings which have been tendered to Seller's or Manager's insurance company. Except as identified on **Schedule 9(A)(10)**, there is no action, suit, litigation, hearing, investigation or administrative proceeding threatened in writing against a Seller or Manager or otherwise with respect to the Property or the operations conducted thereon.

(11) Compliance. Except as disclosed in the Data Room, since January 1, 2023, neither Sellers nor Manager have received written notice from (i) any governmental authority, department, agency or the like having jurisdiction over the Property to the effect that the Property, or the operations thereon, are currently not in compliance with applicable laws, regulations and ordinances (including any law related to licensure, determination of need, anti-fraud, kickback, or bribery, consumer protection, the environmental condition of the Property, and the federal statute entitled Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq. and the Occupational Safety and Health Act of 1970), or (ii) any governmental authority, department, agency or the like having jurisdiction over the Property, or any counterparty to or benefitted party under any recorded instrument affecting the Property, that the Property or operations thereon are currently not in compliance with such recorded instrument in either case which has not been corrected or cured, and to Sellers' knowledge and Manager's knowledge the Property and the operations thereon are currently in full compliance with all such laws, regulations, ordinances and recorded instruments. To Sellers' knowledge and Manager's knowledge, there are no uncured violations of any laws, regulations, ordinances or recorded instruments affecting or applicable to any or all of the Property or the operations thereon.

(12) Contracts. The Contracts listed on **Exhibit I** constitute all of the Material Contracts (as defined below) executed by a Seller or Manager that are presently in effect with respect to the Property. Except as expressly disclosed on **Exhibit I**, none of the Material Contracts relate to properties other than the Property. Neither Sellers nor Manager has given to, nor received from, a party to any Material

Contract written notice stating that a default exists thereunder which remains uncured as of the Effective Date and, no monetary default or material non-monetary default presently exists under any Material Contracts. Sellers and Manager have deposited in the Data Room a copy of each Material Contract listed on **Exhibit I**, which copies are true and correct in all material respects. For purposes of this Agreement, "**Material Contracts**" means (a) any Contract that will be binding upon the Property from and after the Closing and either (i) requires aggregate annual payments in excess of $50,000.00 per property covered thereby, or (ii) cannot be terminated by Buyer without penalty or payment upon thirty (30) days' written notice or less and (b) any Contracts or other agreements relating to Sellers' or Manager's (with respect to the Property) enrollment or participation in any third-party payor program. Material Contracts shall expressly exclude the Current Management Agreement with Manager, any Affiliate Agreements, and the Occupancy Agreements. **Schedule 9(A)(12)** lists all Affiliate Agreements presently in effect with respect to the Property.

(13) Employees; ERISA. No Seller has any employees. The largest number of individuals working at each Facility (whether as employees or independent contracts) during any single shift is set forth on **Schedule 9(A)(13-1)**. Other than service providers employed by third-party vendors (which for purposes of this Section 9(A)(13) excludes any affiliate of Seller), all individuals who provide services with respect to the Property are employees of Manager. To Sellers' knowledge, the employee listing delivered by Sellers as part of the Property Documents identifying all employees of Manager working at the Property as of the Effective Date, such employees' respective dates of hire, positions, full time/part time designation, salary, benefits and commission and bonus schedule is true and correct in all material respects. All employees of working at the Property have been paid in full (and will be paid in full as of the Closing Date, excluding credits provided to Buyer pursuant to this Agreement) for any wages, salaries, commissions, bonuses, reimbursements, or other direct compensation earned by such employees for any services performed by them with respect to the Property as of the Closing Date. To Sellers' knowledge, all payroll employee withholdings and deductions required by applicable state law have been made (or timely will be made) with respect to employees at each Facility, and all withheld amounts have been paid (or as of Closing will be paid) by Sellers or Manager to the appropriate entities, as applicable, each in compliance with applicable State law. Neither Sellers nor, to Sellers' knowledge, Manager is a party to any collective bargaining agreement or similar union contract or any employment agreements affecting the Property. To Sellers' knowledge, and except as disclosed in the Data Room, neither Sellers nor Manager has experienced any strikes, grievances, or claims of unfair labor practices with respect to the employees employed by Manager at the Facilities. To Sellers' knowledge, there is no filed complaint or lawsuit filed by or with respect to any employee at each Facility pending against Sellers or Manager with respect to a violation of any federal, state or local law relating to employment matters, except as shown on **Schedule 9(A)(13-2)**. Each Seller is not, and is not acting on behalf of, and to Sellers' knowledge, Manager is not and is not acting on behalf of, (a) an "employee benefit plan" (as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974 ("**ERISA**")) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code (each of the foregoing a "**Plan**"), (c) an entity or account the assets of which constitute "plan assets" of one or more such Plans within the meaning of Department of Labor Regulation 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA or (d) a "governmental plan" within the meaning of Section 3(32) of ERISA. To Seller's knowledge, all licensed and/or certified healthcare professionals currently providing services at each Facility have all required licenses and certifications necessary for such professionals to provide such services and all such licenses and certifications are in full force and effect. No employee of Manager has an employment contract or agreement, and each employee is employed on an at-will basis.

(14) Condemnation. Neither Sellers nor Manager has received written notice from any governmental authority having jurisdiction over the Land and Improvements that they are presently the subject of any condemnation or similar proceeding or zoning change, and to Seller's

knowledge and Manager's knowledge, no condemnation or similar proceeding or zoning change is presently threatened.

(15) No Purchase Options. Sellers have not granted or assigned to any party, or entered into any agreement with any party, and Sellers have no knowledge of, any pending option, contract, right of first refusal, right of first offer or other agreement or preferential right in each case with respect to the purchase or sale of the Land or Improvements, any portion or interest therein, or of any direct or indirect ownership interest in a Seller which is presently in effect, except as set forth in **Schedule 9(A)(15)**.

(16) Permits and Licenses. **Schedule 9(A)(16)** attached hereto sets forth a true, correct and complete list of all licenses, permits, certificates, certificates of need, accreditations, exemptions, classifications, variances, and other consents and authorizations issued by any governmental authority or agency and held by Seller or Manager, in connection with the ownership, use, operation and management of each Facility which are necessary for the conduct of the present business at the Property (each, a "**License**" and, collectively, "**Licenses**") and, except as noted on **Schedule 9(A)(16)**, all such Licenses, are valid and in good standing and full force and effect. The current holder of each of the Licenses is listed on **Schedule 9(A)(16)** (each, a "**Current License Holder**"). Except as noted in **Schedule 9(A)(16)**, neither Sellers nor Manager have received during the three (3) years preceding the Effective Date ("**Seller's Ownership Period**") any written notice, and Sellers and Manager do not otherwise have knowledge of any actual or threatened, (a) action or proceeding to revoke, withdraw or suspend any License, (b) judicial or administrative agency judgment or decision not to renew any of the Licenses, (c) health care licensure or certification action of any other type reasonably likely to result in a limitation or restriction with respect to each Facility, (d) any default or violation of any License, (e) any violation of any applicable law in connection with the Licenses, or (f) any failure by Sellers or Manager to obtain any License that is necessary for the operation of the Property and Facility as it is currently operated, except as disclosed in the Data Room. True and complete copies of all written survey reports, written waivers of deficiencies, written plans of correction, and any other written investigations issued by the applicable health care agency or authority governing the Property, during the Seller's Ownership Period have been delivered by Sellers or Manager to Buyer as part of the Seller Due Diligence Materials. To Sellers' knowledge and Manager's knowledge, except as noted on **Schedule 9(A)(16)**, during Seller's Ownership Period, no Facility has been cited for any deficiency that has not been cured and that has resulted or would reasonably be expected to result in termination, final revocation or cancellation of the Licenses. During Seller's Ownership Period, neither Sellers nor Manager have received any written notice issued by the applicable health care licensing agency or authority governing the Property or any other federal or state governmental authority having jurisdiction over the Property: (i) that any records and reports relating to the Residents at the Property (collectively, the "**Resident Records**") have not been maintained in accordance with applicable federal, state or local laws or regulations governing the preparation, maintenance of confidentiality, transfer and/or destruction of such records in any respect or (ii) of any deficiency in the Resident Records or other relevant records of the Property used in connection with the operation of the business conducted at the Property, in the case of each of the foregoing clauses (i) and (ii), which has not been corrected. For purposes only of the immediately preceding sentence, a deficiency shall be deemed "corrected" if the applicable governmental authority has accepted an approved plan of correction addressing such deficiency. Except as set forth on **Schedule 9(A)(16)**, and except for violations noted in routine inspections surveys conducted by any applicable state healthcare agency or authority, no event, occurrence, or condition now exists, which, with the giving of notice or the lapse of time or both, would give rise to a default with respect to the Licenses on the part of Sellers or Manager. Except as noted on **Schedule 9(A)(16)**, there are no waivers of deficiencies (including but not limited to with respect to life safety codes) regarding the Property or the operation thereon that would lapse or terminate upon the consummation of the transactions contemplated under this Agreement.

(17) Medicaid. Neither Sellers, Manager nor any of the Facilities has participated in, has been excluded from participation in, currently participates in or is a provider under any participation or provider agreements or arrangement with any third-party payor or federal health care program, including without limitation Medicare or Medicaid.

(18) Environmental Representations. Neither Sellers nor Manager have received written notice from any governmental authority or regulatory or administrative agency, department or the like (whether federal, state or local) that the Property, or the use and operation thereof, is in violation of any laws or regulations relating to Hazardous Materials (as hereinafter defined) in any material respect. To Seller's knowledge, neither Sellers nor Manager has received any written notice from any governmental authority or regulatory agency of pending or threatened investigations, action, suits, claims or proceedings by any governmental authority relating to the existence, generation, release, production, disposal, treatment, emission, migration, transportation or storage of any Hazardous Materials in or on the Property in violation of any applicable law in any material respect. To Seller's knowledge and Manager's knowledge, (i) no Hazardous Materials have been generated, stored, treated, released, or disposed of on, under, or about the Property in violation of any applicable environmental Laws. Sellers have deposited in the Data Room a true and correct, in all material respects, copy of each final environmental report or study of each Facility prepared for either Sellers or Sellers' affiliates by third-party consultants or otherwise in Sellers' possession or control relating to the Property, all of which are listed on **Schedule 9(A)(18)** attached hereto (the "**Environmental Reports**"). "**Hazardous Materials**" means any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect renders it subject to federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. To Seller's knowledge and Manager's knowledge, except as disclosed in the environmental reports posted in the Data Room, there are no underground storage tanks or monitoring wells of any kind located on any of the Land.

(19) Non-Foreign Status. No Seller is a "foreign person" within the meaning of Section 1445 of the Code.

(20)OFAC. Sellers and Manager are not (i) currently listed on the Specially Designated Nationals List ("**SDN List**") or any similar list maintained by the Office of Foreign Assets Control ("**OFAC**") at the United States Department of the Treasury, (ii) owned or controlled, directly or indirectly (other than non-controlling ownership in publicly-traded securities of which Sellers and Manager have no actual knowledge), by a person or entity listed on the SDN List or other similar list maintained by OFAC; (iii) a person or entity with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of U.S. law, regulation or executive order; (iv) incorporated in any country subject to U.S. country-based economic sanctions whereby conducting transactions with that person or entity would be in violation of any applicable law, rule or regulation; or (v) in violation of any of the prohibitions set forth in any U.S. law related to money laundering, or the U.S. Foreign Corrupt Practices Act of 1977 as amended ("**FCPA**").

(21) Taxes. There are no Tax appeals filed or pending with respect to the Property. The Property is not subject to any Tax agreements, Tax programs, special classifications such as open-space or farmland, or any so-called roll-back Tax agreements of any kind and if any such agreements or programs are applicable to the Property, Sellers shall (without limitation to any other remedies of Buyer herein) be solely responsible to pay any penalties, Taxes, fees and any other monetary compensation associated with such agreements as and when due but in no case later than the Closing. There are no special or other assessments for public improvements or otherwise affecting the Property. As used in this subsection, "**Tax**" shall mean all business, occupation, payroll, sales, use, gross receipts, rental, income, real and personal property and other similar assessment or charge. Neither Sellers nor, to Sellers' knowledge, Manager has received written notice of any pending proceedings relating to reassessment or reclassification of the Property for state or local real property taxation purposes. Sellers are not a party to

any pending tax appeal, tax contest or other similar proceeding relating to any portion of the Property, and no such appeal has been initiated on behalf of Seller. Sellers have timely filed all sales, occupancy, and use tax returns and paid all sales, occupancy, and use taxes due, if any, to the state and/or the town in which each Facility is located on or before the Effective Date. All employee, business, sales, or other occupancy taxes due with respect to the Properties through the Closing Date have been or will be paid by Sellers or Manager either directly or through proration at Closing.

(a) With respect to the White Plains Facility, the core residential care, housing and meals included in the services provided are not taxable services requiring White Plains Owner or White Plains Operator to register as a sales tax vendor, and there is no operation within the White Plains Facility of a general store/gift shop making sales/resale of tangible goods/products, nor any other use or service, that results in an obligation to collect or pay taxes to sales or other taxes to the New York State Department of Revenue, including those which, if payable, would necessitate the filing of NYS Form AU-196.10 and/or receipt of a NYS Form AU-197.1 indicating no sales tax liability is due.

(b) With respect to each of the Sierra Madre Facility and the Redwood Facility, under California Commercial Code Section 6103, the principal business of each of Sierra Madre Seller and Redwood Seller is not the selling of inventory or the operation of a restaurant; and the provisions of California Commercial Code Section 6103, including those relating to the collection and payment of taxes and Bulk Sales Law, are not applicable to the ownership or operation of the Sierra Madre Facility and the Redwood Facility or the transaction contemplated by this Agreement.

(22) Other Healthcare Matters.

(a) Since January 1, 2023, the operation of each Facility has been (and is currently) in compliance in all material respects with all applicable laws related to the provision of healthcare services applicable to Sellers, Manager, and each Facility, except as may be contained in the notices from governmental authorities provided in the Data Room. Sellers and Manager have not received written notice of a material failure of the operation to comply with applicable laws that has not been cured.

(b) To Sellers' knowledge, neither Sellers nor Manager is a Covered Entities under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and the rules and regulations promulgated thereunder, as amended (collectively referred to as "**HIPAA**") with respect to the Property and the operation of each Facility and therefore have not been required to, and are not presently required to, comply with HIPAA. Sellers and Manager are, and, during Seller's Ownership Period as to each Facility, have been, in compliance in all material respects with all applicable state patient privacy and security laws related to patient health information.

(c) [Omitted]

(d) To Seller's knowledge, all material reports, documents and notices required to be filed, maintained or furnished by Sellers and Manager to any health care governmental authority under applicable laws required for the current operation of the Property have been so filed, maintained or furnished.

(e) To Sellers' knowledge, there are no financial relationships between Sellers or Manager and any referral source in violation of applicable laws.

(f) To Sellers' knowledge, all healthcare professionals providing services at the Property have all licenses and certifications necessary for such healthcare professionals to provide the services they perform at the Property; provided that, with respect to only the White Plains Facility employees, this representation shall not apply to: (i) Certified Nursing Assistants who are completing a New York State-approved CNA-to-Home Health Aide bridge or transition program; or (ii) employees who were previously certified as Home Health Aides and are completing applicable New York State competency evaluation, retraining, or other qualification requirements through third-party, state-approved training providers;

(g) To Seller's knowledge, no moratorium has been implemented by any governmental authority which is in effect that restricts or prohibits the execution of Resident Agreements with new residents or the move-in of new residents at any of the Facilities.

(23) Operating Statements; Property Documents. The books, records, income statements, operating statements and other financial statements Sellers and Manager delivered to Buyer (with a copy deposited in the Data Room as part of the Property Documents) are true, correct and complete copies of the books, records, income statements, operating statements and financial statements used in Sellers' and Manager's ordinary course of business. Said operating statements are the same as those Manager provided to Sellers pursuant to the Current Management Agreements or otherwise. Sellers have delivered to Buyer (with a copy of same deposited in the Data Room) all of the Property Documents that are in the possession or reasonable control of Sellers, Manager, and their affiliates, and (b) the Property Documents so delivered or made available through the Data Room to Buyer are true, correct and complete copies of those in the possession or reasonable control of Sellers, Manager and/or their respective affiliates. To Seller's and Manager's knowledge, each of the income statements, operating statements and other financial statements has been prepared in accordance with the principles of accounting specified therein and fairly present, in all material respects, the financial condition of the Property and the operation of the Facilities as of the respective dates thereof and the results of operations of the Property and Facilities for the fiscal periods covered therein. Neither Sellers' nor Manager have knowledge of any material errors in or omissions from any of the Seller Due Diligence Materials.

(24)AML. Sellers and Manager have complied and shall continue to comply with all requirements of law, regulation or rule relating to combating money laundering, anti-terrorism, suspicious transactions, bribery, combating corruption, terrorist financing, trade embargoes and economic sanctions, now or hereafter in effect (including FCPA, U.S. Bank Secrecy Act of 1986, the USA Patriot Act of 2001, the SDN List or other similar list maintained by OFAC) and shall immediately notify Buyer in writing if it becomes aware that any of the foregoing representations, warranties or covenants are no longer true or have been breached or if Seller has a reasonable basis to believe that they may no longer be true or have been breached.

(25) Physical Condition. In addition to routine expenditures for repairs and replacements in connection with the ongoing maintenance and upkeep of the Facilities, and except as set forth on **Schedule 9(A)(25)**, Sellers and Manager do not have any outstanding contracts for material capital expenditures relating to the Facilities which includes agreements, obligations (including, but not limited to, open permits from applicable jurisdictions) or commitments for material capital expenditures relating to the Facilities. Since January 1, 2023, Sellers and Manager have not received written notices regarding deficiencies of, and to Sellers' knowledge and Manager's knowledge, there are no deficiencies in, fire suppression systems or any construction standards related to fire suppression. No Seller nor Manager has received written notice alleging, asserting or disclosing any material structural defects affecting the Improvements. To Seller's knowledge and Manager's knowledge, the Improvements contain no concealed (i.e., a condition not observable by non-invasive visual inspection) defective condition which requires the expenditure of capital to repair, correct or remedy. Sellers agree to complete, at Sellers' sole cost and

expense, all the capital projects described on **Schedule 9(A)(25)** (the "**Pending CapEx Work**"). If any projects are not completed and paid for by the Closing Date, Sellers agree to (a) establish a holdback escrow with the Title Company at Closing in an amount equal to 125% of the estimated cost to complete each such project, which reserve shall be governed by an escrow agreement reasonably acceptable to Seller, Buyer and Title Company, and (b) provide to Title Company such other agreements and affidavits as may be required for Title Company to issue the Title Policy without exception for liens relating to the Pending CapEx Work. Said escrow agreement shall (i) provide for periodic (but not more frequently than monthly) disbursement of held funds to pay approved costs incurred in connection with the completion of said projects, (ii) provide that, upon completion of said work and payment of all sum due in connection therewith, all remaining funds held by Title Company shall be disbursed to Seller, and (iii) be in form and substance as is necessary for Title Company to insure over liens that may attach against the applicable Facility.

If (i) at or prior to the Closing, Buyer obtains actual knowledge or Constructive Knowledge (defined below) that any of Sellers' or Manager's representations and warranties in Section 9(A) were untrue, inaccurate or incorrect in any material respect as of the date made, or that any fact, matter or event exists or has first occurred that would cause any of Sellers's or Manager's representations and warranties in Section 9(A) to be untrue, inaccurate or incorrect if made after the date of this Agreement and (ii) either (x) Buyer obtains such Constructive Knowledge prior to the expiration of the Due Diligence Period and nonetheless elects not to deliver a Termination Notice or (y) Buyer (1) obtains such Constructive Knowledge after the expiration of the Due Diligence Period but prior to the Closing Date, (2) Buyer has the right under Section 11(B)(4) to terminate this Agreement in light of such breach or inaccuracy and (3) Buyer nonetheless elects not to terminate this Agreement and to proceed to Closing, then (A) Sellers shall have no obligation, from and after the Closing Date, to indemnify any Buyer Indemnified Party for Losses arising out of or resulting from such inaccuracy in the Sellers' and Manager's representations and warranties of which Buyer had actual knowledge or Constructive Knowledge, and (B) Buyers shall make no claim against Sellers for (and Buyer shall be deemed to have waived any and all claims against Sellers by reason of) a breach of representations and warranties resulting from such inaccuracy of representations and warranties. Any and all uses of the defined term "**Constructive Knowledge**" shall mean only that, prior to Closing, Buyer is deemed to have knowledge of such information from (a) any fact, condition or circumstance expressly disclosed in a written instrument, report, document or test result Buyer actually receives from an unaffiliated third-party (*i.e.*, not from Sellers, Manager or their affiliates or agents), (b) any fact, condition or circumstance expressly stated in a written disclosure Sellers, Manager or their affiliates or agents deliver to Buyer pursuant to the notice provisions of this Agreement on or prior to the date that is three (3) Business Days prior to the expiration of the Due Diligence Period, or (c) any fact, condition or circumstance expressly disclosed in a document or written materials Sellers, Manager or their affiliates or agents deposit into the Data Room on or prior to the date that is three (3) Business Days prior to the expiration of the Due Diligence Period.

For purposes of this Agreement, "**Buyer's knowledge,**" "**known to Buyer**" (or any similar phrase) means the present actual knowledge of Stefan Oh without duty of inquiry or investigation and without taking into account any constructive or imputed knowledge. Notwithstanding anything herein to the contrary, such individual referred to in the preceding sentence shall not have any liability under or in connection with this Agreement.

For purposes of this Agreement, "**Sellers' knowledge,**" "**known to Seller**", "**Manager's knowledge,**" "**known to Manager**" (or any similar phrase) means the present actual cognitive awareness, without duty of inquiry or investigation and without taking into account any constructive or imputed knowledge, of David Faeder, Tiffany Tomasso, Tanya Walker and Brian Hilton. Notwithstanding anything herein to the contrary, such individuals referred to in the preceding sentence shall not have any liability under or in connection with this Agreement.

Promptly upon obtaining knowledge of the same, Sellers and Manager shall notify Buyer in writing of any event or condition known to them that causes Sellers' or Manager's representations or warranties to become untrue in any material respect (a "**Change of Circumstances**"). Any such notice of a Change of Circumstances shall be prominently labeled "CHANGE OF CIRCUMSTANCES NOTICE" and shall reference this Section of this Agreement. If Sellers or Manager do not (i) within ten (10) days after delivery of written notice of the same to Buyer cure any Change of Circumstances (to the extent curable) or (ii) for matters described in the Updated Schedules for which no notice of Change of Circumstances was previously delivered to Buyer, cure the same on or prior to the Closing Date, then Buyer shall have the right, as Buyer's sole and exclusive remedy hereunder for such failure, either (a) to terminate this Agreement by written notice to Sellers and Manager, in which case (i) Escrow Agent shall immediately (and in any event, within one (1) Business Days) pay the Full Deposit, or portion thereof, that it holds (minus the Independent Consideration) to Buyer, (ii) Sellers shall immediately (and in any event, within one (1) Business Day after Buyer's delivery of such notice of termination) pay to Buyer the Full Deposit (if and to the extent previously paid to Seller) and Buyer's Pursuit Costs, and (iii) other than as aforesaid, this Agreement shall be null and void and of no further force or effect and the parties hereto shall have no further obligations to the other (except for any obligations or liabilities that expressly survive termination of this Agreement), or (b) to waive the foregoing right of termination and all other rights and remedies on account of such breach or default and to close the transaction contemplated by this Agreement, without any reduction in the Purchase Price, in which event Buyer shall not be entitled to bring any claims against Sellers following the Closing for a breach of representation or warranty arising out of such Change of Circumstances.

(B) Representations and Warranties of Buyer. Buyer hereby represents and warrants to Sellers as follows, which representations and warranties shall survive Closing:

(1) Authority. Buyer is a limited partnership, duly formed and validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite power and authority to execute and deliver, and to perform all its obligations under, this Agreement and the Buyer Closing Documents (taking into account the rights of the initially named Buyer hereunder pursuant to Section 13(B) to assign its rights as Buyer hereunder to one or more to-be-formed entities that will perform such obligations). Notwithstanding the foregoing, Sellers acknowledges that Buyer has not yet obtained all necessary internal approvals to consummate the transactions contemplated in this Agreement or to execute, deliver and perform the obligations set forth in the Buyer Closing Documents but that, if Buyer elects (in its sole and absolute discretion) not to deliver a Termination Notice, Buyer will be deemed to have obtained all such necessary internal approvals as of such date.

(2) Due Execution. Subject to the last sentence of Section 9(B)(1) above, the execution, delivery and performance of this Agreement and the Buyer Closing Documents have been duly authorized by all necessary action on the part of Buyer and do not and will not (a) require any consent, approval, license, order, permit or authorization that has not been obtained except as provided in this Agreement in connection with the Required Regulatory Approvals, or (b) violate any provision of Buyer's organizational documents, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any material agreement or instrument to which Buyer is a party or by which Buyer may be bound in any case which would prevent Buyer from performing its obligations hereunder in all material respects or (a) violate any order, judgment, injunction, decree ruling or regulation of any state or federal court or governmental authority binding on Buyer in any case which would prevent Buyer from performing its obligations hereunder in all material respects (the foregoing clauses (a)-(c)) taking into account the rights of the initially named Buyer hereunder pursuant to Section 13(B) to assign its rights as Buyer hereunder to one or more to-be-formed entities that will perform such obligations).

(3) Enforceability. This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as limited by

bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and general equitable principles.

(4) OFAC. Buyer is not (i) currently listed on the SDN List or any similar list maintained by OFAC at the United States Department of the Treasury, (ii) owned or controlled, directly or indirectly (other than non-controlling ownership in publicly-traded securities of which Buyer has no actual knowledge), by a person or entity listed on the SDN List or other similar list maintained by OFAC; (iii) a person or entity with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of U.S. law, regulation or executive order; (iv) incorporated in any country subject to U.S. country-based economic sanctions whereby conducting transactions with that person or entity would be in violation of any applicable law, rule or regulation; or (v) in violation of any of the prohibitions set forth in any U.S. law related to money laundering, or FCPA.

(C) Indemnification; Survival; Holdback; Limitation on Amount.

(1) Indemnification by Sellers and Manager. Following the Closing and subject to Section 9(C)(3), Section 9(C)(4), Section 9(C)(5) and Section 11(B)(2), Sellers and Manager shall indemnify and hold harmless Buyer Buyer's affiliates, and their respective partners, officers, employees, agents, successors and assigns (each a "**Buyer Indemnified Party**" and collectively the "**Buyer Indemnified Parties**") from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "**Losses**") suffered or incurred by Buyer and any such Buyer Indemnified Party to the extent arising out of or resulting from (it being understood that such indemnity shall cover, without limitation, claims made by third parties as well as Losses from claims made by Buyer directly against Sellers):

(a) any breach of any (i) representation or warranty of Sellers or Manager contained in this Agreement or any Seller Closing Documents, or (ii) covenant, undertaking, obligation, liabilities or agreement on the part of Sellers or Manager under this Agreement or any Seller Closing Document;

(b) any breach by the lessor under any Resident Agreement or Commercial Lease to the extent accruing prior to the Effective Time;

(c) any third-party claims (including by any resident, former resident, or government authority or manager) relating to the Property or the operation of the Property to the extent accruing prior to the Effective Time;

(d) Taxes imposed by or on behalf of a governmental authority in connection with the operation of the Property to the extent attributable to the period prior to the Effective Time, and any interest or penalties thereon;

(e) the Excluded Liabilities; and

(f) the failure to remove the White Plains Regulatory Agreements of record as of and/or following Closing, including defaults arising under the White Plains Regulatory Agreements as a result of the occurrence of the Closing.

The foregoing indemnification obligations of Sellers shall survive the Closing, subject to the provisions of Section 9(C)(4).

(2) Indemnification by Buyer. From and after the Closing and subject to Section 9(C)(3), Section 9(C)(4), and Section 9(C)(5), Buyer shall indemnify and hold harmless Sellers,

Manager, Sellers' and Manager's affiliates, and their respective partners, officers, employees, agents, successors and assigns (each a "**Seller Indemnified Party**" and collectively the "**Seller Indemnified Parties**") from any and all Losses suffered or incurred by such Seller Indemnified Party to the extent arising out of or resulting from only the following (it being understood that such indemnity shall cover, without limitation, claims made by third parties as well as claims made by a Seller directly against Buyer), except to the extent such Losses are an Excluded Liability or an obligation of Seller, Manager or any of their affiliates pursuant to a Seller Closing Documents (including the New Management Agreements and the Interim Consultancy Agreement):

(a) any breach by the lessor under any Resident Agreement or Commercial Lease to the extent accruing from and after the Effective Time;

(b) any third-party claims (including by residents, former residents, government authority or manager) relating to the Property or the operation of the Property (as opposed to the physical condition of the Property) to the extent accruing on or after the Effective Time; and

(c) Taxes imposed by or on behalf of a governmental authority in connection with the operation of the Property to the extent attributable to the period on or after the Effective Time and any interest or penalties thereon.

Notwithstanding anything in this Agreement or in any Closing Documents to the contrary, Sellers' and Manager's sole post-Closing remedy against Buyer under this Agreement or any Closing Documents shall be to make a claim against Buyer under the terms of this Section 9(C)(2). The foregoing indemnification obligations of Buyer shall survive the Closing.

(3) Notification and Defense.

(a) If an indemnified party (the "**Indemnified Party**") becomes aware of any claim or demand for which an indemnifying party (an "**Indemnifying Party**") may have liability to such Indemnified Party hereunder (an "**Indemnification Claim**"), the Indemnified Party shall promptly notify the Indemnifying Party in writing of such Indemnification Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Indemnification Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto, in each case to the extent actually known to such party (a "**Claim Notice**"); provided, that, subject to this Section 9(C)(3), no delay on the part of the Indemnified Party in giving such Claim Notice shall relieve the Indemnifying Party of any indemnification obligations hereunder except to the extent that the Survival Period has expired, if applicable, or the Indemnifying Party is prejudiced by such delay.

(b) The Indemnifying Party shall have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter, to assume, at the Indemnifying Party's expense, the defense of any Indemnification Claim based on any action, suit, proceeding, claim, demand or assessment by any third-party with authority to conduct such defense and to settle or otherwise dispose of the same and the Indemnified Party will reasonably cooperate in such defense at the expense of the Indemnifying Party (subject to subsection (d) below); provided that (i) such third-party claim does not seek to impose any Liabilities on the Indemnified Party other than money damages, and (ii) such claim does not involve any criminal Liability.

(c) As to those third-party actions, suits, proceedings, claims, demands or assessments with respect to which the Indemnifying Party does not elect to assume control of the defense, the Indemnified Party will afford the Indemnifying Party an opportunity to participate in such defense, at its cost and expense, and will consult with the Indemnifying Party prior to settling or otherwise

disposing of any of the same. The Indemnified Party may not settle, adjust, or compromise such Indemnification Claim without the prior written consent of the Indemnifying Party, which consent is not permitted to be unreasonably withheld, conditioned or delayed.

(d) If the Indemnifying Party proceeds with the defense of any Indemnification Claim pursuant to subsection (b) above:

(i) the Indemnifying Party shall proceed to defend such Indemnification Claim in a diligent manner with counsel reasonably satisfactory to the Indemnified Party at the sole expense of the Indemnifying Party;

(ii) the Indemnified Party shall make available to the Indemnifying Party any non-privileged documents and materials in the possession of the Indemnified Party that may be reasonably necessary to the defense of such Indemnification Claim;

(iii) the Indemnifying Party shall keep the Indemnified Party informed of all material developments and events relating to such Indemnification Claim;

(iv) the Indemnified Party will have the right to participate, at its sole cost and expense, in the defense of such Indemnification Claim; and

(v) the Indemnifying Party may not settle, adjust, or compromise such Indemnification Claim without the prior written consent of the Indemnified Party, which consent is not permitted to be unreasonably withheld, conditioned or delayed.

(e) If the Indemnified Party proceeds with the defense of any Indemnification Claim pursuant to subsection (c) above:

(i) the Indemnified Party shall proceed to defend such Indemnification Claim in a commercially reasonable, diligent manner with counsel reasonably satisfactory to the Indemnifying Party;

(ii) the Indemnifying Party shall make available to the Indemnified Party any non-privileged documents and materials in the possession or control of the Indemnifying Party that may be reasonably necessary to the defense of such Indemnification Claim;

(iii) the Indemnified Party shall keep the Indemnifying Party informed of all material developments and events relating to such Indemnification Claim; and

(iv) if either or both of the conditions described in clauses (i) and (ii) of Section 3(b) above are not satisfied, the Indemnified Party may not settle, adjust or compromise such Indemnification Claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, conditioned or delayed.

(f) Notwithstanding anything contained in this Section 9(C)(3) to the contrary, no party shall have the authority to admit liability (i) on behalf of the other party, or (ii) on its own behalf if such party is seeking indemnification from the other party for such liability, in either case without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed.

(4) Limitations on Survival and Indemnity Amount. (a) Sellers' and Manager's obligations to indemnify Buyer with respect to any claim under Section 9(C)(1)(c) (Third-party Claims) and 9(C)(1)(d) (Taxes) shall survive the Closing indefinitely; (b) Sellers' and Manager's obligations to indemnify Buyer with respect to any claim and under Section 9(C)(1)(a) (breach of representations, warranties and covenants), other than the Fundamental Reps (defined below), shall survive the Closing for a period of nine (9) months after the Closing Date; (c) Sellers' and Manager's obligations to indemnify Buyer with respect to any claim and under Section 9(C)(1)(a) (breach of representations, warranties and covenants) as to the Fundamental Reps, shall survive Closing for the applicable statute of limitations with respect to the Fundamental Reps (as applicable, the "**Survival Period**"). As used herein, the term "**Fundamental Reps**" means the representations and warranties set forth in Sections 9(A)(1) (Authority), 9(A)(2) (Due Execution), 9(A)(3) (Enforceability), 9(A)(4) (No Bankruptcy or Dissolution), 9(A)(17) (Medicare; Medicaid), 9(A)(19) (Non-Foreign Status), 9(A)(20) (OFAC), 9(A)(21) (Taxes) and 9(A)(24) (AML). If Buyer delivers a Claim Notice within the Survival Period applicable to such Claim Notice, then all rights and remedies with respect to the matters which are the subject of such claim shall survive until the full and final, unappealable resolution of such claim and full payment of any amounts owed by the applicable party as a result thereof. For purposes of determining the amount of losses of any Indemnified Claim with respect to any events, facts or circumstances, after determining whether or not such facts, events or circumstances give rise to a breach of a representation or warranty (after giving full effect to any qualifications as to materiality or similar standards contained in such representation and warranty), the determination of the amount of losses for such breach of representation and warranty, as it relates to such facts, events or circumstances, shall be made without giving effect to any qualifications as to materiality or similar standards contained in such representation or warranty. Notwithstanding anything to the contrary herein, Buyer shall not have any right to seek indemnity against Sellers or Manager pursuant to Section 9 (i) where the claim is made after the Survival Period or (ii) unless the amount of such indemnity claim, individually or when taken together with all other such indemnity claims hereunder and/or under the Kensington Park Purchase Agreement, is at least equal to Two Hundred Fifty Thousand and no/100 Dollars ($250,000) (the "**Indemnity Floor**"), after which the Indemnitor shall be responsible for any such Indemnitee's Claims on a first dollar basis. Additionally, Buyer shall not have any right to seek indemnity against the Sellers for any such indemnity claims hereunder and/or under the Kensington Park Purchase Agreement in an aggregate amount in excess of the sum of two percent (2.0%) of the sum of the Purchase Price under this Agreement and the Purchase Price under the Kensington Park Purchase Agreement (such sum, the "**Indemnity Cap**"). Attorneys' fees arising out of any indemnified third party claim shall not be subject to such Indemnity Cap; and any attorneys' fees and costs payable to the prevailing Party arising out of any dispute between Sellers and Buyer hereunder, including, without limitation, to enforce any Indemnitee Claim, also shall not be subject to the Indemnity Cap. In no event shall any Indemnitor be liable to any Indemnitee for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, except to the extent payable to a third-party. Notwithstanding any provision of this Agreement to the contrary, the Indemnity Cap shall not apply with respect to the following: (i) any breach of a Fundamental Rep; (ii) the fraud or intentional misrepresentation committed by Seller, Manager or their respective affiliates, and (iii) any post-closing reconciliations, adjustment and/or re-proration implemented pursuant to the terms of this Agreement; (iv) the indemnity by Seller regarding the payment of the commission to Seller's broker pursuant to Section 13(A); (v) the indemnity by Seller with respect to Excluded Liabilities pursuant to the terms of Section 9(C)(i); (vi) any liability with respect to covenants to be performed by Seller or Manager following Closing pursuant to the express terms of this Agreement or any Seller Closing Document.

(5) Limitations on Indemnification. Each of Buyer, Sellers and Manager, for itself and on behalf of its agents, members, partners, employees, representatives, related and affiliated entities, successors and assigns, hereby agrees that in no event shall any of the officers, directors, employees, agents, consultants, representatives or attorneys of a party to this Agreement or any direct or

indirect owner of any beneficial interest of the other party have any personal liability under this Agreement or under any of the Closing Documents and each party hereby expressly release and waive all such liability. In no event shall Buyer, Sellers or Manager be responsible for any consequential, special, exemplary or punitive damages, all of which are expressly waived by Buyer, Sellers and Manager; *provided*, however, that the foregoing waiver shall not apply to (i) fraud, willful misconduct, or intentional misrepresentation by a party, or (ii) consequential, special, exemplary or punitive damages actually paid to a third party in a tort claim and compensable pursuant to an express indemnification obligations under this Agreement.

(6) Holdback. As an inducement to Buyer to enter into this Agreement, Sellers agree that at Closing the Title Company shall retain in escrow from the Purchase Price proceeds otherwise distributable to Sellers an amount equal to two percent (2%) of the Purchase Price to be held pursuant to the terms of a Holdback Escrow Agreement in the form of Error! Reference source not found. (the "**Holdback Agreement**") for a period ending nine (9) months after the Closing Date.

(7) The terms and provisions of this Section 9(C) shall survive the Closing.

(D) Certain Covenants of Sellers and Manager. From the Effective Date until the Closing Date or the sooner termination of this Agreement, except to the extent otherwise expressly provided in this Agreement or prohibited by applicable regulatory requirements:

(1) Property Operation and Maintenance. Sellers and Manager shall operate and maintain the Property and each Facility pursuant to its normal course of business and substantially in accordance with the historical operating standards of each, subject to destruction by casualty or eminent domain or other events beyond the reasonable control of Sellers or Manager, including changes in laws, rules, ordinances and regulations, and (b) comply in all material respects with all applicable legal requirements affecting the Property and all terms, covenants and conditions of any Contracts and Occupancy Agreements, and other agreements affecting the Property to which they are a party.

(2) Existing Insurance Policies. Prior to Closing, Sellers and Manager shall maintain without interruption in coverage all existing insurance policies that currently are maintained by Sellers or Manager in full force and effect in accordance with the terms thereof (subject to any necessary extensions, renewals or replacements providing substantially similar coverage as the existing policies). Sellers and Manager shall report all claims and occurrences covered by such policies in a timely manner to the appropriate insurer if any occurrences arise.

(3) Licenses. Sellers and Manager shall maintain in full force and effect all Licenses that are necessary for the use and operation of each Facility in accordance with all applicable laws and promptly notify Buyer of, and promptly deliver to Buyer a copy of, any written notice Sellers or Manager receive prior to Closing from any governmental authority, concerning any material violation of law, imposition of sanctions or material penalties and fines, and any actual or threatened suspension or revocation of any License.

(4) Contracts and Agreements. Sellers and Manager shall not enter into any new service contracts or other similar agreements affecting the Property or modify, or renew any existing Contracts that will be binding on Buyer after Closing without the prior written consent of Buyer (in its reasonable discretion); *provided*, however, that Sellers and Manager may, and without the prior written consent of Buyer, (i) enter into new service contracts and similar agreements (a) that are related to resident safety and/or welfare, (b) that are required by applicable laws or regulations, or (c) that are entered into in the ordinary course of business; provided that they are cancelable on not more than thirty (30) days' notice without penalty (unless Sellers agree to pay any such penalty, and provided that in the event of subclause (a) or (b) immediately above, Sellers shall consult with Buyer prior to entering into such contracts or agreements if Sellers are reasonably able to do so), or (ii) renew any Contracts if such renewal(s) are made

in the ordinary course, in accordance with the terms of such existing Contracts, and, as so renewed, are cancelable on not more than thirty (30) days' notice without penalty unless Sellers' agree to pay such penalty. Buyer's failure to approve or disapprove such service contracts within five (5) Business Days after Buyer's receipt of a Seller's written request for such approval shall be deemed a disapproval of the same. Seller shall provide Buyer with a copy of any material new contract or modified or renewed Contract entered into by a Seller or Manager in accordance with this Section.

(5) Occupancy Agreements. Sellers and Manager shall continue to lease the Property (including entering into, modifying and terminating Resident Agreements) to residents in the same manner as prior to the Effective Date pursuant to their normal course of business; provided, however, that any new or modified Resident Agreement shall (i) be on the current form of resident agreement previously provided to Buyer as the "standard form" of Resident Agreement used by Sellers and/or Manager at the Property, (ii) be for a term of not more than one (1) year and at a rate consistent with rates charged in the ordinary course of business by Sellers or Manager, (iii) not provide concessions in excess of the concessions that Sellers or Manager has provided to residents in the ordinary course of business, and (iv) not include any so-called "rate-lock" that extends beyond one year from the date of such Resident Agreement. After the Effective Date, Sellers and Manager shall not enter into any new commercial lease, license agreement or other occupancy agreement (other than a Resident Agreement) that will be an obligation affecting the Property after Closing, or modify, renew or terminate any Commercial Lease, without the prior written consent of Buyer in Buyer's reasonable discretion.

(6) Notice Delivery. Sellers and Manager shall promptly deliver to Buyer a copy of any written notice Sellers or Manager receives of any material violations, judgments, claims and litigation affecting Sellers, Manager or the Property, including written notice from any governmental authority of any material violation of any laws regulating the condition, use or operation of the Property.

(7) Warranties and Other Intangibles. Sellers and Manager shall request (and use commercially reasonable efforts to obtain) the consents of the issuers of any and all warranties (including those issued in connection with the foundation, structure, roof, and the Building's mechanical, plumbing, electrical, fire/life safety and other systems) affecting the Property to the assignment of such warranties at Closing to Buyer at no material cost to the Sellers or Manager, including being available at reasonable times and after reasonable notice for inspections of the roof by such issuers and executing such documents as reasonably necessary to assign any such warranties to Buyer (it being understood that obtaining such consent, and the assignment thereof, shall not be a condition to Closing hereunder). The obligation to use such reasonable efforts shall survive the Closing for a period of twelve (12) months.

(8) Property Documents. Promptly, and in any event within three (3) Business Days, after its receipt, delivery, discovery, filing or preparation, as the case may be, Sellers and Manager shall deliver to Buyer a copy of any document, information, material, notice or comparable report or item that constitutes a Property Document that a Seller or Manager is required by this Agreement to deliver to Buyer (which copy shall be true, correct and complete in all material respects) but either did not exist, was not discovered or was not in the possession or reasonable control of a Sellers, Manager or any of their respective affiliates as of the Effective Date. **EXCEPT FOR EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE DOCUMENTS EXECUTED BY SELLERS OR MANAGER IN CONNECTION HEREWITH, ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY IS SOLELY FOR BUYER'S CONVENIENCE AND WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES. SELLERS AND MANAGER MAKE NO (AND EXPRESSLY DISCLAIMS ALL) REPRESENTATIONS AS TO THE ACCURACY OF SUCH INFORMATION. EXCEPT FOR EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE DOCUMENTS EXECUTED BY SELLERS, MANAGER AND THEIR AFFILIATES IN CONNECTION HEREWITH, SELLERS AND MANAGER SHALL NOT BE BOUND IN ANY**

MANNER BY ANY VERBAL OR WRITTEN STATEMENTS PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF.

(9) Additional Covenants of Sellers and Manager. Unless otherwise permitted hereunder, Sellers and Manager shall not take any of the following actions, to the extent the same would be binding on or affect any of the Property or any owner, lessee, or operator thereof after the Closing, without Buyer's prior written approval in Buyer's sole discretion:

(a) subject the Property to, permit or suffer any new liens, covenants, restrictions or easements (other than liens for non-delinquent real estate taxes);

(b) after the Effective Date, except in connection with a casualty or condemnation which is governed by Section 8 hereof, make any material alterations or improvements to the Property (except for repairs, replacements and maintenance in the ordinary course) except as disclosed on **Schedule 9(a)(25)**;

(c) after the Effective Date, apply for or consent to any zoning change, variance, subdivision, lot line adjustment or similar change with respect to the Property;

(d) after the Effective Date, intentionally cause any action to be taken which would cause any of such representations or warranties to be untrue as of the Closing Date in any material respect except as permitted under this Agreement; or

(e) sell, lease, transfer or otherwise dispose of all or any portion of the Property, except for (i) the entering into of Occupancy Agreements in the ordinary course in accordance with the terms of Sections 9(D)(4) and 9(D)(5) above, and (ii) the use and consumption of supplies and replacement of worn out, obsolete and defective tools, furniture, fixtures, equipment and appliances in the ordinary course and in accordance with Section 9(D)(1) above.

(10) Termination of Current Management Agreement and Owner-Operator Lease. Sellers and Manager shall terminate the Current Management Agreements as of Closing (but not before), at no cost to Buyer. Sellers shall terminate the White Plains Lease and each other existing lease between Sellers and affiliates of Sellers as of Closing (but not before), at no cost to Buyer.

(11) Data Property. Sellers and Manager shall reasonably cooperate (at no material out-of-pocket cost to Sellers) with Buyer in connection with Buyer's review of, and Sellers' conveyance at Closing to Buyer of, the Data Property, including, but not limited to, providing test, snapshot and/or extract files upon request, introductions to vendor account representatives, and executing data-sharing and data transfer agreements (if required).

(12) Regulatory Surveys. Sellers and Manager shall comply in all material respects with the requirements of any outstanding plan or plans of correction ("**Correction Plans**") proposed in response to any inspection or regulatory survey conducted by any governmental entity prior to Closing. Sellers and Manager shall pay any fines, penalties and the costs of correction resulting from any inspection or regulatory survey conducted by any governmental entity prior to Closing, or if conducted after Closing and to the extent related to the pre-Closing period of operations (the "**Survey Fines**"; and together with Correction Plans, the "**Survey Response Actions**") and Sellers and Manager shall retain all liability for all costs and expenses in pursuing such appeals and all liabilities for any penalties not rescinded. In addition, Sellers and Manager shall consult with Buyer and, after the expiration of the Due Diligence Period, obtain Buyer's prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed), for any settlements of such appeals and notify Buyer of the final disposition of such matters.

(13) Intentionally deleted.

(14)WARN Act. In connection with the termination of the Current Management Agreement as of the Closing and the execution of the New Management Agreements, the Interim Consultancy Agreement and the WP Employee Lease Agreement, the parties anticipate that (i) the employment of none of the Facilities' employees will be terminated as of or in connection with Closing and (ii) Manager shall continue to employ substantially all said employees as of Closing without interruption in service and on the same terms and conditions as those in effect prior to Closing. Sellers, Manager and WP Manager NewCo shall take such actions to ensure that neither they, Buyer nor the Facilities is subject to the notification requirements of the federal Worker Adjustment and Retraining Notification Act, as amended, and any other similar applicable state or local Law (the "**WARN Act**"). If Sellers, Manager and WP Manager NewCo fail to comply with its obligations set forth in this Section, Sellers and Manager shall be responsible for all obligations, damages, fines or penalties arising under the WARN Act or other applicable law (the "**WARN Act Liabilities**"). Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall be construed as granting any of the Facilities' employees any rights of continuing employment, compensation or benefits.

(15) Title Correction Documents.

(a) Intentionally Omitted.

(b) White Plains OpCo ROFR: Prior to the Effective Date of this Agreement, pursuant to the terms of the White Plains Lease (which grants to White Plains Operator a right of first refusal to purchase the White Plains Land and White Plains Improvements), White Plains Owner delivered to White Plains Operator written notice of Buyer's purchase offer and this Agreement, and White Plains Operator has confirmed in writing that it irrevocably and unconditionally waives its right to purchase the White Plains Land and White Plains Improvements. Prior to Closing, White Plains Owner and White Plains Operator shall deliver to Buyer and Title Company such recordable documentation as they may reasonably require to memorialize White Plains Operator's waiver of said purchase right and to enable Title Company to issue a Title Policy without exception for such purchase right. The recordable documentation terminating said purchase right as approved by Buyer and Title Company, is referred to herein as the **Title Clearing Documents**".

The provisions of this Section 9(D) shall survive Closing.

(E) Tail Insurance Coverage. To the extent Sellers' or Manager's current insurance policies are on a "claims made" (as opposed to "occurrence") basis with respect to any Facility, Sellers and Manager shall obtain tail insurance coverage on substantially the same terms (including limits and deductibles) as such claims made policies at its sole cost and expense for the period commencing on the Closing Date and ending on the second (2^{nd}) anniversary of the Closing Date with respect to that Facility for losses arising prior to Closing and/or during said term of the Interim Agreements. Such tail coverage will name Buyer and Buyer's designees (as identified by Buyer) as additional insureds. Sellers and Manager shall provide evidence of such tail coverage to Buyer as of the Closing Date.

(F) Management Company ROFO Agreement: At Closing, David W Faeder, Tiffany Tomasso and Tanya Walker, the principal equity owners of Kensington Senior Living, LLC, a Virginia limited liability company and American Healthcare REIT Holdings, LP, a Delaware limited partnership ("**AHR**") shall execute and deliver a Right of First Offer Agreement in the form attached to this Agreement as **Exhibit N** pursuant to which said equity owners grant to AHR the first right to acquire all of the equity and controlling interest in Manager and in each of Manager's subsidiaries, including without limitation WP Manager NewCo (the "**Manager ROFO Agreement**");

(G) Joint Ventures: (1) at Closing, a designated affiliate of Buyer and Redwood Seller shall execute a joint venture agreement pursuant to which each said party owns the interest stated therein of a holding company ("**Redwood JV HoldCo**"), which holding company is the sole owner of the entity formed to acquire fee title ownership of the Redwood Land and Redwood Improvements (including the Redwood Facility) in the form attached to this Agreement as **Exhibit O** (the "**Redwood HoldCo JVA**"); (2) at Closing, a designated affiliate of Buyer and Sierra Madre Seller shall execute a joint venture agreement pursuant to which each said party owns the interest stated therein of a holding company ("**Sierra JV HoldCo**", and together with the Redwood JV HoldCo, the "**JV HoldCos**"), which holding company is the sole owner of the entity formed to acquire fee title ownership of the Sierra Madre Land and Sierra Madre Improvements (including the Sierra Madre Facility), in the form attached to this Agreement as **Exhibit O** (the "**Sierra HoldCo JVA**", and together with the Redwood HoldCo JVA, the "**HoldCo JVAs**");

(H) [Intentionally omitted];

(I) [Intentionally omitted]; and

(J) Title Estoppel: With respect to those easement agreements, development agreements, declarations, or other covenants or restrictions encumbering any portion of the Land and Improvements listed on **Schedule 9(J)**, Sellers shall reasonably cooperate with Buyer by promptly delivering to the appropriate parties to such an agreement an estoppel certificate in a form reasonably requested by Buyer and/or Title Company (each, a "**Title Estoppel**"). After delivery of any requested estoppel certificates to the applicable parties, Sellers shall use commercially reasonable efforts to obtain executed copies of the same and, once executed, deliver same to Buyer and Title Company; *provided*, however, in no event shall Sellers be required by the foregoing to pay any sums (or incur any other liability) to any party in connection with its attempts to obtain such estoppel certificates. If Seller is not able to deliver to Buyer and Title Company at Closing each of the Title Estoppels, for any Title Estoppel not so delivered (excluding those referenced on Schedule 9(J) as being required from the applicable third parties), the Seller that is the owner or ground lessor of the applicable Facility shall deliver an estoppel certificate executed by said Seller in the same form as the Title Estoppel (each, a "**Seller Title Estoppel**"), except that statements therein relating to the actions of third parties may be qualified by Sellers' knowledge (as said term is defined in this Agreement). Notwithstanding any provision contained in this Agreement to the contrary, it shall not be a condition to Buyer's obligations hereunder that any of the Title Estoppels (as opposed to the Seller Title Estoppels) are obtained, nor shall it be a covenant on the part of Seller to deliver the Title Estoppels (as opposed to the Seller Title Estoppels).

(K) Exclusivity. Prior to Closing or termination of this Agreement pursuant to its terms, Sellers, Manager and any officer, director, employee, advisor or others authorized to act on a Sellers and/or Manager's behalf, (i) will not, directly or indirectly, initiate, solicit, authorize or encourage discussions relating to any Acquisition Proposal (defined below); (ii) will not participate in negotiations in connection with or in furtherance of any Acquisition Proposal or permit any person other than the Buyer and its representatives to have any access to each Facility in connection with an Acquisition Proposal, or furnish to any person other than Buyer and its representatives any non-public information with respect to the Property in connection with an Acquisition Proposal; (iii) will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties, other than the Buyer, conducted on or before the date of this Agreement with respect to any Acquisition Proposal; and (iv) will immediately provide to Buyer written notice of any Acquisition Proposal, including the name of the party seeking to initiate, continue or renew activities, discussions or negotiations regarding an Acquisition Proposal. As used herein, the term "Acquisition Proposal" means any offer, proposal or other overture or communication of any kind to acquire or sell some or all of the Property or any ownership or controlling interest in Sellers, Manager's, or Sellers' or Manager's direct or indirect parent.

(L) Cooperation with Audit. Sellers and Manager acknowledge that Buyer is affiliated with a publicly registered company ("Registered Company"). Sellers and Manager acknowledge that it has been advised that Buyer and its assignee may be required to make certain filings with the Securities and Exchange Commission (the "SEC Filings") that relate to the most recent pre-acquisition fiscal year (the "Audited Year") and the current fiscal year through the date of acquisition (the "stub period") for the Property. To assist the assignee in preparing the SEC Filings, the Sellers and Manager covenant to provide the assignee with the following during the Due Diligence Period, thereafter until Closing and for one (1) year thereafter: (i) access to bank statements for the Audited Year and stub period; (ii) rent roll as of the end of the Audited Year and stub period; (iii) operating statements for the Audited Year and stub period; (iv) access to the general ledger for the Audited Year and stub period; (v) cash receipts schedule for each month in the Audited Year and stub period; (vi) access to invoices for expenses and capital improvements in the Audited Year and stub period; (vii) accounts payable ledger and accrued expense reconciliations; (viii) check register for the 3-months following the Audited Year and stub period; (ix) all leases and 5-year lease schedules; (x) copies of all insurance documentation for the Audited Year and stub period; (xi) copies of accounts receivable aging as of the end of the Audited Year and stub period along with an explanation for all accounts over 30 days past due as of the end of the Audited Year and stub period; and (xii) signed representation letter in the form reasonably required by Buyer or its counsel. Sellers and Manager also agree to deliver a signed Representation Letter in the form attached hereto as Exhibits L to Buyer within five (5) Business Days prior to Closing, and such delivery shall be a condition to Closing. The provisions of this Section shall survive Closing.

10.DISCLAIMER: AS AN ESSENTIAL INDUCEMENT TO SELLERS TO ENTER INTO THIS AGREEMENT, AND AS PART OF THE DETERMINATION OF THE PURCHASE PRICE, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES AS OF THE EFFECTIVE DATE AND AS OF THE CLOSING DATE AS FOLLOWS:

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN THE SELLER CLOSING DOCUMENTS, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS" BASIS. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY SELLER CLOSING DOCUMENT, SELLERS AND MANAGER HAVE NOT MADE, DO NOT MAKE AND SPECIFICALLY NEGATE AND DISCLAIM ANY REPRESENTATIONS, WARRANTIES, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, ANY FACILITY OR ANY OTHER MATTER WHATSOEVER, INCLUDING: (i) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION AND ASPECTS OF THE PROPERTY AND ANY FACILITY, INCLUDING THE STRUCTURAL ELEMENTS, SEISMIC ASPECTS OF THE PROPERTY, FOUNDATION, ROOF, APPURTENANCES, ACCESS, SIGNAGE, LANDSCAPING, PARKING FACILITIES AND THE ELECTRICAL, MECHANICAL, HVAC, PLUMBING, SEWAGE, AND UTILITY SYSTEMS, FACILITIES AND APPLIANCES, THE SQUARE FOOTAGE WITHIN THE IMPROVEMENTS ON THE PROPERTY AND THE IMPROVEMENTS AND WITHIN EACH TENANT SPACE THEREIN AND WITHIN THE COMMON ELEMENTS OF THE PROPERTY, (ii) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND ANY GROUNDWATER, (iii) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY OR ANY FACILITY, (iv) THE DEVELOPMENT POTENTIAL OF THE PROPERTY OR ANY FACILITY, AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, (v) THE ZONING AND OTHER LEGAL STATUS OF THE PROPERTY, THE IMPROVEMENTS AND ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON USE OF THE PROPERTY, (vi) THE COMPLIANCE OF THE

PROPERTY OR ANY FACILITY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, (vii) THE ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING THE PRESENCE OF HAZARDOUS MATERIALS ON, UNDER OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY, (viii) THE QUALITY OF ANY LABOR AND MATERIALS USED IN ANY IMPROVEMENTS ON THE PROPERTY OR ANY FACILITY, (ix) THE CONDITION OF TITLE TO THE PROPERTY, (x) THE LEASES, CONTRACTS OR OTHER AGREEMENTS AFFECTING THE PROPERTY, ANY FACILITY OR THE IMPROVEMENTS, AND (xi) ECONOMICS OF THE OPERATION OF THE PROPERTY, ANY FACILITY, AND THE IMPROVEMENTS OR THE FINANCIAL CONDITION OF ANY TENANT OF THE PROPERTY. THIS SECTION 10 SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND THIS SECTION 10 (AND ANY OTHER OBLIGATION OR LIABILITY THAT EXPRESSLY SURVIVES CLOSING HEREUNDER) SHALL NOT BE DEEMED TO HAVE MERGED INTO THE DEED OR ANY OF THE OTHER DOCUMENTS EXECUTED OR DELIVERED AT CLOSING OR IN CONNECTION THEREWITH.

11. Conditions to Closing.

(A) Sellers' Conditions to Closing. In addition to any conditions expressly provided in other provisions of this Agreement, Sellers' obligations to proceed to Closing and consummate the sale of the Property are conditioned on the following (any of which may be waived in writing by Sellers, and which conditions are without limitation of each Seller's remedies for default by Buyer as set forth in Section 3(D)). If any such condition has not been satisfied as of Closing, then Sellers may elect to (i) extend the Closing Date by up to thirty (30) days to attempt to cure such condition failure, or to allow Buyer time to cure such condition failure or (ii) terminate this Agreement by written notice to Buyer, in which case this Agreement shall terminate, the Deposit (excluding the Independent Consideration, but including the Additional Deposit only if the condition precedent not satisfied is the condition expressly stated in Section 11(A)(3)(a) and (b)) shall be returned to Buyer (except when the failure of a condition precedent is a breach or default by Buyer giving Sellers the right under this Agreement to recover the Deposit, including as provided for in Section 3(D)), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination:

(1) Performance by Buyer. The due performance in all material respects by Buyer of the undertakings and agreements to be performed by it hereunder (including the delivery to Sellers or Escrow Agent, as applicable, of the items specified to be delivered by Buyer in Section 7(A)(2) hereof).

(2) Accuracy of Representations and Warranties. The truth of each representation and warranty made by Buyer in this Agreement in all material respects at the time as of which the same is made and as of the Closing Date.

(3) No Injunctions; Restraints; Insolvency. (a) No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect. (b) No action shall have been taken nor any statute, rule, or regulation shall have been enacted by any governmental agency that makes the consummation of the transactions contemplated hereby illegal. (c) There shall exist no assignments for the benefit of creditors, or insolvency, bankruptcy, or reorganization proceedings, pending or threatened against Buyer that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement.

(B) Buyer's Conditions to Closing. In addition to any conditions expressly provided in other provisions of this Agreement, Buyer's obligations to proceed to Closing and consummate the purchase of the Property are conditioned on the satisfaction of each of the below conditions as of Closing, any of which may be waived in writing by Buyer, and which conditions are without limitation of Buyer's remedies for default by Sellers and/or Manager as set forth in Section 3(D)(1). If any such condition has not been satisfied as of Closing, then Buyer may elect to (i) extend the Closing Date by up to forty (40) days to attempt to cure, or to allow Sellers and Manager to attempt to Cure, such condition failure or (ii) terminate this Agreement by written notice to Sellers and Manager, in which case (a) this Agreement shall terminate, (b) if the condition not satisfied as of Closing is the condition in Sections 11(B)(1), (3), (4), and (6-10), then Seller shall reimburse Buyer for all of Buyer's Pursuit Costs (as defined in Section 3(D)(2)), which obligation shall survive the termination of this Agreement, and (c) the Deposit (excluding the Additional Deposit except as expressly provided in Section 3(B)(2) and other applicable Sections of this Agreement) shall be returned to Buyer, which obligation shall survive the termination of this Agreement and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination (and subject to the provisions of Section 11(A) if applicable).

(1) Performance by Sellers and Manager. The full and timely performance by Sellers and Manager in all material respects of the undertakings and agreements to be performed by Sellers and Manager hereunder (including the delivery to Buyer or Escrow Agent, as applicable, of the items specified to be delivered by Sellers in Section 7(A)(1) hereof).

(2) Required Regulatory Approvals. (A) As of Closing, the Licenses shall be in good standing without restrictions or conditions and (B) either the (i) the Required Regulatory Approvals shall have been received as of the Closing for all of the Facilities without any restrictions or conditions or (ii) if the Required Regulatory Approvals have not been received as of the Closing with respect to any one or more of the Facilities, Sellers and Manager, as applicable, shall have executed and delivered the Interim Sublease and the Interim Management Agreement with respect to said Facilities and, only with respect to the White Plains Facility, the Interim Consultancy Agreement and Cash Surplus Agreement. For purposes hereof, the Required Regulatory Approvals shall be deemed to have been received for a Facility if Buyer has received written assurances from the applicable governmental authority, in form and substance reasonably acceptable to Buyer, that the parties are authorized to consummate the transactions contemplated hereunder with respect to said Facility and that such Required Regulatory Approvals shall be issued in due course effective as of the Closing Date following such governmental authority's receipt of documentation from the parties evidencing that the Closing has occurred as of the Closing Date.

(3) Accuracy of Representations and Warranties. The truth of each representation and warranty made by Sellers and Manager in this Agreement in all material respects (unless such representation and warranty is qualified by materiality, in which case the truth thereof shall be in all respects) at the time as of which the same is made and as of the Closing Date; provided, however, in remaking all the representations and warranties on and as of the Closing Date, (a) all references to **Exhibit I** in **Section 9** shall be deemed to refer to an updated list of Contracts reflecting those Contracts executed, modified or terminated in accordance with Section 9(D)(4) of this Agreement, which updated list shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date, (b) all references to **Exhibit H** in Section 9 shall be deemed to refer to an updated list of Resident Agreements reflecting those Resident Agreements executed, modified or terminated in accordance with Section 9(D)(5) of this Agreement and an updated rent roll, which updated exhibits shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date, (c) all references to **Exhibit H-1** in Section 9 shall be deemed to refer to an updated list of Commercial Leases reflecting those Commercial Leases executed, modified or terminated in accordance with Section 9(D)(4) of this Agreement, which updated list shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date. The failure of any representation or warranty of Sellers and/or Manager in this Agreement to be true in all material respects (unless such

representation and warranty is qualified by materiality, in which case the truth thereof shall be in all material respects) which results from a change in facts or circumstances or a change of Sellers' or Manager's knowledge after the Effective Date that was not caused by a Seller's default of their obligations under this Agreement shall not constitute a default by a Sellers or Manager but shall cause the failure of the condition set forth in this item (3).

(4) No Injunctions; Restraints; or Insolvency. No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect. No action shall have been taken nor any statute, rule or regulation shall have been enacted by any governmental agency that makes the consummation of the transactions contemplated hereby illegal. There shall exist no assignments for the benefit of creditors, or insolvency, bankruptcy, or reorganization proceedings, pending or threatened against Sellers or Manager that would materially and adversely affect Sellers' or Manager's ability to perform its obligations under this Agreement.

(5) Title Policy. The Title Company shall issue (or shall be prepared and irrevocably and unconditionally committed to issue) an extended coverage owner's policy of title insurance (as to all Facilities other than the Redondo Facility) and, as to the Redondo Facility, a lessee's policy of title insurance, in each case covering Buyer's fee title to or lessee's interest in (as applicable) the Land and Improvements, in the amount of the Purchase Price, insuring fee title thereto or the lessee's interest therein (as applicable) will be vested in Buyer, subject only to Permitted Exceptions (each a "**Title Policy**" and two or more collectively, the "**Title Policies**"), subject in each case, to payment of the premium therefor.

(6) Management Agreements; Related: (a) Manager executing and delivering to Buyer (or to Buyer's designated affiliate) at Closing a New Management Agreement in form and substance reasonably acceptable to Buyer with respect to each Facility other than the White Plains Facility and (b) White Plains Operator and WP Manager NewCo executing and delivering to Buyer (or to Buyer's designated affiliate) at Closing the Interim Management Agreement to be effective upon regulatory approval of WP Manager NewCo as the licensed manager of the Whie Plains Facility, and the Interim Consultancy Agreement and (c) Manager and WP Manager NewCo executing and delivering to Buyer (or to Buyer's designated affiliate) at Closing the WP Employee Lease Agreement.

(7) Manager ROFO Agreement: Sellers, Manager, WP Manager NewCo and the applicable owners of Manager and WP Manager NewCo executing and delivering to Buyer (or to Buyer's designated affiliate or assignee) at Closing the Manager ROFO Agreement;

(8) HoldCo JVAs: Sellers, Manager and WP Manager NewCo executing and delivering to Buyer (or to Buyer's designated affiliate) at Closing the HoldCo JVAs;

(9) [Intentionally omitted];

(10) Ground Lease Documents: Buyer shall have received each of the Redondo Ground Lease Closing Documents, duly authorized and executed by the applicable Sellers and the District.

(11) Title Clearing Documents: Title Company and Buyer shall have received each of the Title Clearing Documents in the form required by this Agreement, duly authorized and executed.

12. Escrow Provisions.

(A) As used in this Section 12, the term "Deposit" shall apply to the "Additional Deposit only for the period of time that Escrow Agent holds same, and said term shall cease to apply to the

Additional Deposit after Escrow Agent has paid same to Seller in accordance with the express terms of this Agreement. Buyer, Sellers and Manager hereby appoint Escrow Agent to act as their escrow agent on the terms and conditions hereinafter set forth, and Escrow Agent accepts such appointment. Escrow Agent agrees to hold the Deposit on behalf of Buyer and Sellers, and to apply, disburse and deliver the Deposit as provided in this Agreement. This Agreement shall serve as the mutual escrow instructions of Sellers and Buyer.

(B) Escrow Agent shall hold the Deposit in an interest bearing savings (or money market) account. Each of Buyer and Sellers agree to execute and deliver to Escrow Agent a form W-9 Request for Taxpayer Identification Number and Certification for any investment made hereunder on its behalf. Escrow Agent shall not commingle the Deposit with any other funds. Escrow Agent shall pay the Deposit in accordance with the terms of this Agreement. If, prior to the expiration of the Due Diligence Period, Buyer makes a demand upon Escrow Agent for delivery of the Deposit, Escrow Agent shall, no later than one (1) Business Day thereafter, pay the Deposit (less the Independent Consideration, which shall be paid to Sellers) to Buyer and Sellers shall have no right whatsoever to object to any such payment of the Deposit to Buyer, it being understood that, until the expiration of the Due Diligence Period, this escrow shall be a single order escrow in favor of Buyer only. If after the expiration of the Due Diligence Period and prior to the Closing, either party makes a demand upon Escrow Agent for delivery of the Deposit, Escrow Agent shall promptly give notice to the other party of such demand. If a notice of objection to the proposed payment is not received from the other party within seven (7) Business Days after the giving of notice by Escrow Agent, Escrow Agent is hereby authorized to deliver the Deposit to the party who made the demand. If Escrow Agent receives a notice of objection within said period, then Escrow Agent shall continue to hold the Deposit and thereafter pay it to the party entitled when Escrow Agent receives (a) notice from the objecting party withdrawing the objection, or (b) a notice signed by both parties directing disposition of the Deposit, or (c) a judgment or order of a court of competent jurisdiction.

(C) Escrow Agent shall be protected in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness of any notice, demand, certificate, signature, instrument or other document which is given to Escrow Agent without verifying the truth or accuracy of any such notice, demand, certificate, signature, instrument or other document. Escrow Agent shall not be bound in any way by any other contract or understanding between Sellers and Buyer, whether or not Escrow Agent has knowledge thereof or consents thereto unless such consent is given in writing. Escrow Agent's sole duties and responsibilities shall be to hold and disburse the Deposit in accordance with this Agreement; provided, however, that Escrow Agent shall have no responsibility for the clearing or collection of the check representing the Deposit. Upon the disbursement of the Deposit in accordance with this Agreement, Escrow Agent shall be relieved and released from any liability under this Agreement.

(D) If the Deposit is at any time attached, garnished, or levied upon under any court order or if the payment or delivery of the Deposit is stayed or enjoined by any court order, or if any order, judgment or decree shall be made or entered by any court affecting the Deposit, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with the order, writ, judgment or decree. Escrow Agent shall not be liable to any of the parties or to any other person firm or corporation by reason of such compliance even though the order, writ, judgment or decree may be subsequently reversed modified, annulled, set aside or vacated.

(E) The parties hereto do hereby certify that they are aware that the Federal Deposit Insurance Corporation ("**FDIC**") coverages apply only to a cumulative maximum amount of $250,000 for each individual depositor for all of depositor's accounts at the same or related institution. The parties hereto further understand that certain banking instruments such as, but not limited to, repurchase agreements and letters of credit are not covered at all by FDIC insurance. Further the parties hereto understand that Escrow Agent assumes no responsibility for, nor will the parties hereto hold Escrow Agent liable for, any loss

occurring which arises from the fact that the amount of the above account may cause the aggregate amount of any individual depositor's accounts to exceed $250,000 and that the excess amount is not insured by the Federal Deposit Insurance Corporation or that FDIC insurance is not available on certain types of bank instruments.

(F) The parties hereto acknowledge that the maintenance of escrow accounts with some depository institutions may result in Escrow Agent being provided with an array of bank services, accommodations or other benefits by the depository institution. Escrow Agent or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Agent, and Escrow Agent shall have no obligation to account to the parties hereto for the value of such services, accommodations or other benefits.

(G) Escrow Agent may resign at any time upon at least ten (10) Business Days prior written notice to Sellers and Buyer. If, prior to the effective date of such resignation, Sellers and Buyer shall have approved, in writing, a successor escrow agent, then upon the resignation of Escrow Agent, Escrow Agent shall deliver the Deposit to such successor escrow agent. From and after such resignation and the delivery of the Deposit to such successor escrow agent, Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement, all of which duties, responsibilities and obligations shall be performed by the appointed successor escrow agent. If for any reason Sellers and Buyer shall not approve a successor escrow agent within such period, Escrow Agent may bring any appropriate action or proceeding for leave to deposit the Deposit with a court of competent jurisdiction, pending the approval of a successor escrow agent, and upon such deposit Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement. Escrow Agent shall not have any liability or obligation for loss of all or any portion of the Deposit by reason of the insolvency or failure of the institution of depository with whom the escrow account is maintained.

(H) Sellers and Buyer hereby agree to, jointly and severally, indemnify, defend and hold harmless Escrow Agent from and against any liabilities, damages, losses, costs or expenses incurred by, or claims or charges made against, Escrow Agent (including reasonable attorneys' fees and disbursements) by reason of Escrow Agent performing its obligations pursuant to, and in accordance with, the terms of this Agreement, but in no event shall Escrow Agent be indemnified for its negligence, willful misconduct or breach of the terms of this Agreement.

(I) Subject to the terms of subsection (B) above, in the event that a dispute shall arise in connection with this Section 12, or as to the rights of Sellers and Buyer in and to, or the disposition of, the Deposit, Escrow Agent shall have the right to (i) hold and retain all or any part of the Deposit until such dispute is settled or finally determined by litigation, arbitration or otherwise, or (ii) deposit the Deposit in an appropriate court of law, following which Escrow Agent shall thereby and thereafter be relieved and released from any liability or obligation under this Agreement, or (iii) institute an action in interpleader or other similar action permitted by stakeholders in the State of and Federal Courts of Maryland, or (iv) interplead Sellers or Buyer in any action or proceeding which may be brought to determine the rights of Sellers and Buyer to all or any part of the Deposit.

The terms and provisions of this Section 12 shall survive the Closing or earlier termination of this Agreement.

13. Miscellaneous.

(A) Brokerage Issues. Sellers represent and warrant to Buyer, and Buyer represents and warrants to Sellers, that no broker or finder has been engaged by it, respectively, in connection with

any of the transactions contemplated by this Agreement or to its knowledge is in any way connected with any of such transactions other than Newmark, whose commission shall be paid by Seller at Closing pursuant to a separate written agreement. In the event of a claim for broker's or finder's fee or commissions by any broker claiming through Sellers in connection herewith, then Sellers shall indemnify, protect, defend and hold Buyer harmless from and against the same. In the event of a claim for broker's or finder's fee or commissions in connection herewith by any broker claiming through Buyer in connection with this transaction, then Buyer shall indemnify, protect, defend and hold Sellers harmless from and against the same. The provisions of this Section 13(A) shall survive the Closing or any termination of this Agreement (as applicable).

(B) Successors and Assigns. This Agreement shall not be assigned by Buyer to any person or entity without the express prior written consent of Sellers except as provided in this Section. Notwithstanding the preceding sentence, at any time prior to the Closing, without the prior written consent of Sellers, Buyer may assign or partially assign its right, title and interest herein to any one or more corporations, partnerships, limited liability companies, or other entities Controlled by or under common Control with Buyer (or, in the case of the White Plains Facility, a Virginia non-stock corporation formed by Buyer for the purpose of holding the operating licenses of said Facility); and provided further that Sellers receive written notice of such assignment and a copy of the agreement that legally effectuates such assignment at least five (5) Business Days prior to the Closing Date. Notwithstanding any provision in this Agreement to the contrary, no assignment or delegation of its rights and duties under this Agreement by Buyer shall relieve Buyer of any of its obligations and liabilities hereunder. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and shall be binding upon the successors and assigns of the parties.

(C) Notices. Unless otherwise agreed to by the parties or set forth herein, all notices required or permitted to be given hereunder shall be in writing. Such notices shall be effective only upon receipt or documented refusal of receipt following deposit into the United States mail, registered or certified, return receipt requested, postage prepaid, or if hand delivered or if sent by nationally recognized overnight courier providing evidence of delivery or when sent via electronic mail (*e.g.*, e-mail), addressed as follows:

To Buyer:

c/o American Healthcare REIT, Inc.
18191 Von Karman Avenue, Suite 300
Irvine, California 92612
Attn: Stefan Oh, Chief Investment Officer
E-mail: [***]

And to:

Arnall Golden Gregory LLP
171 17th Street, NW, Suite 2100
Atlanta, GA 30363
Attention: Steven A. Kaye, Esq.
E-mail: [***]

To Seller:

Kensington Senior Living, LLC
11921 Freedom Drive, Suite 950

Reston, VA 20190
Attention: Michael Rafeedie
E-mail: K[***]

With Copies To:

Tatusko Kennedy, PC
3016 Williams Drive, Suite 200
Fairfax, Virginia 22130
Attention: Wayne G. Tatusko, Esq.
E-mail: [***]

To Title Company/Escrow Agent:

Chicago Title Insurance Company
2699 Howell Street, Suite 200
Dallas, Texas 75204
Attn: Shannon Bright
Email: [***]

or at such other place as a party may designate in a written notice given in accordance herewith. E-mail transmissions received during business hours during a Business Day at the receiving location shall be deemed made on such Business Day if received prior to 6:00 p.m. Eastern Time and e-mail transmissions received at any other time shall be deemed received on the next Business Day. The attorneys for any party hereto shall be entitled to provide any notice that a party desires to give or is required to give hereunder.

(D) Legal Costs. In the event any action is instituted by Sellers or Buyer to enforce this Agreement, the prevailing party in such action (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall be entitled to all fees and costs, including reasonable attorneys' fees incurred in defending or prosecuting the action, as well as all fees and costs, including reasonable attorneys' fees, incurred in connection with obtaining and recovering any and all fees and costs provided for herein. Prejudgment interest on such fees and costs shall start to accrue thirty (30) days after invoices are received. The foregoing includes reasonable attorneys' fees, expenses and costs of investigation incurred in (1) appellate proceedings; (2) in any post-judgment proceedings to collect or enforce the judgment; (3) establishing the right to indemnification; and (4) any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. This provision is separate and several and shall survive the consummation of the transaction contemplated by this Agreement or the earlier termination of this Agreement.

(E) Confidentiality. Sellers, Manager and Buyer shall maintain the confidentiality of this Agreement and the transactions contemplated hereby and shall not, except as required by law, court order, legal process, or rule or regulation of a regulatory authority having jurisdiction such as the SEC or the NYSE (collectively, "**Law**"), disclose the terms of this Agreement, the parties thereto, or of such sale and purchase to any third parties whomsoever other than (i) Sellers may disclose the terms of this Agreement to its employees, auditors and/or lenders, and its direct and indirect investors, members and partners, officers, directors, agents, legal counsel, accountants, other professional advisors, derivative counterparties, and affiliates, and Sellers shall advise and direct each of the confidential nature and its obligations under this Section, and (ii) Buyer may disclose the terms of this Agreement to its partners, investors, potential investors, joint venturers, potential joint venturers, syndicate participants, potential syndicate participants, lenders, and potential lenders, and the attorneys, other advisors, accountants,

employees, officers, derivative counterparties, agents and affiliates of each of the foregoing (each, a "**Buyer Permitted Party**") who are actively and directly participating in, or solicited by another Buyer Permitted Party to participate in, the negotiation of this Agreement, or evaluation, the appraisal, investigation or financing of the purchase or acquisition of the Property, or the prospective leasing of the Property (including, as it relates to such prospective leasing, the evaluation of the scope and cost of any anticipated tenant or landlord improvements following Buyer's acquisition of the Property), and Buyer shall advise each of the confidential nature and its obligations under this Section, or as required by law or any regulatory requirements to which Buyer is subject. In addition, Buyer may communicate with and disclose the existence (but not the terms) of this Agreement to current and prospective contractors that have been or may be retained in connection with the Property, and Buyer may communicate with any of the foregoing and any Buyer Permitted Party with respect to the planned use, ownership, maintenance and financing of the Property, provided that Buyer shall advise each of the confidential nature and its obligations under this Section. Neither Sellers nor Buyer shall at any time, prior to Closing, issue a press release or otherwise communicate with media representatives regarding the sale and purchase contemplated by this Agreement without the prior written approval of the other party hereto as to such disclosure and the contents thereof. Nothing herein shall restrict either party from disclosing information that is required to be disclosed by applicable Law. Prior to any disclosure required by Law and, to the extent permitted under applicable Law, the disclosing party shall notify the non-disclosing party in writing of such required disclosure and the contents thereof and provide the non-disclosing party with a reasonable opportunity to obtain a restraining order or take other protective action, except to the extent such disclosure is a part of a routine regulatory audit process. Notwithstanding the foregoing, Sellers acknowledge that Buyer's ultimate parent company is a publicly traded company, and that as such it and its representatives may make disclosures of confidential information in the ordinary course of business to The New York Stock Exchange, financial analysts, investors (including on earnings calls), rating agencies, banks and other similar persons or institutions, which information is of the same general nature as that disclosed to such persons or institutions in its ordinary course of business and that such disclosure shall not constitute a breach of the terms of this Section 13(E). The terms of this Section 13(E) are intended to supersede any prior confidentiality agreement entered into by Buyer (or its affiliate) in connection with the sale of the Property. This Section 13(E) shall survive the Closing or earlier termination of this Agreement.

(F) Further Instruments. Each party will, whenever and as often as it shall be requested so to do by the other, cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Agreement, provided that such instruments and documents do not limit or impair the rights of, nor increase the liabilities or obligations of the party being asked to execute same.

(G) Matters of Construction.

(1) Incorporation of Exhibits and Schedules. All exhibits and schedules attached and referred to in this Agreement are hereby incorporated herein as if fully set forth in (and shall be deemed to be a part of) this Agreement. In the event that any exhibit or schedule intended to be attached to this Agreement is not attached hereto as of the Effective Date, the parties shall, after such execution and prior to Closing, complete and attach all remaining exhibits and schedules.

(2) Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

(3) Non-Business Days. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time (or by a

particular date) that ends (or occurs) on a non-Business Day, then such period (or date) shall be extended until the immediately following Business Day. As used herein, "**Business Day**" means any day other than a Saturday, Sunday, federal holiday or holiday in the any State where a Facility is located.

(4) Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(5) Interpretation. Words used in the singular shall include the plural, and vice-versa, and any gender shall be deemed to include the other. Whenever the words "including", "include" or "includes" are used in this Agreement, they should be interpreted in a non-exclusive manner. The captions and headings of the Sections of this Agreement are for convenience of reference only and shall not be deemed to define or limit the provisions hereof. Except as otherwise indicated, all Exhibit, Schedule and Section references in this Agreement shall be deemed to refer to the Exhibits, Schedules and Sections in or attached to, as applicable, this Agreement. Each party acknowledges that it has had counsel of its own choosing in connection with the negotiation of this Agreement and further acknowledges and agrees that this Agreement (a) has been reviewed by it and its counsel; (b) is the product of negotiations between the parties, and (c) shall not be deemed prepared or drafted by any one party.

(6) No Waiver. Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Agreement, nor shall it be deemed to be a waiver by such party of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature). No failure or delay by one party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by such party while the other party continues to be so in default.

(7) Consents and Approvals. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder may be given or withheld in the absolute discretion of such party.

(8) Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MARYLAND. THE STATE AND FEDERAL COURTS OF BETHESDA MARYLAND SHALL HAVE SOLE AND EXCLUSIVE JURISDICTION.

(9) Third-party Beneficiaries. Sellers, Manager and Buyer do not intend by any provision of this Agreement to confer any right, remedy or benefit upon any third-party (express or implied) other than, with respect to the applicable indemnification, defense and hold harmless obligations under this Agreement, the Seller Indemnified Parties and the Buyer Indemnified Parties, as applicable, and no third-party shall be entitled to enforce or otherwise shall acquire any right, remedy or benefit by reason of any provision of this Agreement.

(10) Amendments. This Agreement may be amended by written agreement of amendment executed by all parties hereto, but not otherwise. An amendment not affecting the rights and obligations of Escrow Agent shall be effective without being executed by Escrow Agent.

(11) Time of Essence. Time is of the essence with respect to all of the obligations contained in this Agreement.

(12) Joint and Several Obligations of Sellers. The obligations of the Sellers and Manager under this Agreement are joint and several.

(H) Counterparts/Facsimiles. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this Agreement had executed the same counterpart. Signatures to this Agreement delivered by facsimile or electronic mail in portable document format ("**PDF**") or via Docusign shall be valid and effective to bind the party so signing, provided that each party agrees to promptly deliver an executed original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own facsimile or PDF or Docusign signature and shall accept the facsimile or PDF or Docusign signature of the other party to this Agreement.

(I) Certain Tax Matters. For U.S. federal income tax purposes (and applicable state and local income tax purposes), the parties agree to treat the purchase and sale of the Sierra Madre Facility and the Redwood Facility as (i) a taxable sale of assets by the Sierra Madre Seller and the Redwood Seller, as applicable, to the Buyer to the extent of the Closing Payment allocable to the Sierra Madre Seller and Redwood Seller, as applicable, and (ii) a tax-deferred contribution of assets pursuant to Section 721 of the Internal Revenue Code of 1986, as amended, by the Sierra Madre Seller and the Redwood Seller, as applicable, to Sierra JV Holdco and Redwood JV Holdco, as applicable, to the extent of the Units Consideration. The parties agree to not take any position (whether in connection with audits, tax returns or otherwise) that is inconsistent with the forgoing tax treatment, except as may be required pursuant to a "determination" within the meaning of section 1313(a) of the Code (or similar provision of state or local tax law).

(J) Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF SELLERS, MANAGER AND BUYER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER DOCUMENT DELIVERED BY A PARTY TO ANOTHER PARTY, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF THE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO THIS AGREEMENT. THIS SECTION 13(J) SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

[REST OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURES APPEAR ON THE FOLLOWING PAGES]

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

MANAGER:

KENSINGTON SENIOR LIVING, LLC, a
Virginia limited liability company

By: /s/ David W. Faeder
David W. Faeder, Manager

SELLERS:

THE KENSINGTON OF FALLS CHURCH, LLC, a
Virginia limited liability company

By: /s/ David W. Faeder
David W. Faeder, Manager

KENSINGTON REDONDO OWNER LLC, A
Virginia limited liability company

By: /s/ David W. Faeder
David W. Faeder, President

FSDW-REDWOOD CITY LLC, A
California limited liability company

By: Kensington Redwood City LLC, a
Virginia limited liability company, its Sole Member

By: /s/ David W. Faeder
David W. Faeder, Manager

KENSINGTON RESTON OWNER LLC, a
Virginia limited liability company

By: /s/ David W. Faeder
David W. Faeder, Manager

KENSINGTON SM GP LLC, a
California limited liability company

By: Kensington Sierra Madre, LLC, a
Virginia limited liability company, its Sole Member

By: /s/ David W. Faeder
David W. Faeder, Manager

WHITE PLAINS KENSINGTON BORROWER, LLC

By: /s/ David W. Faeder
David W. Faeder, Manager

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

BUYER:

AMERICAN HEALTHCARE REIT HOLDINGS, LP
a Delaware limited partnership

By: /s/ Stefan Oh
Name: Stefan Oh
Title: Authorized Signatory

JOINDER OF ESCROW AGENT:

The undersigned Escrow Agent has executed this Agreement in order to confirm that the Escrow Agent shall notify the parties upon receipt of the Deposit and shall hold the Deposit and the interest earned thereon, if any, in escrow in accordance with the terms of this Agreement, and shall disburse the Deposit, and the interest earned thereon, pursuant to the provisions of this Agreement.

Chicago Title Insurance Company

By: /s/ Shannon Bright
Name: Shannon Bright
Title: Escrow Officer

LIST OF EXHIBITS AND SCHEDULES

(Portfolio PSA)

Exhibit	-	List of Defined Terms
Exhibit A-1 - A-6		Legal Description of the Land
Exhibit B-1 - B-6		Form of Deed
Exhibit C-1	-	Form of Title Affidavit (Fee)
Exhibit C-2	-	Form of Title Affidavit (Leasehold)
Exhibit D-1	-	Form of Bill of Sale
Exhibit D-2	-	Form of Assignment of Intangible Property
Exhibit D-3	-	Form of Assignment and Assumption of Resident Agreements
Exhibit D-4	-	Form of Assignment and Assumption of Lease Agreements
Exhibit E	-	Form of Certificate of "Non-Foreign" Status
Exhibit F	-	Form of Seller and Manager Closing Certificate
Exhibit G	-	Form of Buyer Closing Certificate
Exhibit H	-	List of Resident Agreements/Rent Roll
Exhibit H-1	-	List of Commercial Leases/Rent Roll
Exhibit H-2	-	List of Leasing and Commission Agreements
Exhibit I	-	List of Contracts
Exhibit J	-	Form of Holdback Escrow Agreement
Exhibit K-1	-	Form of Interim Sublease
Exhibit K-2	-	Form of Interim Management Agreement (non-New York)
Exhibit K-3	-	Form of Interim Management Agreement (New York)
Exhibit K-4	-	Form of Interim Consultancy Agreement (New York)
Exhibit L	-	Form of Representation Letter
Exhibit M	-	Form of Ground Lease Estoppel Certificate
Exhibit N	-	Form of Management Company ROFO Agreement
Exhibit O	-	Form of HoldCo JVA

Schedule 1(F)	-	List of Seller Trade Names
Schedule 2(B)	-	Price Allocation
Schedule 3(A)(1)	-	Deposit Amount
Schedule 4(C)	-	Required Removal Items - UCCs
Schedule 6(A)	-	Required Regulatory Approvals
Schedule 7(B)(2)	-	Allocation of Certain Closing Costs
Schedule 9A(6)	-	Rent Subsidies
Schedule 9A(9)	-	Leased Vehicles and Equipment
Schedule 9A(10)	-	Litigation
Schedule 9A(12)	-	Affiliate Agreements
Schedule 9A(13-1)	-	Largest Number of Employees in a Single Shift Per Facility
Schedule 9A(13-2)	-	Employee Complaints
Schedule 9A(15)	-	Existing Purchase Rights
Schedule 9A(16)	-	Licenses
Schedule 9A(18)	-	Environmental Reports
Schedule 9(A)(25)	-	Outstanding Capital Improvement Projects
Schedule 9(J)	-	Recorded Agreements Requiring Title Estoppel or Seller Title Estoppel

Exhibit 10.3

PURCHASE AGREEMENT

(Kensington Park)

SELLER:

FSP-KENSINGTON, LLC,
a Maryland limited liability company

and

BUYER:

AMERICAN HEALTHCARE REIT HOLDINGS, LP,
a Delaware limited partnership

August 10, 2026

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made as of August 10, 2026 (the "**Effective Date**"), by and among the following parties: (i) American Healthcare REIT Holdings, LP, a Delaware limited partnership ("**Buyer**"); (ii) Kensington Senior Living, LLC, a Virginia limited liability company ("**Manager**"); and (iii) FSP-Kensington, LLC, a Maryland limited liability company ("**Seller**").

RECITALS

A. Seller as ground lessee, and Housing Opportunities Commission of Montgomery County, a public corporate and body politic of the State of Maryland ("**HOCMC**"), as ground lessor, are parties to that certain Lease Agreement dated October 18, 2005, as amended by Ground Lease Addendum dated November 25, 2024 (the "**Ground Lease**") pursuant to which Seller leases from HOCMC that certain real property located at 3620 Littledale Road, Kensington, Maryland as legally described on **Exhibit A** attached hereto, together with all of Seller's right, title and interest in and to all appurtenances relating thereto (collectively, the "**Land**"). Pursuant to the Ground Lease, Seller owns and operates the real property improvements, structures and fixtures located on the Land (collectively, the "**Improvements**") which consist of an assisted living and memory care facility with 160-bed licensed beds and an independent living community with 61 units (collectively, the "**Facility**"). Seller and Manager are parties to that certain Management Agreement dated April 30, 2015, as amended by the First Amendment dated October 10, 2024, and the Second Amendment dated November 19, 2024, pursuant to which Manager manages the operation of the Facility (the "**Current Management Agreement**").

B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all of Seller's right, title and interest in and to the Property (as defined below), on the terms and conditions set forth in this Agreement.

C. A list of defined terms used in this Agreement is set forth on initial exhibit attached to this Agreement entitled "*Exhibit - List of Defined Terms*".

NOW, THEREFORE, in consideration of the foregoing recitals (which by reference thereto are incorporated into the body of this Agreement), the respective promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

AGREEMENT

1. Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the following, as applicable (collectively, the "**Property**"):

(A) Seller's and, if applicable, Manager's respective rights title and interest in the Land that each owns or leases including, without limitation, the leasehold interest of Seller in and to the Land under the Ground Lease;

(B) the Improvements located upon the Land, including the Facility;

(C) all tangible personal property that is located on and used in connection with the ownership, leasing, management, use, operation or repair of the Land and Improvements and expressly including any owned or leased motor vehicles and the furniture, fixtures, equipment, supplies and inventory (collectively, the "**Personal Property**");

(D) the Occupancy Agreements (as hereinafter defined);

(E) subject to the terms of Section 5(C), all of the following:

(i) all rights, title and interests in and to the contracts, equipment leases, and other agreements relating to the Property, together with any additional contracts, equipment leases and agreements and any modifications of any of the foregoing that are entered into in accordance with the terms of Section 9(D) hereof (collectively, the "**Contracts**"), which Contracts specifically ***exclude*** the following:

(a) the Current Management Agreement which shall be terminated as of Closing;

(b) any Occupancy Agreements, which are addressed separately above and elsewhere in this Agreement; and

(c) any other written agreement, license or contract relating to the leasing, operation, maintenance or management of the Property or any portion thereof by and between Seller, Manager, and/or any affiliate of Seller or Manager, on the one hand, and any affiliate of Seller or Manager, on the other hand ("**Affiliate Agreements**").

(ii)each and all of the following items (collectively, the "**Intangible Property**"):

(a) Facility-related data from any and all electronic management systems used in connection with the Facility (including, but not limited to, property management systems, CRM or other sales and marketing systems, electronic health records and healthcare systems, payroll systems, digital training/learning platforms, IT systems (including firewall), and other similar systems) that is necessary or advisable for the transition of operations of the Facility (collectively, the "**Data Property**");

(b) all telephone and facsimile numbers and telephone listing for the Facility; and

(c) the permits, licenses, certificates, certificates of need, bed rights, approvals, development rights and warranties, if any, held or used in connection with all or any portion of the Improvements or the Personal Property (other than the Excluded Property, as defined below).

The Seller's leasehold interests in the Land under the Ground Lease, Improvements, Personal Property, Occupancy Agreements, Contracts, and Intangible Property associated with the Facility and all other real and personal property expressly referenced in this Agreement as included in the transaction contemplated by this Agreement collectively are referred to as the "**Property**."

(F) Notwithstanding anything to the contrary contained in this Agreement, the Property excludes the following (the "**Excluded Property**"):

(i) the Affiliate Agreements;

(ii)any personal property owned by residents, occupants or employees of the Facility, if any;

(iii)all cash, account balances at banks or other financial institutions, prepaid insurance premiums, financial records of Seller and Manager, and all accounts receivable of Seller as of the Closing Date; and

(iv)any trade name, trademarks, service marks, domain names and email addresses associated with the Facility (including the name "*Kensington,*" or any derivations thereof or other trade names, trademarks or service marks associated therewith as shown on **Schedule 1(F)** attached hereto) Notwithstanding the foregoing, so long as Manager is the manager of the Facility on behalf of Buyer, Buyer shall have the right to use the name "*Kensington,*" or any derivations thereof or other trade names, trademarks or service marks associated therewith as shown on **Schedule 1(F)** at the Facility pursuant to a license agreement executed by the parties at Closing (the "**Name License**");

(G) Notwithstanding anything to the contrary set forth in this Agreement, Buyer shall not assume, pay, perform, satisfy or discharge any liability or obligation of Seller, Manager and/or or any of their respective affiliates existing or accruing on or prior to the Closing Date (as hereinafter defined) or arising out of any transactions entered into, or any state of facts existing or accruing or any incidents occurring, on or prior to the Closing Date, except for those monetary obligations for which, and only to the extent that Buyer expressly and specifically assumes in writing and for which Buyer receives a credit at Closing pursuant to the express provisions of this Agreement (collectively, the "**Excluded Liabilities**"). The term "***Excluded Liabilities***" shall include, without limitation, the following:

(1) any liabilities or obligations of Seller, Manager and/or any of their respective affiliates relating to employee benefits or compensation arrangements of any nature, including, but not limited to compensation, severance, accrued paid time off, sick time, personal days, any amounts accrued under any employee benefit or welfare plan relating to the period prior to the Closing Date, except to the extent a credit has been provided for in the prorations provisions below;

(2) any liabilities or obligations of Seller and Manager and their respective affiliates under the Current Management Agreement or other agreements between or among them;

(3) any liability or obligation of Seller, Manager or any other current occupant or operator for breach of contract, any wrongful or willful acts, bodily injury (including death), malpractice, workers compensation, personal injury, advertising injury or property damage (whether based on negligence, breach of warranty, strict liability or any other theory);

(4) any liability or obligation of Seller, Manager and/or any of their respective affiliates for money borrowed;

(5) any amounts due, claimed or becoming due to the payor under any federal healthcare program, or any other health care plan or reimbursement or payment intermediary (including so-called "HMO" and "PPO" programs) (collectively, "**Third-Party Payor Programs**"), including, but not limited to, any statutory or regulatory claims, fines or civil monetary claims, recapture, adjustment, overpayment, recoupment, penalty assessment or any other financial obligation or charge whatsoever with respect to any period, including but not limited to those arising from any adjustments (whether retroactive or otherwise) or reductions in reimbursement rates under any Third-Party Payor Programs, or claims of any state or federal agencies or governmental authorities, whether civil or criminal, fraud-based or otherwise, all of which Seller shall pay at or prior to Closing, or after Closing if the assessment thereof first occurs following Closing, which covenant shall survive Closing;

(6) the Survey Fines costs related to the Correction Plans, each as defined below;

(7) the WARN Act Liabilities;

(8) the payment of all taxes and assessments of any kind and nature due and payable or accrued but not yet paid arising from Seller's ownership and/or the operation of the Property prior to the Closing Date, including amounts due under any "bulk sale" law or similar law in the State where the Property is located;

(9) any Environmental Liabilities. For purposes of this Agreement, "**Environmental Liabilities**" shall mean: any and all losses, damages, claims, causes of action, judgments, costs and expenses (including, without limitation, reasonable fees and expenses of attorneys) and other liabilities arising in connection with or in any way relating to the Property, or the use, operation or ownership of the Property, whether vested or unvested, contingent or fixed, actual or potential, that (i) arise under or relate to Environmental Laws (as hereinafter defined) or Hazardous Materials (as hereinafter defined) and (ii) arise from or relate in any way to actions occurring or conditions existing prior to the Closing Date, including those relating to the condition of the Kensington Park Facility elevator; provided, however, (a) the Excluded Liabilities shall not include any Environmental Liabilities that Buyer is strictly liable for under applicable laws, and (b) Seller shall not have a duty or obligation to indemnify Buyer for Environmental Liabilities;

(10) any actual, pending, or threatened litigation with respect to the Property which relates to events that occurred prior to the Closing;

(11) any and all obligations and liabilities of Seller accruing or arising under the Ground Lease prior to Closing;

(12) any and all other liabilities and obligations of every kind of Seller, Manager and/or any of their respective affiliates incurred in connection with, or arising by reason of, their ownership or operation, as applicable, of the Property prior to the Closing.

2. Purchase Price.

(A) The purchase price for the Property shall be One Hundred Twenty-Six Million Dollars ($126,000,000.00) (the "**Purchase Price**"), subject to the prorations and adjustments provided for in this Agreement.

(B) The Purchase Price shall be allocated to the Property in accordance with the allocations set forth on **Schedule 2(B)** hereto (such allocation the "**Purchase Price Allocation**"). The Purchase Price Allocation shall control and be binding for purposes of determining any real estate transfer taxes, personal property taxes or other similar taxes levied in connection with the transfer of the Property only (including, without limitation, any applicable documentary stamp tax and surtax on the deed). Notwithstanding anything herein to the contrary, Seller and Buyer will each file federal, state and local income tax returns based on each party's own separate determination, each bearing its own consequences of any discrepancies. This subsection shall survive the Closing without limitation, provided that each Party's income tax and other non-property tax matters are not governed by the Purchase Price Allocation.

3. Payment of Purchase Price. The Purchase Price shall be paid to Seller by Buyer as follows:

(A) Deposit.

(1) Deposit. Within three (3) Business Days following the Effective Date, Buyer shall deliver to the Dallas office of Chicago Title Insurance Company, having an address of 2699 Howell Street, Suite 200, Dallas, Texas 75204, Attn: Shannon Bright, Email: brights@ctt.com (the "**Title Company**" and/or the "**Escrow Agent**") (pursuant to wiring instructions provided to Buyer) a wire transfer of immediately available funds, in the amount equal to One Million Two Hundred Sixty Thousand Dollars ($1,260,000.00) as a deposit (the "**Deposit**"). Failure of Buyer to timely deposit the Deposit with Escrow Agent as provided in this Section 3(A)(1) shall be deemed to be a disapproval of this Agreement by Buyer, in which case this Agreement shall automatically terminate, it being expressly agreed by Seller and Buyer that time is of the essence with respect to Buyer's obligation to deliver the Deposit.

(2) Refundability If Buyer has not delivered the Termination Notice as provided (and defined) in Section 5(B) below prior to the expiration of the Due Diligence Period, then the Deposit shall be non-refundable to Buyer except as otherwise specifically provided in this Agreement where the Deposit is expressly refundable to Buyer.

(3) Independent Consideration. The sum of One Hundred and No/100 Dollars ($100.00) (the "**Independent Consideration**") out of the Deposit is independent of any other consideration provided hereunder, shall be fully earned by Seller upon the Effective Date, and is not refundable to Buyer under any circumstances. Accordingly, if this Agreement is terminated for any reason by either party, the Independent Consideration shall be paid by the Title Company to Seller.

(B) Closing Payment; Closing Date. The balance of the Purchase Price, less the Deposit, and as adjusted by the adjustments, prorations, credits and allocations of income and expenses provided for in this Agreement, shall be delivered by Buyer to Title Company in immediately available funds on or prior to the Closing Date. Such balance of the Purchase Price, as so adjusted, is herein called the "**Closing Payment**." As used herein the "**Closing Date**" shall mean either (i) if the Lender Consent is obtained prior to the Lender Consent Deadline, the fifth (5^{th}) business day after the date on which the Lender Consent is obtained and the Loan Assumption Agreement (subject to receipt from Lender of the Lan Assumption Agreement all documents from Lender related thereto), or (ii) if the Lender Consent is not obtained as of the Lender Consent Deadline, such later date established by the provisions of **Section 3(E)(11)** hereof; provided the following shall apply:

(1) the Closing Date shall occur no earlier than September 1, 2026;

(2) the Deposit is and shall be applicable to the Purchase Price and Buyer shall receive at Closing a credit for same reflecting the application of the Deposit to the aggregate Purchase Price;

(3) if the Closing Date as calculated above is a Monday or a Business Day following a non-Business Day, the Closing Date shall be delayed by one (1) Business Day to the next Business Day;

(4) the parties may agree (but shall have no obligation to agree) to extend the Closing Date to occur on or effective as of the first day of a calendar month.

(C) Other Purchase Agreements.

(1) Notwithstanding anything to the contrary provided in this Agreement, Buyer, Seller and Manager acknowledge and agree that:

(i) Buyer, Manager, White Plains Kensington Borrower, LLC, White Plains Kensington, LLC, Kensington SM GP LLC, FSDW Redwood City LLC, The Kensington of Falls Church, LLC, Kensington Redondo Owner LLC and Kensington Reston Owner, LLC (each an affiliate of

Seller and collectively referred to herein as the "**Kensington Portfolio Sellers**"), are parties to that certain Purchase Agreement dated of even date herewith, with respect to certain facilities commonly known as Kensington White Plains, The Kensington Sierra Madre, The Kensington Redwood City, The Kensington Falls Church, The Kensington Redondo Beach and The Kensington Reston, as more particularly set forth therein ("**Kensington Portfolio Purchase Agreement**");

(ii) Buyer, Manager and Regency Kensington Bethesda Owner, LLC, an affiliate of Seller ("**Bethesda Seller**"), are parties to that certain Purchase Agreement dated of even date herewith, with respect to a certain facility commonly known as The Kensington Bethesda, as more particularly set forth therein ("**Bethesda Purchase Agreement**");

(iii) Any default and/or breach beyond any applicable notice and cure period by any Kensington Portfolio Sellers, Bethesda Seller and/or Manager under the Kensington Portfolio Purchase Agreement and/or the Bethesda Purchase Agreement ("**Seller/Manager Other Purchase Agreement Default**") shall automatically be deemed a default and/or breach by Seller and/or Manager (as applicable) hereunder;

(iv) Any default and/or breach beyond any applicable notice and cure period by Buyer or its permitted assignee under the Kensington Portfolio Purchase Agreement and/or the Bethesda Purchase Agreement ("**Buyer Other Purchase Agreement Default**") shall automatically be deemed a default and/or breach by Buyer hereunder;

(v) In addition to any conditions expressly provided in other provisions of this Agreement, Seller's obligations to proceed to Closing and to consummate the sale of the Property are conditioned on (1) the consummation of the closings under the Kensington Portfolio Purchase Agreement (with the termination of the Kensington Portfolio Purchase Agreement prior to the closings thereunder being referred to herein as the "**Kensington Portfolio Termination**"), and (2) the Bethesda Purchase Agreement remaining in full force and effect until the consummation of the closing thereunder (with the termination prior to the closing thereunder being referred to herein as the "**Bethesda Termination**"), which condition(s) may be waived in writing by Seller, and which conditions are without limitation of Seller's remedies for a default by Buyer as set forth in Section 3(D), including, without limitation, a Buyer Other Purchase Agreement Default. If the Kensington Portfolio Termination and/or the Bethesda Termination occurs prior to the Closing under this Agreement, or if the closings under the Kensington Portfolio Purchase Agreement are not otherwise consummated prior to the Closing under this Agreement, then Seller may elect to terminate this Agreement by written notice to Buyer within the earlier to occur of (A) ten (10) days following the date of the Kensington Portfolio Termination and/or the Bethesda Termination, as applicable, and (B) the Closing Date under this Agreement, in which case this Agreement shall terminate, and the Deposit (excluding the Independent Consideration) shall be returned to Buyer unless the failure of this condition precedent is due to a Buyer Other Purchase Agreement Default giving Seller the right under this Agreement to recover the Deposit as provided for in Section 3(D), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination. Notwithstanding anything to the contrary provided in this Section, if either or both of the Kensington Portfolio Termination (with respect to one or more of the facilities being sold thereunder) and/or the Bethesda Termination occurs, or the closings under the Kensington Portfolio Purchase Agreement (with respect to one or more of the facilities being sold thereunder) are not consummated prior to the Closing under this Agreement (i) due to a Seller/Manager Other Purchase Agreement Default, or (ii) due to a Casualty/Condemnation Event as defined in the Kensington Portfolio Purchase Agreement and the Bethesda Purchase Agreement, as applicable, then this condition precedent of Seller with respect to same, as applicable, shall be automatically waived by Seller and be deemed satisfied for all purposes under this Agreement; and

(vi) In addition to any conditions expressly provided in other provisions of this Agreement, Buyer's obligations to proceed to Closing and to consummate the sale of the Property are conditioned on (1) the consummation of the closings under the Kensington Portfolio Purchase Agreement, and (2) the Bethesda Purchase Agreement remaining in full force and effect until the consummation of the closing thereunder, which condition(s) may be waived in writing by Buyer, and which conditions are without limitation of Buyer's remedies for a default by Seller and/or Manager as set forth in Section 3(D), including, without limitation, a Seller/Manager Other Purchase Agreement Default. If the Kensington Portfolio Termination and/or the Bethesda Termination occurs prior to the Closing under this Agreement, or if the closings under the Kensington Portfolio Purchase Agreement are not otherwise consummated prior to the Closing under this Agreement, then Buyer may elect to terminate this Agreement by written notice to Seller within the earlier to occur of (A) ten (10) days following the date of the Kensington Portfolio Termination and/or the Bethesda Termination, as applicable, and (B) the Closing Date under this Agreement, in which case this Agreement shall terminate, and the Deposit (excluding the Independent Consideration) shall be returned to Buyer unless the failure of this condition precedent is due to a Buyer Other Purchase Agreement Default giving Seller the right under this Agreement to recover the Deposit as provided for in Section 3(D), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination. Notwithstanding anything to the contrary provided in this Section, if either or both of the Kensington Portfolio Termination (with respect to one or more of the facilities being sold thereunder) and/or the Bethesda Termination occurs, or the closings under the Kensington Portfolio Purchase Agreement (with respect to one or more of the facilities being sold thereunder) are not consummated prior to the Closing under this Agreement (i) due to a Buyer Other Purchase Agreement Default, or (ii) due to a Casualty/Condemnation Event as defined in the Kensington Portfolio Purchase Agreement and the Bethesda Purchase Agreement, as applicable, then this condition precedent of Buyer with respect to same, as applicable, shall be automatically waived by Buyer and be deemed satisfied for all purposes under this Agreement.

(D) Remedies; Damages.

(1) Buyer, Seller and Manager recognize that the Property will be removed from the market during the term of this Agreement and that, if Buyer defaults in its obligations under this Agreement and such default is not cured by Buyer within ten (10) Business Days after written notice from Seller to Buyer, and such default is the sole reason Closing does not occur, then Seller should be compensated for such detriment; provided, however, that such notice and cure period shall not be applicable with respect to any Buyer Other Purchase Agreement Default, and any Buyer Other Purchase Agreement Default shall immediately be deemed a default by Buyer under this Agreement. It is extremely difficult and impractical to ascertain the extent of the detriment and, to avoid this problem, the parties agree that if this transaction is not consummated due solely to Buyer's default hereunder (and such default is not cured within the ten (10) Business Day cure period described above, as applicable), Seller shall be entitled to recover from Buyer as liquidated damages the amount of the Deposit, which shall be disbursed by the Escrow Agent (if applicable) (or retained by Seller) to Seller as Seller's and Manager's sole and exclusive remedy hereunder, at law or in equity, and Seller and Manager hereby irrevocably and unconditionally waive all other rights and remedies they have or may have against Buyer. This amount has been agreed upon, after negotiation, as the parties' best estimate of Seller's and Manager's damages for Buyer's default of its obligation to proceed to Closing when required to do so under this Agreement. The parties agree that the sum stated above as liquidated damages shall be in lieu of any other damages to which Seller and/or Manager might otherwise be entitled by virtue of this Agreement or by operation of law (and Seller and Manager shall not be entitled to any recovery under Section 13(d)). Upon payment, release or retention of such amount, Buyer shall be released from any other liability to Seller hereunder, except as to those obligations, agreements and indemnities that expressly survive the termination of this Agreement. **THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF APPLICABLE LAW BUT IS**

INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. Except as expressly provided otherwise in this Agreement (including in this Section 3(d)(1) and in Sections 9(c)(4) and 9(c)(5)), no limitation on damages that are recoverable under this Agreement shall limit, impair or affect a party's recovery of attorneys' fees under Section 13(d) or recovery with respect to any surviving obligations, agreements and indemnities.

(2) If, at or prior to the Closing, Seller and/or Manager fail to perform any of their covenants or obligations in any material respect, or if a Seller/Manager Other Purchase Agreement Default occurs, or if any of Seller's and/or Manager's representations or warranties hereunder were untrue in any material respect when made as of the Effective Date or, subject to Section 11(b)(4), as of the Closing Date, in each case after notice from Buyer specifying such breach and Seller's or Manager's failure to cure the same within a period of ten (10) Business Days from and after receipt of such notice (provided, however, Seller and Manager shall be in default if one or more of them breach their obligation to complete closing hereunder on the Closing Date and such failure continues for three (3) business days after notice thereof from Buyer to Seller), then Buyer may elect either to: (a) bring an action for specific performance of this Agreement (but specifically excluding damages; provided, however, that Buyer shall be entitled to recovery of attorneys' fees and expenses under Section 13(d) in connection with any action for specific performance); or (b) terminate this Agreement by written notice to Seller and Title Company, and upon such termination: (1) Seller (and/or Escrow Agent, if Escrow Agent continues to hold any of the Deposit) shall within two (2) Business Days after delivery of such notice of termination) pay the Deposit to and as directed by Buyer, and (2) Seller shall immediately (and in any event, within three (3) Business Days after delivery of such notice of termination and evidence of payment of Buyer's Pursuit Costs) pay to Buyer the Buyer's actual third-party out-of-pocket fees, costs and expenses incurred by Buyer in pursuit of the transactions contemplated by this Agreement, up to a maximum of One Hundred Fifty Thousand Dollars ($150,000.00) ("**Buyer's Pursuit Costs**"); provided, however, that no notice and cure period shall apply to any Seller/Manager Other Purchase Agreement Default, and any Seller/Manager Other Purchase Agreement Default shall immediately be deemed a default by Seller and Manager under this Agreement.

(3) If the Closing occurs in accordance with the terms of this Agreement, the Deposit shall be applied as a credit toward the Purchase Price.

This Section 3(d) shall survive the termination of this Agreement and, except as expressly provided otherwise in this Agreement (including the limitations set forth in Section 3(d)(1)), nothing contained in this Section 3(d) is intended to limit the rights and obligations of the parties under Sections 13(a), 13(d) or 13(e).

(E) Loan Assumption.

(1) The Property is currently encumbered by the deed of trust and other security instruments set forth in **Schedule 3(E)** attached hereto (collectively, the "**Existing Deed of Trust**"), made by Seller in favor of the lender set forth in **Schedule 3(E)** attached hereto (together with its successors and assigns and any servicer acting on its behalf, "**Lender**"), securing the loan set forth in **Schedule 3(E)** in the original principal amount of $56,460,000.00 (the "**Existing Loan**"), which Existing Loan is evidenced by, among other things, the loan agreement set forth on **Schedule 3(E)** (the "**Existing Loan Agreement**"). The Existing Loan Agreement, the Existing Deed of Trust and all other documents (including any guaranties and indemnities) evidencing or otherwise executed or delivered in connection with the Existing Loan are collectively referred to herein as the "**Existing Loan Documents**".

(2) In connection with the consummation of the transactions contemplated by this Agreement, Buyer has agreed to (i) acquire the Property subject to the Existing Loan Documents, and (ii) assume all of the obligations of Seller, as the borrower, under the Existing Loan and the Existing Loan

Documents from and after the Closing Date (the "**Loan Assumption**"), and Buyer will receive a credit against the Purchase Price, at Closing, in an amount equal to the unpaid balance as of the Closing Date of the Existing Loan, plus any accrued and unpaid interest.

(3) The obligations of Seller to assign the Existing Loan, and the obligations of Buyer to assume the Existing Loan, are expressly subject to and contingent upon (x) Lender delivering its written consent to the transfer of the Property to, and the assumption of the Existing Loan Documents by, Buyer, and (y) Lender releasing Seller and all of the existing guarantors and/or indemnitors under the Existing Loan (including those set forth in **Schedule 3(E)**) from all liability under the Existing Loan Documents that accrues after the Closing, except to the extent such liability is expressly stated in the Existing Loan Documents or otherwise to survive an assignment of the Existing Loan by Seller. The items described in the foregoing clauses (x) and (y) are hereinafter collectively referred to as the "**Lender Consent**". Seller and Buyer acknowledge that the Lender may grant or deny the Lender Consent in its sole discretion.

(4) Seller and Buyer shall cooperate in good faith and shall use commercially reasonable efforts to obtain the Lender Consent pursuant to documents reasonably acceptable to Buyer and Seller, and at least one (1) Business Day prior to the Closing Date, Seller, Buyer and Lender shall execute and deliver to Escrow Agent a written agreement setting forth the terms of the Loan Assumption and such other documents required by the Lender (the "**Loan Assumption Agreement**"). The Loan Assumption Agreement shall confirm the principal balance of the Existing Loan and any escrows. At the Closing, Seller shall assign to Buyer (if and to the extent assignable) and receive a credit for the then current balances held in escrow by or on behalf of Lender, which may include escrows for taxes, insurance, replacement reserves, operating deficits and/or working capital reserves in connection with the Existing Loan.

(5) Within five (5) Business Days after the Effective Date, Seller shall request and diligently pursue from Lender a loan assumption application for the transfer and assumption of the Existing Loan in the form required by the Existing Lender or its servicer (the "**Loan Assumption Application**"). Promptly upon receipt of the Loan Assumption Application, Seller shall deliver the Loan Assumption Application to Buyer. Promptly after Buyer's receipt of the Loan Assumption Application, Buyer shall deliver a completed Loan Assumption Application to Lender or its servicer, together with all other information and underlying documentation reasonably required by Lender pursuant to such Loan Assumption Application including financial statements of Buyer, its principals and any "Substitute Liable Parties" (defined below), but excluding any third party reports required by Lender that have not been received by Buyer as of such date, which reports shall be promptly submitted to Lender upon Buyer's receipt thereof. Promptly following submission of the Loan Assumption Application to Lender, Buyer shall provide confirmation to Seller that the Loan Assumption Application and application fee due to Lender in connection with the Loan Assumption have been paid.

(6) As a condition precedent to Buyer's obligation to complete Closing. Seller shall deliver written notice to Buyer that it has agreed with Lender upon a form of Seller Release (as hereinafter defined) relating to its obligations and liabilities under the Existing Loan Documents along with final forms of any other documents it intends to execute at Closing in order to effectuate the Loan Assumption.

(7) As used in this Agreement, the term (a) "**Lock-Out Expiration Date**" shall mean February 21, 2027, and refers to the expiration date of the so-called lock-out period under the Existing Loan whereby Seller is no longer prohibited from pre-paying the Existing Loan and (b) "**Lender Consent Deadline**" shall mean December 1, 2026. Prior to the Closing Date, Seller shall (a) reasonably cooperate with Buyer in good faith, at no material cost to Buyer, and (b) promptly provide any information and/or documentation regarding the Loan Assumption that Lender under the terms of the Existing Loan

Documents may reasonably request. Without limitation to the foregoing, and at Seller's sole cost and expense: (a) Buyer and Seller shall use commercially reasonable efforts to satisfy any rating agency requirements, including receipt of confirmation from the applicable rating agencies (to the extent required by Lender) that the assumption of the Existing Loan by Buyer will not result in an adverse change in the rating of any securities issued in connection with the Existing Loan; (b) Buyer may be required to (and shall, if required) provide (at Seller's cost and expense) a non-consolidation opinion and satisfy commercially reasonable special purpose entity and non-consolidation requirements; (c) Buyer and Seller shall use commercially reasonable efforts to satisfy any Lender requirements which are usual and customary, and shall satisfy all conditions thereto; (d) Buyer's designee, its principals and its affiliates as Lender may request and as may be approved by Buyer (the "**Substitute Liable Parties**") shall execute and deliver such documents as Lender may reasonably request including certificates, assumption agreements and agreements similar to each existing guaranty or environmental indemnity described in **Schedule 3(E)**; and (e) Buyer shall not itself require any material modifications to the Existing Loan Documents other than those modifications to the Existing Loan Documents customarily received in connection with Freddie Mac loans.

(8) Buyer shall notify Seller no later than the Lender Consent Deadline, either (i) that the Lender Consent has been obtained (and shall provide Seller with a copy of such Lender Consent), or (ii) that the Lender Consent has not been obtained. Prior to the Lender Consent Deadline, Buyer and Seller shall each, at Seller's cost and expense, diligently pursue the Lender Consent under terms that: (i) are consistent with the existing terms of the Existing Loan Documents other than those modifications to the Existing Loan Documents customarily received in connection with other Freddie Mac loans; (ii) do not impose on Buyer any material obligations or liabilities in excess of those under the Existing Loan Documents; and (iii) do not impose on Buyer any material adverse change in the terms of the Existing Loan.

(9) Prior to the Lender Consent Deadline, the parties shall use commercially reasonable efforts to obtain a form of release from Lender that will cause Seller and any named affiliate that is an obligor with respect to the Existing Loan Documents to be released from all obligations and liabilities under the Existing Loan Documents first arising after the Closing Date (the "**Seller Release**"); provided that Seller shall accept the form of release that customarily obtained in Freddie Mac loan assumptions. Receipt of the Seller Release at or prior to the Closing shall be a condition precedent to Seller's obligation to assign to Buyer the Existing Loan.

(10) Seller shall be responsible for and promptly pay any and all fees, costs, and reimbursements (including Lender's or its servicer's attorneys' fees, title insurance premiums, documentation costs and fees associated with Lender's underwriting of Buyer) and expenses and charges required in connection with the Loan Assumption and which are paid or payable to Lender or any rating agencies in connection with the assumption or the negotiation or entering into of the Loan Assumption documents, including the nonrefundable loan assumption/transfer application fee, regardless of whether this Agreement is terminated or the Loan Assumption is consummated. Seller shall be responsible for all of Seller's (but not Buyer's) attorneys' fees related to the Loan Assumption. Notwithstanding the foregoing, neither Seller nor Buyer shall be required to pay down any outstanding amount of the Existing Loan as a condition to the consummation of the Loan Assumption. If Buyer pays or incurs any of the foregoing sums, at Closing Buyer shall receive a credit against the Purchase Price equal to same.

(11) Notwithstanding the foregoing, if the Lender Consent is not received on or before the Lender Consent Deadline, then (i) the parties will proceed hereunder without Seller assigning, and without Buyer assuming, the Existing Loan, and (ii) the Closing hereunder shall be extended to the date that is five (5) Business Days following the Lock-Out Expiration Date; provided that, if the Closing Date as calculated above is a Monday or a Business Day following a non-Business Day, the Closing Date shall be delayed by one (1) Business Day to the next Business Day.

(12) Seller acknowledges and agrees that Buyer's willingness to assume the Existing Loan is an accommodation to Seller given that Seller is prohibited from pre-paying the Existing Loan prior to February 21, 2027. Were that not the case, Buyer would not assume the Existing Loan, and the Existing Loan would be repaid at Closing at Seller's sole cost and expense, including the payment of any defeasance and costs and expenses related thereto (collectively, the "**Defeasance Costs**"). Accordingly, if Closing occurs prior to the Lock-Out Expiration Date, then an amount equal to one hundred ten percent (110%) of the Defeasance Costs (the "**Defeasance Escrow Sum**") shall be deducted from the Closing proceeds otherwise payable to Seller and held in escrow by Title Company pursuant to an escrow agreement between Seller, Buyer and Title Company. That escrow agreement will provide that, upon Buyer's prepayment of the Existing Loan after Closing, the Defeasance Escrow Sum shall be used to pay the Defeasance Costs. Any portion of the Defeasance Escrow Sum not needed to pay Defeasance Costs shall be released to Seller after Buyer's payoff of the Existing Loan. If the Defeasance Escrow Sum is insufficient to pay the Defeasance Costs, Seller shall be responsible for and shall pay within two (2) Business Days after receipt of written demands the entirety of such shortfall.

(13) The terms of this Section 3(E) shall survive Closing.

4. Title.

(A) Title Report; Pro Forma. Prior to the Effective Date, Seller furnished to Buyer (i) a copy of Seller's existing lessee's title insurance policy for the Land and Improvements of the Facility and (ii) a copy of Seller's existing survey of the Land. Prior to the Effective Date, Buyer ordered a current title insurance commitment to be issued by Title Company covering the Land and Improvements; together with copies of the documents evidencing the exceptions to title stated therein (collectively, the "**Title Report**"); and Buyer ordered an update to the existing survey of the Land and Improvements provided by Seller or a new survey of the Land and Improvements (the "**Survey**").

(B) Title Review. Buyer shall satisfy itself prior to expiration of the Due Diligence Period as to the condition of title and survey to the Property, subject to the terms of Section 4(D) regarding New Matters (as defined below). Unless Buyer gives written notice ("**Title Disapproval Notice**") that it disapproves any exceptions to title shown in the Title Report, on the Survey, in the zoning report obtained by Buyer or otherwise discovered by Buyer during the conduct of its due diligence, stating the exceptions or matters so disapproved (each, a "**Disapproved Title Matter**") not later than the expiration of the Due Diligence Period ("**Objection Deadline**"), then, subject to Section 4(D) below regarding New Matters, Buyer shall be conclusively deemed to have approved the Survey and the Title Report except with respect to any Required Removal Item (as defined herein).

(1) Upon receipt by Seller of a Title Disapproval Notice given on or before the Objection Deadline, Seller shall have five (5) Business Days from receipt of such Title Disapproval Notice to notify Buyer in writing (a "**Seller Response Notice**") as to each Disapproved Title Matter either that: (i) Seller elects not to cause such Disapproved Title Matter to be removed as of the Closing Date (or otherwise take any action with respect thereto), or (ii) Seller intends to either: (a) cause such Disapproved Title Matter to be removed or released as of the Closing Date; or (b) cause the Title Company to insure or endorse over such Disapproved Title Matter on terms and conditions acceptable to Buyer in its reasonable discretion in writing prior to the expiration of the Due Diligence Period. If Seller delivers a Seller Response Notice to Buyer within such five (5) Business Day period stating that Seller will not remove, release or otherwise correct any such Disapproved Title Matter or if Seller fails to deliver a Seller Response Notice to Buyer within such five (5) Business Day period (which shall be deemed an election by Seller not to take any action with respect to any such Disapproved Title Matter), then Buyer may elect in writing within three (3) Business Days after the expiration of said five (5) Business Day period either to waive Buyer's objection to any such Disapproved Title Matter for which Seller will take no action to cure or to terminate this

Agreement; provided that Buyer's failure to deliver a Termination Notice as provided in Section 5(B) below shall be deemed a waiver of Buyer's objection to any such Disapproved Title Matter for which Seller has indicated that it would take no action to remove. If Buyer shall fail to make such election in the immediately preceding sentence, then Buyer shall be deemed to have elected to terminate this Agreement. In the event Buyer shall elect in writing prior to the expiration of the Due Diligence Period to terminate this Agreement, or is deemed to have elected to terminate this Agreement pursuant to this Section 4(B), then the portion of the Deposit held by Escrow Agent (less than and excluding the Independent Consideration) shall be promptly delivered by the Title Company to Buyer, and the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement).

(2) If Seller has provided a Seller Response Notice to Buyer stating that Seller has unconditionally elected to remove or cure any Disapproved Title Matter(s) pursuant to clause (ii) of this Section (as opposed to an agreement by Seller to use commercially reasonable efforts to remove or cure), and any such Disapproved Title Matter that is not a Required Removal Item is not so removed, released, insured or endorsed over in accordance with this Section 4(B) as of the Closing Date, then Buyer shall have the right either to (A) terminate this Agreement, in which event Escrow Agent shall immediately pay to Buyer the portion of the Deposit it holds (minus the Independent Consideration), Seller shall immediately (and in any event within two (2) Business Days after such termination) pay the Deposit (if previously paid to Seller) to Buyer, and Seller shall pay Buyer for Buyer's Pursuit Costs, and thereafter the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement), or (B) waive the foregoing right of termination on account of any such Disapproved Title Matter and proceed to close the transaction contemplated by this Agreement, without any reduction or abatement of the Purchase Price. If Buyer fails to make such election, then Buyer shall be deemed to have made the election set forth in the immediately preceding subclause (B) above. Subject to Section 4(C) below, all non-standard exceptions in the Title Report and matters on the Survey other than (i) matters addressed by the Seller's Title Affidavit and (ii) the Required Removal Items that are approved or deemed approved by Buyer pursuant to this Section 4(B) shall become Permitted Exceptions (as hereinafter defined).

(C) Required Removal Items; Permitted Exceptions. At Closing, Seller shall convey to Buyer Seller's rights and interest to and under the Ground Lease and Improvements subject only to the following: (1) those Disapproved Title Matters (other than Required Removal Items) that are expressly approved or are deemed approved pursuant to Section 4(B); (2) those New Matters (as defined below and expressly excluding Required Removal Items) that are expressly approved or deemed approved pursuant to Section 4(D) below; (3) real estate taxes and assessments that are not yet due and payable; (4) the Ground Lease (excluding the obligations of Seller arising thereunder prior to Closing, as separately addressed in this Agreement); (5) if the Loan Assumption is consummated at Closing, the Existing Deed of Trust (excluding the obligations of Seller arising thereunder prior to Closing, as separately addressed in this Agreement), and (6) the printed standard exceptions which appear in the jacket of the extended coverage form Title Policy (defined below) of title insurance issued by Title Company (the foregoing being collectively referred to as the "**Permitted Exceptions**"). On or prior to Closing, Seller shall be unconditionally obligated to cure or remove the following (collectively, the "**Required Removal Items**"), whether described in the Title Report, or first arising or first disclosed by the Title Company (or otherwise) to Buyer after the date of the Title Report, and regardless of whether raised in the Title Disapproval Notice or any "**New Matter Notice**" (defined below); provided that Seller shall not effect any cure by insuring or bonding over any Required Removal Items without Buyer's prior written consent in Buyer's reasonable discretion: (a) mortgages, deeds of trust, financing instruments or liens (except for the Existing Deed of Trust if the Loan Assumption is consummated at Closing); (b) all judgment liens against Seller, Manager or their agents or affiliates; (c) all tax liens (other than liens for non-delinquent real estate taxes); (d) mechanics liens for improvements to the Property; (f) all ground leases other than the Ground Lease;

(g) matters created by the acts or omissions of Seller or agents or affiliates after the date of the Title Report or Survey in violation of the terms of this Agreement; and (h) the UCC-1s listed on Schedule 4(C) attached hereto. Anything to the contrary in this Agreement notwithstanding, Buyer hereby objects to all Required Removal Items and all Required Removal Items are Disapproved Title Matters and deemed automatically objected to such that Buyer need not raise any Required Removal Items in any Title Disapproval Notice.

(D) New Matters. If an exception to a title or survey matter affecting the Property ("**New Matter**") is first disclosed in writing to Buyer or arises after the Effective Date, including through an update to the Title Report, Pro Forma or Survey, which was not reflected in the Title Report or Pro Forma or shown on the Survey (and any updates to any of the foregoing received by Buyer prior to the Effective Date), and such New Matter is not a Required Removal Item (which shall be unconditionally obligated to remove on or prior to Closing and Buyer shall be deemed to have automatically objected to without any further notice or action by Buyer), then Buyer shall have five (5) Business Days from receipt of such update to deliver to Seller Buyer's written objection to such New Matter (and the Closing Date shall be extended to accommodate such notice period) (each a "**New Matter Notice**"). Notwithstanding the foregoing, any New Matter that is the result of the activities of Buyer shall be deemed approved by Buyer, and Buyer shall have no right to object to such New Matter. So long as such New Matter is not a Required Removal Item, Seller may elect, within three (3) Business Days from the date of receipt of Buyer's objection with respect to the New Matter, to notify Buyer in writing that Seller will use commercially reasonable efforts to remove or release, or cause the Title Company to insure or endorse over such New Matter on terms and conditions reasonably acceptable to Buyer in writing, and the Closing Date shall be extended by up to five (5) Business Days to allow Seller to attempt to so remove, release, insure or endorse over such New Matter. In the event that, within such five (5)-day period, Seller (i) does not elect in writing to remove or release or cause the Title Company to bond, insure or endorse over such New Matter, or (ii) elects in writing to remove or release such New Matter (or cause the Title Company to insure or endorse over such New Matter on terms and conditions reasonably acceptable to Buyer) as of the Closing Date (as extended hereby) but fails to so remove or release or cause the Title Company to bond, insure or endorse over such New Matter as of the Closing Date (and such New Matter is not a Required Removal Item), then Buyer, as its sole and exclusive remedy hereunder for such failure, shall elect in writing within two (2) Business Days after such five (5)-day period as to subclause (i), or on or prior to Closing as to subclause (ii), either (a) to terminate this Agreement by written notice to Seller, in which case the entire Deposit (excluding the Independent Consideration) shall be returned to Buyer, and this Agreement shall be of no further force or effect and the parties hereto shall have no further obligations to the other (except for those obligations and liabilities that expressly survive termination of this Agreement), or (b) to waive the foregoing right of termination on account of such New Matter and to close the transaction contemplated by this Agreement, without any reduction or abatement of the Purchase Price. If Buyer fails to make such election within the applicable time periods set forth in this Section 4(D), then Buyer shall be deemed to have made the election set forth in subclause (b) above.

(E) Conveyance of Title. Seller shall convey title to its leasehold interest in the Land and the entirety of its interests in the Improvements thereon pursuant to the Kensington Ground Lease Closing Documents, or in such form as otherwise reasonably required by Title Company and approved by Buyer, such approval not to be unreasonably withheld, conditioned or delayed, which will convey the Seller's leasehold interest in the Land and Seller's entire interests in the Improvements thereon to Buyer (or its permitted assignee hereunder) free and clear of all liens, claims and encumbrances, subject only to the Permitted Exceptions.

(F) Endorsements to Title Policy. It is understood that Buyer may request a number of endorsements to or survey coverage for its Title Policy. Buyer shall satisfy itself that the Title Company will be willing to issue such endorsements or extended coverage in connection with the Title Policy at Closing, and, accordingly, in no event shall the issuance of such endorsements or survey coverage constitute

a condition to Buyer's obligations under this Agreement. In no event shall either Seller be obligated to provide any indemnity in order to issue the same other than (i) the title affidavit in the form of **Exhibit C**, or in such form as otherwise reasonably required by Title Company and approved by the parties, such approval not to be unreasonably withheld, conditioned or delayed, which Seller shall deliver to Escrow Agent as of the Closing Date (the "**Seller Title Affidavit**"), (ii) a customary gap indemnity in form customarily required by Title Company to issue an ALTA extended coverage Title Policy of title insurance required under this Section 4(F), and (iii) such other documents, agreement and instruments agreed to by Seller in or in connection with a Seller Response or as required with respect to a Required Removal Item.

5. Diligence.

(A) Materials and Access

(1) Materials. Prior to the Effective Date, Seller and Manager delivered to Buyer, by depositing same to an internet-based data room having a web address of [***] (the ("**Data Room**") copies of the documents referenced in that certain Access and Confidentiality Agreement dated June 16, 2026 (the "**Access Agreement**") as more particularly described in the Access Agreement (the "**Seller Due Diligence Materials**"). Seller and Manager shall furnish such additional financial and operating data and other information as Buyer and Buyer's Representatives shall from time-to-time reasonably request provided that such information is readily available to Seller and Manager at no material cost to Seller or Manager. Seller and Manager shall supplement or amend any information, written or otherwise, previously delivered or otherwise disclosed to Buyer with respect to any matter hereafter arising which, if existing, discovered or occurring at the Effective Date, would have been required to be set forth or disclosed. Seller and Manager also shall provide to Buyer any new materials, inspections, reports, or similar documents that are included in the list of Due Diligence Materials that were not previously so delivered. Notwithstanding the foregoing, Seller and Manager shall not be obligated to provide to Buyer the following: (a) documents covered by the attorney-client privilege, (b) loan documents, (c) proposals from, and correspondence with, other potential purchasers of the Property, so long as nothing material or deficient relative to normally accepted practices in the market for institutionally owned and operated buildings as it relates to operations, compliance, physical plant or life safety concerns was made known to the Seller, (d) the Current Management Agreement, or (e) any information Seller or Manager are prohibited by law from disclosing.

(2) Access to Property. Subject to the terms and provisions of this Agreement, Seller and Manager shall permit Buyer and its employees, authorized agents, consultants, contractors, and representatives (together with Buyer, collectively, the "**Buyer Representatives**") to enter upon the Property during normal business hours to perform any inspections, investigations, studies, and tests of the Property that Buyer deems reasonable or appropriate, including, but not limited to, ALTA land surveys, physical property condition inspections, geotechnical surveys, and so-called "Phase 1" environmental site assessments (generally, "**Inspections**"); provided, however, that Buyer shall not perform an Inspection that will require excavations, borings, drilling, removal or demolition of any portion of the Property, or any other invasive activities on the Property without the prior written consent of Seller, as applicable, which may be given or withheld in Seller's sole discretion. Buyer shall notify Manager of the intention of any Buyer Representative to enter the Property at least two (2) Business Days prior to such intended entry. Seller and Manager shall have the right to have their employees, agents, consultants, contractors, or other representatives (the "**Seller Representatives**") present at any Inspections; provided, however, that Buyer's only responsibility shall be to notify Manager at least two (2) Business Days prior to any Inspection taking place. Buyer shall, at its sole cost and expense, promptly restore any portion of the Property (and any personal property located thereon) damaged as a result of the Inspections to substantially the same condition existing immediately prior to any Inspection, but in no event later than ten (10) days after any disturbance or damage occurs; provided, however, in no event shall Buyer's obligation to restore

the Property include any remediation or restoration of any environmental contamination discovered or uncovered during the Inspections or any repair of damage caused by anyone other than any Buyer Representative. If Buyer fails to comply with the terms of this Section 5(A)(2), then Seller shall have the right to make any repairs and/or restoration required to be made by Buyer hereunder, and Buyer shall reimburse Seller for the actual, reasonable, third-party out-of-pocket cost of such repairs and/or restoration within ten (10) Business Days after receipt of invoice. Buyer shall (a) use commercially reasonable efforts to cause its investigation of the Property not to interfere with the operation of the Property, (b) maintain (i) comprehensive general liability (occurrence) insurance covering any accident arising in connection with the presence of any Buyer Representative on the Property with a single limit of liability of not less than $1 million per occurrence, $2 million aggregate, which liability insurance policy shall name Seller as an additional insured and (ii) worker's compensation as required by law, and Buyer shall provide Seller with a certificate of insurance evidencing the insurance required hereunder prior to commencing Buyer's physical inspections of the Property, and (c) not permit any liens to attach to the Property by reason of the exercise of Buyer's rights hereunder. Buyer hereby agrees to indemnify, defend, and hold Seller and its members, partners, officers, directors, successors and assigns harmless from and against any and all liens, claims, causes of action, damages, liabilities, demands, suits, obligations, losses, penalties, costs, and expenses (including reasonable attorneys' fees) (generally, "**Damages**") arising from any act of an Buyer Representative in connection with the Inspections; provided, however, that Buyer's indemnity hereunder shall not include any Damages resulting from (a) the negligence or intentional misconduct of any Seller Representative, Manager, or invitees of the Property, or (b) the mere discovery of any pre-existing adverse physical conditions at the Property, except to the extent any Buyer Representative's failure to exercise reasonable care exacerbates such pre-existing condition. Buyer's obligations under this Section 5(A)(2) shall survive the termination of this Agreement.

(B) Buyer's Approval. If Buyer determines in its sole and absolute discretion that it will not acquire the Property and Buyer notifies Seller and the Title Company in writing of its election to terminate this Agreement (the "**Termination Notice**") on or before 6:00 p.m. Eastern Time on July 31, 2026 (the "**Due Diligence Period**"), then this Agreement shall terminate, neither party shall have any further rights or obligations hereunder (except for any rights and obligations that expressly survive termination) and Escrow Agent shall promptly return the Deposit (less the Independent Consideration) to Buyer, without any requirement of consent by Seller. If Buyer does not deliver to Seller and the Title Company the Termination Notice pursuant to this Section 5(B) on or prior to the expiration of the Due Diligence Period, then this Agreement shall continue in full force and effect and the Deposit shall be non-refundable to Buyer other than as expressly provided in this Agreement, including without limitation following a termination of this Agreement after a Seller default. ***Notwithstanding any provision of this Agreement to the contrary, Buyer shall have the right to deliver the Termination Notice exclusively via email and the same shall be effective for all purposes under this Agreement, notwithstanding the other terms of this Agreement proscribing the delivery of notices***. Prior to the expiration of the Due Diligence Period, Escrow Agent shall not be permitted to, and shall not, follow any conflicting instructions given by Seller or any third-party as to the disposition of the Deposit but shall instead follow only the instructions of Buyer in connection therewith, and Seller agrees in such instance not to deliver any conflicting instructions to Escrow Agent for any reason and hereby instructs the Escrow Agent to act in respect of the Deposit solely in accordance with Buyer's instructions on or prior to the expiration of the Due Diligence Period, including instructions of Buyer to return the Deposit to Buyer.

(C) Contracts.

(1) On the Closing Date, Seller and Manager shall assign to Buyer all of Seller's and Manager's rights, title and interest in and to, and Buyer shall assume to the extent arising from and after the Closing Date, Seller's and Manager's obligations and liabilities under, any Contract that relates exclusively to the Property (i) for which the consent of any third-party is not required or (ii) for which the

consent of a third-party is required and has been obtained, all pursuant to the Assignment of Intangible Property (as defined below), with Seller and Manager (as applicable) being responsible for the payment of any fee or other charge imposed by any party to any such Contract in connection with such transfer, excluding those Contracts (if any) that Buyer identifies for termination in a written notice Buyer delivers to Seller and/or Manager prior to expiration of the Due Diligence Period (such Contracts, excluding those so designated for termination, collectively, the "**Assumed Contracts**"). Without limiting the foregoing, any Contracts that Buyer notifies Seller prior to expiration of the Due Diligence Period that it does not wish to assume shall not be assigned by Seller or Manager or assumed by Buyer and shall not constitute Assumed Contracts. Notwithstanding the foregoing, Seller shall not assign, and Buyer shall not assume, any rights, obligations or liabilities in, to or under any Affiliate Agreements (which are excluded from the definition of Contracts hereunder) or, unless otherwise specified by Buyer, any Contracts to which Property Manager (rather than Seller) is a party.

(2) Seller and Manager shall use their best efforts, at Seller's sole cost and expense, to obtain all third-party consents (if any) required to assign the Assumed Contracts to Buyer at Closing. If any Assumed Contract or any property or rights included therein is not assignable either by virtue of the provisions thereof or under applicable law without the consent of a third-party and such consent is not obtained prior to the Closing Date, despite Seller and Manager having exercised the efforts required by this Section, then Seller shall not assign and Buyer shall not assume the rights, obligations or liabilities of Seller under such Assumed Contract. Seller shall pay all fees, costs and expenses arising or accruing as a result of the termination of a Contract or the assignment of a Contract pursuant to the terms of this Section 5(C).

(3) Seller will not enter into any new Material Contracts nor make any material amendments to any existing Material Contracts prior to Closing without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

(4) This Section 5(C) shall survive the Closing.

6. Required Regulatory Approvals.

(A) Regulatory Approvals.

(1) After Buyer's receipt of all necessary information from Seller and Manager, Buyer shall (i) make all notices, filings and applications with any governmental authority or agency having jurisdiction over the Property or any other entity identified in **Schedule 6(A)** required to be made in order to consummate the transactions contemplated hereby (the "**Required Regulatory Notices**") and following receipt of the Required Regulatory Approvals (as defined below), operate the Property; and thereafter (ii) diligently pursue and use its commercially reasonable efforts to obtain any and all required approvals from any governmental authority or agency having jurisdiction over the Property or any other entity identified in **Schedule 6(A)** in in order for Buyer or its designated affiliate to consummate the transactions contemplated hereby and operate the Property following approval by the applicable governmental authority or agency (such approvals being, collectively, the "**Required Regulatory Approvals**"). In addition, to the extent any notices or other documentation are required to be filed by Seller or Manager in connection with Buyer's efforts to obtain the approvals contemplated by this Section 6, Seller and Manager shall cause such notices or other documentation required of Seller and Manager to be filed by the date set forth on **Schedule 6(A)** or as otherwise required and Seller and Manager shall take such actions and comply with such Required Regulatory Notices. Each party hereto will cooperate with the other party with respect to all notices, filings, applications and such other information or documentation that a party is required to make in connection with the Required Regulatory Approvals and the transactions contemplated hereby.

(2) In furtherance and not in limitation of the foregoing, Buyer, Seller and Manager shall reasonably cooperate and use their respective commercially reasonable efforts to obtain any and all Required Regulatory Approvals, and to respond to any request for information from any governmental authority or agency having jurisdiction over the Property or such other persons or entities from which or whom such Required Regulatory Approvals are sought. Seller and Manager shall provide, to the extent in Seller's and/or Manager's possession or reasonable control, all financial and other information with respect to the Property and the operation thereof as may be requested by such governmental authorities or agencies from time to time in connection with the delivery of the Required Regulatory Notices or obtaining the Required Regulatory Approvals.

(3) If, as anticipated, the Required Regulatory Approvals are not received as of the Closing, at Closing, Buyer (or its designated affiliate), Seller and Manager shall, as applicable, enter into such other mutually and reasonably acceptable documents and agreements as may be necessary and permitted under all applicable laws, rules, and regulations in each instance to cause the current healthcare license for the Property to remain in place pending receipt of the applicable Required Regulatory Approvals to Buyer (or its designated affiliate), including, without limitation, a sublease from Buyer or such designated affiliate to Seller and Manager, as the current healthcare license holder, in the form attached hereto as **Exhibit K-1** (the "**Interim Sublease**"), and an interim management agreement between Seller, as lessee under the Interim Sublease, and Manager (in its capacity as manager for Buyer or Buyer's affiliate, the lessor under the Interim Sublease), in the form attached hereto as **Exhibit K-2** (the "**Interim Management Agreement**"); provided, however, that if the applicable governmental authority determines that the Interim Sublease and/or Interim Management Agreement are inadequate to permit the Closing and continued operation of the Property in compliance with applicable law, then Seller, Manager and Buyer shall have no obligation to enter into such agreements and Seller or Buyer may extend the Closing Date by up to one hundred twenty (120) days to attempt to address such inadequacy.

(4) Buyer and Seller each promptly shall notify and keep the other reasonably advised as to (i) any material communication (not to include routine phone calls or emails in the course of obtaining the Required Regulatory Approvals) from all such applicable governmental authorities or agencies regarding any of the transactions contemplated hereby and (ii) any claim or proceeding pending and known to such party or, to such party's knowledge, threatened in writing, which challenges the transactions contemplated hereby.

(5) In the unlikely event that any of the Required Regulatory Approvals are denied prior to Closing, Buyer shall have the right to terminate this Agreement and upon such termination Seller (and/or Escrow Agent, if holds any portion of the Deposit) shall immediately (and in any event, within two (2) Business Days) pay the Deposit to Buyer, and thereafter the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement).

(6) The provisions of this Section 6(A) shall survive the Closing.

7. Closing. The sale and purchase herein provided shall be consummated (the "**Closing**") through escrow with all deliveries required hereunder to the Title Company on or prior to 4:00 p.m. Eastern Time on the Closing Date. Buyer, Seller and Manager acknowledge and agree that the Closing Date is of extreme importance to Seller and Buyer and that TIME IS OF THE ESSENCE with respect to Buyer's, Seller's and Manager's obligation to close this transaction on the Closing Date, and that the parties' respective covenant to close the transaction contemplated by this Agreement on the Closing Date constitutes a material inducement to the entry by Seller, Manager and Buyer into this Agreement. Attorneys for Seller/Manager and Buyer shall exchange pdf copies of all executed Closing documents on the Business Day preceding the Closing Date so that each confirm completion of same. Buyer, Seller and Manager shall

deliver to the Title Company only those documents Escrow Agent requires to complete Closing and insure title to the Real Property, or as otherwise directed by Seller and Buyer.

(A) Escrow. On or prior to 2:00 p.m. Eastern Time on the Closing Date, except as otherwise specified herein, the parties shall deliver to the Title Company the following:

(1) By Seller and/or Manager. Seller and Manager shall (as applicable to each) deliver, or cause its applicable affiliates to deliver, the following (collectively, the "**Seller Closing Documents**"):

(a) a duly executed and acknowledged original Ground Lease Closing Documents for Seller's leasehold interest in the Land and the entirety of its interests in the Improvements;

(b) a duly executed counterpart of a Bill of Sale transferring and conveying the Personal Property in the form of **Exhibit D-1** attached hereto (the "**Bill of Sale"**). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Personal Property, Seller and (if applicable) Manager shall deliver a Bill of Sale to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Personal Property;

(c) a duly executed counterpart of an Assignment of Intangible Property assigning and conveying the Assumed Contracts and the Intangible Property in the form of **Exhibit D-2** attached hereto (the "**Assignment of Intangible Property**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Assumed Contracts and the Intangible Property, Seller and (if applicable) Manager shall deliver an Assignment of Intangible Property to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Assumed Contracts and the Intangible Property;

(d) a duly executed counterpart of an Assignment and Assumption of Resident Agreements assigning and conveying the Resident Agreements in the form of **Exhibit D-3** attached hereto (the "**Assignment and Assumption of Resident Agreements**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Resident Agreements, Seller and (if applicable) Manager shall deliver an Assignment and Assumption of Resident Agreement to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Resident Agreements;

(e) a duly executed counterpart of an Assignment and Assumption of Lease Agreements assigning and conveying the Commercial Leases in the form of **Exhibit D-4** attached hereto (the "**Assignment and Assumption of Lease Agreements**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Commercial Leases, Seller and (if applicable) Manager shall deliver an Assignment and Assumption of Lease Agreement to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Commercial Leases;

(f) a single form announcement in a form reasonably acceptable to Buyer and Seller, executed by Seller and Manager, duplicate copies of which shall be sent by Buyer, to each resident and responsible family member under the Resident Agreements informing them of the transaction between Seller and Buyer;

(g) a duly executed certificate certifying that Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended (the "**Code**") in the form of **Exhibit E** attached hereto, together with any similar form or forms required by the state in which the Property is located;

(h) Seller's "**Closing Statement**" (as hereinafter defined), dated as of the Closing Date and duly executed by Seller, setting forth, among other things, all payments to and from Seller in connection with the purchase and sale of the Property;

(i) the Seller's Title Affidavit;

(j) one (1) original of the certificate of Seller and Manager in the form of **Exhibit F** (the "**Seller and Manager Closing Certificate**");

(k) if required pursuant to Section 6(A)(3), a counterpart of each of (i) the Interim Sublease, duly executed by Seller, and (ii) the Interim Management Agreement, duly executed by Seller and Manager;

(l) evidence (to be delivered only to Title Company) reasonably satisfactory to the Title Company that all necessary authorizations of the transaction provided herein have been obtained by Seller and Manager, and such other documents and instruments as may be reasonably requested by the Title Company in order to consummate the transaction contemplated hereby and issue the Title Policy, including an original certificate of good standing issued for Seller and Manager by the Secretary of State of the State in which the Facility is located;

(m) all documents and instruments as may be necessary pursuant to the applicable vehicle code to transfer title (or assign the vehicle lease, as applicable) to any motor vehicles being transferred by Seller or Manager to Buyer in connection with this Agreement; provided that, upon the written agreement of Buyer, Seller or Manager shall be permitted to deliver same to Buyer promptly following Closing;

(n) any sales or real property transfer tax declarations or other disclosures or reports as are required by state or local law, executed by Seller as required by such laws;

(o) confirmation of the termination of the Current Management Agreement, such termination effective as of Closing (but not before);

(p) if the Loan Assumption is consummated at Closing, any documents reasonably required by Lender in connection with the Loan Assumption;

(q) as of the Closing Date, in each case to the extent the same are then in Seller's or Manager's possession or reasonable control, and have not theretofore been delivered to Buyer, originals (or copies, if originals are unavailable) of each and every commercial lease and license of space of all or any portion of the Facility (each, a "**Commercial Lease**" and, collectively with the Resident Agreements, the "**Occupancy Agreements**"), all Assumed Contracts and originals (or copies if originals are unavailable) of all permits and licenses in the name of Seller and/or Manager (which materials under this subsection 7(A)(1)(q) may be left at the management office the Facility to which they relate);

(r) any motor vehicles being transferred (or the lease for the same assigned, as applicable) to Buyer in connection with this Agreement shall be deemed to be delivered as of the Closing Date if left at the Property provided the keys have been left at the management office at the

Property or left with the Manager at the Manager's off-site office on the Closing Date; after Seller has delivered to Buyer a completed form of transfer of title (or assignment of the vehicle lease) with respect thereto, Buyer shall be responsible for otherwise effectuating the conveyance of title to such vehicles to Buyer after Closing to the extent required under applicable law;

(s) the new management services agreement between Manager and Buyer (or Buyer's designated assignee affiliate) in form and substance reasonably acceptable to Buyer pursuant to which Manager manages the daily operation of the Facility ("**New Management Agreement**");

(t) with respect to the New Management Agreement, a certificate executed by Manager in support of the legal opinion Buyer requires in connection with REIT and RIDEA matters relating to the transaction contemplated by this Agreement;

(u) with respect to the Ground Lease, (i) an assignment and assumption of Seller's rights, title and interest in and to the Ground Lease (subject to the limitations stated in this Agreement with respect to Excluded Liabilities) in form and substance reasonably acceptable to Buyer and Title Company and executed by Seller (the "**Ground Lease Assignment**"), and (ii) an Estoppel and Consent Certificate and Amendment to Memorandum of Lease substantially in the form attached to this Agreement as **Exhibit M**, or in such other form required by the HOCMC that is reasonably acceptable to Buyer and Title Company setting forth the material terms included in the form attached as **Exhibit M** (which shall, among other things, memorialize HOCMC's waiver of its right to purchase Seller's interest in the Ground Lease and the Land) that is executed by the HOCMC (collectively, the "**Ground Lease Closing Documents**");

(v) [Intentionally Deleted];

(w) each Title Estoppel or, as permitted by this Agreement, Seller Title Estoppel;

(x) the Name License;

(y) [Intentionally Deleted];

(z) [Intentionally Deleted];

(aa) the escrow holdback agreement for the Pending CapEx Work;

(bb) [Intentionally Deleted];

(cc) the Maryland Tax Clearance Certificates referenced in **Section 9(D)(13)**;

(dd) if required by the terms of **Section 9(D)(16)**, an executed counterpart of the Remediation Holdback Escrow Agreement; and

(ee) the Holdback Agreement (as hereinafter defined), duly executed in counterpart by Seller.

(2) By Buyer. Buyer shall deliver the following (collectively, the "**Buyer Closing Documents**" and, together with the Seller Closing Documents, collectively, the "**Closing Documents**"):

(a) the Closing Payment by wire transfer of immediately available federal funds (provided, however, that Buyer shall not be in default hereunder if the same is delivered after 4:00 pm Eastern Time on the Closing Date, as long as it is delivered prior on the Closing Date);

(b) an executed counterpart of the Bill of Sale;

(c) an executed counterpart of the Assignment of Intangible Property;

(d) an executed counterpart of the Assignment and Assumption of Resident Agreements;

(e) an executed counterpart of the Assignment and Assumption of Lease Agreements;

(f) Buyer's Closing Statement, dated as of the Closing Date and duly executed by Buyer setting forth, among other things, all payments to and from Buyer in connection with the purchase and sale of the Property;

(g) a duly executed certificate of Buyer in the form of **Exhibit G** ("**Buyer Closing Certificate**");

(h) if required pursuant to Section 6(A)(3), counterparts of the Interim Sublease duly executed by Buyer's designated affiliate;

(i) any sales or real property transfer tax declarations or other disclosures or reports as are required by state or local law, executed by Buyer as required by such laws;

(j) evidence reasonably satisfactory to the Title Company that all necessary authorizations of the transaction provided herein have been obtained by Buyer, and such other documents and instruments as may be reasonably requested by the Title Company in order to consummate the transaction contemplated hereby and to issue the Title Policy; and

(k) for the Facility, an executed counterpart of a New Management Agreement;

(l) an executed counterpart of the Ground Lease Closing Documents requiring the signature of Buyer;

(m) the Name License;

(n) [Intentionally Deleted];

(o) [Intentionally Deleted];

(p) if the Loan Assumption is consummated at Closing, any documents reasonably required by Lender in connection with the Loan Assumption;

(q) the escrow holdback agreement for the Pending CapEx Work; and

(r) if required by the terms of **Section 9(D)(16)**, an executed counterpart of the Remediation Holdback Escrow Agreement; and

(s) the Holdback Agreement (as hereinafter defined), duly executed in counterpart by Buyer or its designee.

(B) Closing Costs.

(1) Buyer shall pay one-half of all escrow and closing fees for the transactions contemplated under this Agreement and all fees, costs or expenses in connection with Buyer's due diligence reviews hereunder. Seller shall pay (a) the release of Seller's existing monetary liens (including any prepayment or other penalties or amounts due and payable in connection with the discharge and satisfaction of such liens and/or the indebtedness secured thereby) and the cost to remove or insure over (to the extent permitted hereunder) all Required Removal Items and those matters that Seller elected in writing to attempt to cure pursuant to Sections 4(B)-(D) above; (b) one-half of all escrow and closing fees for the transactions contemplated under this Agreement; and (c) all taxes on the transfer of the Personal Property.

(2) Buyer and Seller shall pay their respective share of all state and local realty transfer tax, documentary stamp tax, and/or excise tax (collectively, "**RTT**"), and the base premium for the Title Policy (exclusive of endorsements) ("**Title Premium**") based upon the state in which the Facility is located, as set forth on **Schedule 7(B)(2)**.

(3) Seller and Buyer shall each pay their respective (a) legal fees and expenses (subject to Section 13(D) of this Agreement), (b) share of prorations (as provided below), and (c) the cost of all of its performances under this Agreement. All other Closing costs shall be allocated between Buyer and Seller in accordance with local custom. Each party shall indemnify, protect, defend and hold the other harmless from and against any Losses in any way arising from the non-payment of any of the items for which such first party is responsible pursuant to this Section 7(B).

(4) The provisions of this Section 7(B) shall survive the Closing Date and the recording of the Ground Lease Closing Documents.

(C) Prorations.

(1) Items to be Prorated. The following shall be prorated between Seller and Buyer (and such amounts allocated to Buyer may be further allocated between Buyer's affiliate assignees of this Agreement as elected and directed by Buyers in their sole discretion) as of 12:01 a.m. local time for the Property on the Closing Date ("**Effective Time**"):

(a) *Taxes and Assessments; Association Fees and Assessments*.

(i) All real estate taxes and assessments on the Property (including the Personal Property) paid or payable during or attributable to the tax year in which the Closing occurs (the "**Current Tax Year**") shall be prorated as of the Closing Date on an accrual basis, based upon the latest available tax information for the Current Tax Year (such that Seller is responsible for all such taxes and assessments attributable to the period prior to the Closing Date and Buyer is responsible for all such taxes and assessments attributable to the period from and after the Closing Date). If any assessments on the Property are payable in installments, then the installment for the current period shall be prorated as of the Closing Date, on an accrual basis, with Buyer being allocated the obligation to pay any installments due on and after the Closing Date (provided that Buyer receives a credit at Closing for any such payments attributable to periods prior to the Closing Date that have not been paid as of the Closing Date). Upon the Closing Date, Buyer shall be responsible for real estate taxes and assessments on the Property (i) payable with respect to periods prior to Closing for which Buyer receives a credit hereunder, and (ii) attributable to the period from and after the Closing Date, which first become due and payable from and after Closing,

and any other real estate taxes and assessments attributable to the period from and after the Closing Date and payable to the governmental authorities on and after the Closing Date.

(ii) All tax refunds and credits attributable to taxes paid during any period prior to the Current Tax Year shall belong to and be the property of Seller regardless of when received by Seller or Buyer, and Buyer shall promptly pay the same to Seller upon receipt thereof. All tax refunds and credits attributable to taxes paid or payable during any period from and after the Current Tax Year shall belong to and be the property of Buyer, and Seller shall promptly pay the same to Buyer to the extent Seller receives any of the same. All tax refunds and credits attributable to taxes paid during the Current Tax Year shall be prorated between Seller and Buyer in accordance with subsection (i) above, whether received before or after Closing, and Seller and Buyer shall mutually cooperate in the prosecution of any such tax appeal with respect to the Current Tax Year.

(iii) Any dues, fees, common charges, maintenance fees or similar fees or charges relating to any homeowners or commercial associations, planned unit developments and reciprocal easement agreements, and any other expenses pertaining to the Property thereunder, if any, shall be pro-rated on an accrual basis as of the Closing Date, with Seller responsible for any such amounts which relate to the period prior to the Closing Date and Buyer responsible for any such amounts which relate to the period on and after the Closing Date.

(b) *Rents*. All amounts payable and receivable under the Occupancy Agreements and actually collected prior to Closing shall be prorated between Buyer and Seller, with Seller being charged and credited for all of the same which have been paid and are allocable to the period up to the Closing Date and Buyer being charged and credited for all of the same which have been paid and are allocable to the period from and after the Closing Date. Uncollected amounts shall not be prorated; provided, however, that to the extent Buyer receives rental amounts or other charges from and after the Closing Date, such payments shall be applied first toward the rental amounts or other charges for the month in which the Closing occurs, then to the rental amounts or other charges owed to Buyer, and then to any delinquent rental amounts or other charges owed to Seller less reasonable out-of-pocket collection costs incurred by Buyer, with Seller's share thereof being promptly delivered to or as directed by Seller. Any pre-paid rents for the period from and after Closing shall be paid over by Seller to Buyer. Seller shall pay at or prior to Closing (and provide evidence of same to Buyer) all fees for referral services other than those signed during the period following the Effective Date that Buyer has approved in writing. Buyer shall receive a credit against the Purchase Price for (i) refundable resident deposits (if any) and/or (ii) resident trust funds held by a Seller party or its affiliate.

(c) *Utility Service*. Fuel, water, electricity, sewer, gas, telephone and other utility charges for the Property (including any taxes thereon) based, to the extent practicable, on final meter readings and final invoices (or, if it is not practicable to obtain final meter readings and final invoices by the Closing Date, then upon reasonable estimates) shall be pro-rated as of the Closing Date, with Seller responsible for any such amounts which relate to the period prior to the Closing Date and Buyer responsible for any such amounts which relate to the period from and after the Closing Date. Seller shall not assign to Buyer any of the utility deposits which Seller has with any of the utility services or companies servicing the Property. The parties shall arrange with such services and companies to have new accounts opened in Buyer's (or its designee's) name beginning at the Effective Time, but the foregoing shall not be a condition to the parties' obligation to close hereunder. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading and post-closing adjustments between Buyer and Seller shall be made within thirty (30) days after the date that actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and the recording of the Ground Lease Closing Documents.

(d) *Permits*. Any fees relating to governmental permits, licenses, certificates, authorizations, accreditations and approvals relating exclusively to the use or operation of the Property which are assigned by Seller to Buyer at Closing shall be pro-rated as of the Closing Date, with Buyer receiving a payment for any amounts owed with respect to the period prior to the Closing Date and Seller receiving a payment with respect to any prepaid fees for the period from and after the Closing Date.

(e) *Employees*. Buyer shall receive a credit against the Purchase Price at Closing equal to the amount of all wages, bonuses, and accrued/unpaid vacation days and PTO as of the Closing Date, plus an amount equal to all taxes relating thereto, with respect to all individuals who are employed by Seller or Manager on a full-time or part-time basis at a Property. The foregoing shall apply notwithstanding the fact that Manager, rather than Seller, is the employer of said employees.

(f) *Contracts.* With respect to the Assumed Contracts, Seller shall be responsible for any payments that are due and payable thereunder and relate to the period prior to the Closing Date and Buyer shall be responsible for any payments that are due and payable thereunder and relate to the period from and after the Closing Date.

(g) *Operating Income and Expense*. Any other items of income and expense of the ownership, operation and maintenance of the Property (including ground lease rents) shall be prorated between Buyer and Seller as of the Effective Time, with Seller being charged and credited for all of the same allocable to the period up to the Closing Date and Buyer being charged and credited for all of the same allocable to the period from and after the Closing Date.

(2) Calculation; Reproration. The prorations and payments shall be made on the basis of draft settlement statements (with a separate statement for Seller and Buyer) submitted to Buyer and Seller by Title Company (based on information provided to Title Company by Buyer and Seller) at least five (5) Business Days prior to the Closing Date and approved by Buyer and Seller, to be reviewed and revised as necessary by Buyer, Seller and Title Company, for approval by Buyer and Seller, respectively (as to the statement for each) on or before Closing (as applicable, a "**Closing Statement**"). Any item which cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and adjusted when the information is available in accordance with this subsection. If the prorations and credits made under the Closing Statements shall prove to be incorrect or incomplete for any reason, then either party shall be entitled to an adjustment to correct the same; provided, however, that any adjustment shall be made, if at all, within one hundred twenty (120) days after the Closing Date (except with respect to real estate taxes and assessments, in which case such adjustment shall be made within thirty (30) days after issuance of the final tax bill for the Property for the period that includes the Closing Date, with reconciliation payment being made to the party entitled thereto within ten (10) Business Days thereafter), and if a party fails to request an adjustment to the Closing Statements by a written notice delivered to the other party within the applicable period set forth above (such notice to specify in reasonable detail the items within the Closing Statements that such party desires to adjust and the reasons for such adjustment), then the prorations and credits set forth in the Closing Statements shall be binding and conclusive against such party. Notwithstanding anything to the contrary contained in this Section 7, for any item for which Buyer receives a credit or otherwise assumes responsibility pursuant to this Section 7(C) and which is payable after Closing, Buyer shall be responsible for paying for such item when due.

(3) Items Not Prorated. Seller and Buyer agree that none of the insurance policies relating to the Property (whether placed by Seller or Manager) will be assigned to Buyer and Buyer shall be responsible for arranging for its own insurance as of the Closing Date.

(4) Survival. The provisions of this Section 7(C) shall survive the Closing Date.

8. Destruction/Condemnation of Property.

(A) In the event that, after the Effective Date all or any portion of the Land or Improvements of the Facility is damaged or destroyed by any casualty which would cost in excess of two percent (2%) of the Purchase Price to repair, as determined by a contractor mutually acceptable to Seller and Buyer in their reasonable discretion, or there is a taking or condemnation under eminent domain laws whether permanent or temporary, that (i) materially restricts access to the Improvements of the Facility which would reasonably be expected to continue for any period of time from and after the Closing Date, (ii) affects five percent (5%) or more of the Improvements of the Facility, or (iii) reduces the parking available to the Improvements of the Facility to less than that which is required by law, under any Commercial Lease, or under any recorded instrument affecting the Property, or (iv) has a material adverse effect for any period of time after the Closing Date on the use or operation of the Property (each a "**Casualty/Condemnation Event**"), Seller shall give Buyer prompt written notice of the same (a "**Casualty/Condemnation Notice**"), but Seller shall have no obligation to repair or replace any damage or destruction caused by the foregoing. In such event, Buyer shall have the right to terminate this Agreement by written notice thereof delivered to Seller within ten (10) days after Buyer has received the Casualty/Condemnation Notice from Seller (with time being of the essence), and if such termination right is exercised, the Deposit shall be immediately (and in any event, within two (2) Business Days) paid to Buyer and this Agreement shall terminate and be of no further force or effect, except for the obligations and indemnifications hereof which survive the termination of this Agreement. If Buyer does not so elect to terminate this Agreement, or if the casualty or condemnation is not a Casualty/Condemnation Event, Seller shall have no obligation to (and, in the case of a Casualty/Condemnation Event, shall not, except in a manner required by applicable laws or regulations or to address an emergency situation, otherwise approved in advance by Buyer, which approval shall not be unreasonably withheld, conditioned, or delayed), repair the Land or Improvements or portion thereof so damaged, the Closing shall take place as provided herein, and Seller shall, upon consummation of the transaction herein provided, assign to Buyer (to the extent assignable) all of Seller's right, title and interest in and to the claims of Seller under or pursuant to any applicable insurance coverage, including commercial property, business interruption or pollution liability, or under the provisions of eminent domain law, as applicable, and all proceeds from any such casualty insurance (including all rent loss insurance applicable to any period from and after, but not before, the Closing) or condemnation awards received by Seller on account of any such casualty or condemnation, as the case may be (collectively, the "**Proceeds**") (but only to the extent the same have not been applied by Seller prior to the Closing Date to repair the resulting damage in a manner reasonably approved by Buyer), and Buyer shall receive at Closing a credit against the Purchase Price in the amount of the deductible and/or self-insured retention under Seller's applicable insurance policy (less any amount of the deductible expended by Seller to repair the resulting damage in a manner permitted by this Section or otherwise reasonably approved by Buyer). This Section 8 shall survive the Closing.

9. Representations and Warranties; Certain Covenants.

(A) Representations and Warranties of Seller. Seller represents and warrants to Buyer the following as of the Effective Date and, subject to the terms of Section 11(B)(2) below, as of the Closing Date, which representations and warranties shall survive Closing:

(1) Authority.

(a) Seller is a limited liability company duly formed and validly existing and in good standing under the laws of the state of its formation and is authorized to do business in the State in which the Facility is located. Seller has all requisite limited liability company power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and the Seller Closing Documents. Each Person signing this Agreement, the Seller Closing Documents to which it is a party, and the other documents contemplated by this Agreement on behalf of Seller has the legal right, power and authority to bind Seller. As used herein, the term "**Person**" means any individual, partnership, association, corporation, limited liability company, business trust, trust or other entity

(b) Manager is a limited liability company duly formed and validly existing and in good standing under the laws of the State of Virginia and is authorized to do business in the State in which the Facility is located. Manager has all requisite limited liability company power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and the Seller Closing Documents to which it is a party. Each Person signing this Agreement, the Seller Closing Documents to which Manager is a party, and the other documents contemplated by this Agreement on behalf of Manager has the legal right, power and authority to bind Seller.

(2) Due Execution. The execution, delivery and performance of this Agreement and the Seller Closing Documents, and the sale of the Property in accordance with the terms hereof, have been duly authorized by all necessary action on the part of Seller and Manager and do not and will not (a) require any consent, approval, license, order, permit or authorization that has not been obtained except as provided in this Agreement in connection with the Required Regulatory Approvals, or (b) violate any provision of Seller's or Manager's organizational documents, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any material agreement or instrument to which either Seller or Manager is a party or by which either Seller or Manager may be bound in any case which would prevent Seller and Managers from performing its obligations hereunder in all material respects, or (c) violate any order, judgment, injunction, decree ruling or regulation of any state or federal court or governmental authority binding on Seller or Manager in any case which would prevent Seller or Manager from performing its obligations hereunder in all material respects.

(3) Enforceability. This Agreement and, upon execution, the Seller Closing Documents, constitutes a legal, valid and binding obligation of Seller and Manager enforceable against Seller and Manager in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and general equitable principles.

(4) No Bankruptcy or Dissolution. No Bankruptcy/Dissolution Event (as defined below) has occurred with respect to Seller or Manager. As used herein, a "**Bankruptcy/Dissolution Event**" means any of the following: (a) the commencement of a case under Title 11 of the United States Bankruptcy Code, as now constituted or hereafter amended, or under any other applicable bankruptcy law or other similar law; (b) the appointment of a trustee or receiver for the Property; (c) a dissolution or liquidation; or (d) a general assignment for the benefit of creditors or an offer of settlement, extension or composition to creditors generally.

(5) [Intentionally omitted].

(6) Resident Agreements. Attached as **Exhibit H** is a copy of the rent roll of the Facility dated as of the date stated thereon, which shall be no older than the last day of the month preceding the month in which this Agreement is executed (the "**Rent Roll**"), and that was provided by

Manager to Seller and used in the ordinary course of operating the Facility. The Rent Roll contains a materially true, complete and correct list of all resident agreements for occupancy by a resident of a bed or unit at the Facility (each a "**Resident Agreement**") that is in effect as of the date of the Rent Roll stated therein. There are no other agreements for residency at the Property other than the Resident Agreements described in **Exhibit H**. Except as shown on **Exhibit H**, each of the Resident Agreements is in full force and effect and neither Seller nor Manager has received or delivered written notice of default of any material obligations under any Resident Agreement which remains uncured as of the date of the Rent Roll or will remain uncured as of the Closing Date, as applicable. Except as set forth on **Exhibit H**, all rent currently due and payable under each Resident Agreement has been paid in full, and no rents under any Resident Agreement have been paid more than one month in advance. **Exhibit H** sets forth a true, correct and complete list of all security deposits, waitlist deposits, entrance fees and other prepaid fees currently held by or on behalf of Seller or Manager or their respective affiliates under the Resident Agreements. Copies of all Resident Agreements (including all guaranties and amendments or modifications relating thereto), each of which is true, correct and complete in all material respects, have been made available to Buyer for Buyer's inspection at the Property (and, with respect to any Resident Agreement executed after the Effective Date in accordance with this Agreement, shall be made available promptly following such execution). Seller has delivered to Buyer (by depositing same into the Data Room) the form of Resident Agreements which are the form of Resident Agreement currently used at the Facility during Seller's ownership and operation thereof. Except pursuant to the Resident Agreements and medications held for residents, Manager does not hold, and is not holding, any material sums or property in trust for or on account of residents of the Property. Pursuant to Section 11(B)(2) below, seven (7) Business Days prior to Closing, Seller and Manager shall deliver to Buyer an updated copy of the rent roll for the Property, which shall be a true, correct and complete in all material respects as of the date thereon (which shall be no more than one (1) Business Day prior to the date such updated rent roll is delivered to Buyer). No unit or bed at the Facility is subject to any rent subsidies or rental assistance programs and the Facility is not subject to any contract or other agreement with, or requirement of, any governmental or public authority controlling, restricting, or imposing rent controls or income eligibility limits with respect to any of the units, beds or any of the residents of the Facility except as described on **Schedule 9(A)(6)**.

(7) Commercial Leases. Attached as **Exhibit H-1** is a true, complete and correct list of all Commercial Leases affecting the Property to which Seller or Manager is a party and, except as set forth in on **Exhibit H-1** below, there are no leases of commercial, office, medical or retail space in the Facility other than the Commercial Leases described in **Exhibit H-1**. To Seller's knowledge and Manager's knowledge, (defined below), each of the Commercial Leases is in full force and effect and neither Seller nor Manager has received or delivered written notice of a default of any material obligations under any of the Commercial Leases which remains uncured as of the Effective Date. Except as set forth on **Exhibit H-1**, all rent currently due and payable under each Commercial Lease has been paid in full, and no rents under any Commercial Lease have been paid more than one month in advance. **Exhibit H-1** sets forth a true, correct and complete list of all security or similar deposits currently held by or on behalf of Seller (or its affiliates) or Manager (or its affiliates) under the Commercial Leases. Except as set forth on **Exhibit H-1**, there are no (i) outstanding tenant allowances, tenant inducements costs or tenant concessions to be paid for or incurred by the landlord thereunder, (ii) outstanding tenant improvements to be performed by the landlord pursuant to the terms of the Commercial Leases, or (iii) tenant rights or claims to offsets or deductions under the Commercial Leases unless specifically set forth in such Commercial Leases. Seller has provided to Buyer true, complete and correct copies of the Commercial Leases as part of the documents, information, and reports Seller delivered to Buyer prior to the Effective Date (the "**Property Documents**").

(8) No Other Occupancy Agreements; Rents; No Leasing Agreements. To Seller's knowledge, except for the Resident Agreements and the Commercial Leases shown on and **Exhibit H-1**, there are no leases, subleases, license agreements, resident agreements, or other agreements demising space at the Property, or occupancies or tenancies or parties in possession of any part of the Property, and

there are no other rights of possession which have been granted by Seller or Manager to any third-party or parties that are presently in effect. No rents for any of the foregoing have been assigned, transferred or hypothecated by Seller or Manager, except by virtue of instruments securing loans that shall be released from such rents and/or Occupancy Agreements at or prior to Closing. Except as set forth on **Exhibit H-2**, Seller and Manager have not entered into, not assumed and are not bound by any leasing or commission agreement or other similar arrangement, pursuant to which any commission, fee or other compensation is payable to any person or entity in connection with any Occupancy Agreements entered into prior to or after the Effective Date. Seller shall pay prior to Closing all commissions, fees and compensation payable to any person or entity as a result of any Occupancy Agreement entered into prior to Closing. Buyer will be responsible for all commissions, fees, or other compensation payable to any person or entity as a result of an Occupancy Agreement executed after Closing.

(9) Personal Property. Seller is the owner of all of the Personal Property and vehicles located at and used in connection with the operation of the Facility and Seller has good title to the Personal Property and shall convey such interests to Buyer (or its designee) at Closing, at Seller's cost and expense, free and clear of liens, security interests and other encumbrances, except with respect to certain leased vehicles and office equipment as set forth on **Schedule 9(A)(9)**. To the extent Manager has any interest in the Personal Property, it shall convey such interest to Buyer at Closing.

(10) Litigation. Except as identified on **Schedule 9(A)(10)** attached hereto, there is no action, litigation or other proceeding pending against Seller or Manager, or to Seller's knowledge, filed but not yet served upon Seller or Manager, or otherwise with respect to the Property or the operations conducted thereon, including actions, litigation or other proceedings which have been tendered to Seller's or Manager's insurance company. Except as identified on **Schedule 9(A)(10)**, there is no action, suit, litigation, hearing, investigation or administrative proceeding threatened in writing against Seller or Manager or otherwise with respect to the Property or the operations conducted thereon.

(11) Compliance. Except as disclosed in the Data Room, since January 1, 2023, neither Seller nor Manager has received written notice from (i) any governmental authority, department, agency or the like having jurisdiction over the Property to the effect that the Property, or the operations thereon, are currently not in compliance with applicable laws, regulations and ordinances (including any law related to licensure, determination of need, anti-fraud, kickback, or bribery, consumer protection, the environmental condition of the Property, and the federal statute entitled Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq. and the Occupational Safety and Health Act of 1970), or (ii) any governmental authority, department, agency or the like having jurisdiction over the Property, or any counterparty to or benefitted party under any recorded instrument affecting the Property, that the Property or operations thereon are currently not in compliance with such recorded instrument in either case which has not been corrected or cured, and to Seller's knowledge and Manager's knowledge the Property and the operations thereon are currently in full compliance with all such laws, regulations, ordinances and recorded instruments. To Seller's knowledge and Manager's knowledge, there are no uncured violations of any laws, regulations, ordinances or recorded instruments affecting or applicable to any or all of the Property or the operations thereon.

(12) Contracts. The Contracts listed on **Exhibit I** constitute all of the Material Contracts (as defined below) executed by Seller or Manager that are presently in effect with respect to the Property. Except as expressly disclosed on **Exhibit I**, none of the Material Contracts relate to properties other than the Property. Neither Seller nor Manager has given to, nor received from, a party to any Material Contract written notice stating that a default exists thereunder which remains uncured as of the Effective Date and, no monetary default or material non-monetary default presently exists under any Material Contracts. Seller and Manager have deposited in the Data Room a copy of each Material Contract listed on **Exhibit I**, which copies are true and correct in all material respects. For purposes of this Agreement,

"**Material Contracts**" means (a) any Contract that will be binding upon the Property from and after the Closing and either (i) requires aggregate annual payments in excess of $50,000.00 per property covered thereby, or (ii) cannot be terminated by Buyer without penalty or payment upon thirty (30) days' written notice or less and (b) any Contracts or other agreements relating to Seller's or Manager's (with respect to the Property) enrollment or participation in any third-party payor program. Material Contracts shall expressly exclude the Current Management Agreement with Manager, any Affiliate Agreements, and the Occupancy Agreements. **Schedule 9(A)(12)** lists all Affiliate Agreements presently in effect with respect to the Property.

(13) Employees; ERISA. Seller has no employees. The largest number of individuals working at the Facility (whether as employees or independent contracts) during any single shift is set forth on **Schedule 9(A)(13-1)**. Other than service providers employed by third-party vendors (which for purposes of this Section 9(A)(13) excludes any affiliate of Seller), all individuals who provide services with respect to the Property are employees of Manager. To Seller's knowledge, the employee listing delivered by Seller as part of the Property Documents identifying all employees of Manager working at the Property as of the Effective Date, such employees' respective dates of hire, positions, full time/part time designation, salary, benefits and commission and bonus schedule is true and correct in all material respects. All employees of working at the Property have been paid in full (and will be paid in full as of the Closing Date, excluding credits provided to Buyer pursuant to this Agreement) for any wages, salaries, commissions, bonuses, reimbursements, or other direct compensation earned by such employees for any services performed by them with respect to the Property as of the Closing Date. To Seller's knowledge, all payroll employee withholdings and deductions required by applicable state law have been made (or timely will be made) with respect to employees at the Facility, and all withheld amounts have been paid (or as of Closing will be paid) by Seller or Manager to the appropriate entities, as applicable, each in compliance with applicable State law. Neither Seller nor, to Seller's knowledge, Manager is a party to any collective bargaining agreement or similar union contract or any employment agreements affecting the Property. To Seller's knowledge, and except as disclosed in the Data Room, neither Seller nor Manager has experienced any strikes, grievances, or claims of unfair labor practices with respect to the employees employed by Manager at the Facility. To Seller's knowledge, there is no filed complaint or lawsuit filed by or with respect to any employee at the Facility pending against Seller or Manager with respect to a violation of any federal, state or local law relating to employment matters, except as shown on **Schedule 9(A)(13-2)**. Seller is not, and is not acting on behalf of, and to Seller's knowledge, Manager is not and is not acting on behalf of, (a) an "employee benefit plan" (as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974 ("**ERISA**")) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code (each of the foregoing a "**Plan**"), (c) an entity or account the assets of which constitute "plan assets" of one or more such Plans within the meaning of Department of Labor Regulation 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA or (d) a "governmental plan" within the meaning of Section 3(32) of ERISA. To Seller's knowledge, all licensed and/or certified healthcare professionals currently providing services at the Facility have all required licenses and certifications necessary for such professionals to provide such services and all such licenses and certifications are in full force and effect. No employee of Manager has an employment contract or agreement, and each employee is employed on an at-will basis.

(14) Condemnation. Neither Seller nor Manager has received written notice from any governmental authority having jurisdiction over the Land and Improvements that they are presently the subject of any condemnation or similar proceeding or zoning change, and to Seller's knowledge and Manager's knowledge, no condemnation or similar proceeding or zoning change is presently threatened.

(15) No Purchase Options. Seller has not granted or assigned to any party, or entered into any agreement with any party, and Seller have no knowledge of, any pending option, contract,

right of first refusal, right of first offer or other agreement or preferential right in each case with respect to the purchase or sale of the Land or Improvements, any portion or interest therein, or of any direct or indirect ownership interest in Seller which is presently in effect, except as set forth in **Schedule 9(A)(15)**.

(16) Permits and Licenses. **Schedule 9(A)(16)** attached hereto sets forth a true, correct and complete list of all licenses, permits, certificates, certificates of need, accreditations, exemptions, classifications, variances, and other consents and authorizations issued by any governmental authority or agency and held by Seller or Manager, in connection with the ownership, use, operation and management of the Facility which are necessary for the conduct of the present business at the Property (each, a "**License**" and, collectively, "**Licenses**") and, except as noted on **Schedule 9(A)(16)**, all such Licenses, are valid and in good standing and full force and effect. The current holder of each of the Licenses is listed on **Schedule 9(A)(16)** (each, a "**Current License Holder**"). Except as noted in **Schedule 9(A)(16)**, neither Seller nor Manager has received during the three (3) years preceding the Effective Date ("**Seller's Ownership Period**") any written notice, and Seller and Manager do not otherwise have knowledge of any actual or threatened, (a) action or proceeding to revoke, withdraw or suspend any License, (b) judicial or administrative agency judgment or decision not to renew any of the Licenses, (c) health care licensure or certification action of any other type reasonably likely to result in a limitation or restriction with respect to the Facility, (d) any default or violation of any License, (e) any violation of any applicable law in connection with the Licenses, or (f) any failure by Seller or Manager to obtain any License that is necessary for the operation of the Property and Facility as it is currently operated, except as disclosed in the Data Room. True and complete copies of all written survey reports, written waivers of deficiencies, written plans of correction, and any other written investigations issued by the applicable health care agency or authority governing the Property, during the Seller's Ownership Period have been delivered by Seller or Manager to Buyer as part of the Seller Due Diligence Materials. To Seller's knowledge and Manager's knowledge, except as noted on **Schedule 9(A)(16)**, during Seller's Ownership Period, the Facility has not been cited for any deficiency that has not been cured and that has resulted or would reasonably be expected to result in termination, final revocation or cancellation of the Licenses. During Seller's Ownership Period, neither Seller nor Manager has received any written notice issued by the applicable health care licensing agency or authority governing the Property or any other federal or state governmental authority having jurisdiction over the Property: (i) that any records and reports relating to the Residents at the Property (collectively, the "**Resident Records**") have not been maintained in accordance with applicable federal, state or local laws or regulations governing the preparation, maintenance of confidentiality, transfer and/or destruction of such records in any respect or (ii) of any deficiency in the Resident Records or other relevant records of the Property used in connection with the operation of the business conducted at the Property, in the case of each of the foregoing clauses (i) and (ii), which has not been corrected. For purposes only of the immediately preceding sentence, a deficiency shall be deemed "corrected" if the applicable governmental authority has accepted an approved plan of correction addressing such deficiency. Except as set forth on **Schedule 9(A)(16)**, and except for violations noted in routine inspections surveys conducted by any applicable state healthcare agency or authority, no event, occurrence, or condition now exists, which, with the giving of notice or the lapse of time or both, would give rise to a default with respect to the Licenses on the part of Seller or Manager. Except as noted on **Schedule 9(A)(16)**, there are no waivers of deficiencies (including but not limited to with respect to life safety codes) regarding the Property or the operation thereon that would lapse or terminate upon the consummation of the transactions contemplated under this Agreement.

(17) Medicaid. Neither Seller, Manager nor the Facility has participated in, has been excluded from participation in, currently participates in or is a provider under any participation or provider agreements or arrangement with any third-party payor or federal health care program, including without limitation Medicare or Medicaid.

(18) Environmental Representations. Neither Seller nor Manager has received written notice from any governmental authority or regulatory or administrative agency, department or the like (whether federal, state or local) that the Property, or the use and operation thereof, is in violation of any laws or regulations relating to Hazardous Materials (as hereinafter defined) in any material respect. To Seller's knowledge, neither Seller nor Manager has received any written notice from any governmental authority or regulatory agency of pending or threatened investigations, action, suits, claims or proceedings by any governmental authority relating to the existence, generation, release, production, disposal, treatment, emission, migration, transportation or storage of any Hazardous Materials in or on the Property in violation of any applicable law in any material respect. To Seller's knowledge and Manager's knowledge, (i) no Hazardous Materials have been generated, stored, treated, released, or disposed of on, under, or about the Property in violation of any applicable environmental Laws except with the possible exception arising from the elevator at the Facility. Seller has deposited in the Data Room a true and correct, in all material respects, copy of each final environmental report or study of the Facility prepared for either Seller or Seller's affiliates by third-party consultants or otherwise in Seller's possession or control relating to the Property, all of which are listed on **Schedule 9(A)(18)** attached hereto (the "**Environmental Reports**"). "**Hazardous Materials**" means any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect renders it subject to federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. To Seller's knowledge and Manager's knowledge, except as disclosed in the environmental reports posted in the Data Room, there are no underground storage tanks or monitoring wells of any kind located on any of the Land.

(19) Non-Foreign Status. Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

(20)OFAC. Seller and Manager are not (i) currently listed on the Specially Designated Nationals List ("**SDN List**") or any similar list maintained by the Office of Foreign Assets Control ("**OFAC**") at the United States Department of the Treasury, (ii) owned or controlled, directly or indirectly (other than non-controlling ownership in publicly-traded securities of which Seller and Manager have no actual knowledge), by a person or entity listed on the SDN List or other similar list maintained by OFAC; (iii) a person or entity with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of U.S. law, regulation or executive order; (iv) incorporated in any country subject to U.S. country-based economic sanctions whereby conducting transactions with that person or entity would be in violation of any applicable law, rule or regulation; or (v) in violation of any of the prohibitions set forth in any U.S. law related to money laundering, or the U.S. Foreign Corrupt Practices Act of 1977 as amended ("**FCPA**").

(21) Taxes. There are no Tax appeals filed or pending with respect to the Property. The Property is not subject to any Tax agreements, Tax programs, special classifications such as open-space or farmland, or any so-called roll-back Tax agreements of any kind and if any such agreements or programs are applicable to the Property, Seller shall (without limitation to any other remedies of Buyer herein) be solely responsible to pay any penalties, Taxes, fees and any other monetary compensation associated with such agreements as and when due but in no case later than the Closing. There are no special or other assessments for public improvements or otherwise affecting the Property. As used in this subsection, "**Tax**" shall mean all business, occupation, payroll, sales, use, gross receipts, rental, income, real and personal property and other similar assessment or charge. Neither Seller nor, to Seller's knowledge, Manager has received written notice of any pending proceedings relating to reassessment or reclassification of the Property for state or local real property taxation purposes. Seller is not a party to any pending tax appeal, tax contest or other similar proceeding relating to any portion of the Property, and no such appeal has been initiated on behalf of Seller. Seller has timely filed all sales, occupancy, and use tax returns and paid all sales, occupancy, and use taxes due, if any, to the state and/or the town in which the Facility is located on or before the Effective Date. All employee, business, sales, or other occupancy taxes due with

respect to the Property through the Closing Date have been or will be paid by Seller or Manager either directly or through proration at Closing.

(22) Other Healthcare Matters.

(a) Since January 1, 2023, the operation of the Facility has been (and is currently) in compliance in all material respects with all applicable laws related to the provision of healthcare services applicable to Seller, Manager and the Facility, except as may be contained in the notices from governmental authorities provided in the Data Room. Seller and Manager have not received written notice of a material failure of the operation to comply with applicable laws that have not been cured.

(b) To Seller's knowledge, neither Seller nor Manager is a Covered Entities under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and the rules and regulations promulgated thereunder, as amended (collectively referred to as "**HIPAA**") with respect to the Property and the operation of the Facility and therefore have not been required to, and are not presently required to, comply with HIPAA. Seller and Manager are, and, during Seller's Ownership Period as to the Facility, have been, in compliance in all material respects with all applicable state patient privacy and security laws related to patient health information.

(c) [Omitted]

(d) To Seller's knowledge, all material reports, documents and notices required to be filed, maintained or furnished by Seller and Manager to any health care governmental authority under applicable laws required for the current operation of the Property have been so filed, maintained or furnished.

(e) To Seller's knowledge, there are no financial relationships between Seller or Manager and any referral source in violation of applicable laws.

(f) To Seller's knowledge, all healthcare professionals providing services at the Property have all licenses and certifications necessary for such healthcare professionals to provide the services they perform at the Property.

(g) To Seller's knowledge, no moratorium has been implemented by any governmental authority which is in effect that restricts or prohibits the execution of Resident Agreements with new residents or the move-in of new residents at the Facility.

(23) Operating Statements; Property Documents. The books, records, income statements, operating statements and other financial statements Seller and Manager delivered to Buyer (with a copy deposited in the Data Room as part of the Property Documents) are true, correct and complete copies of the books, records, income statements, operating statements and financial statements used in Seller's and Manager's ordinary course of business. Said operating statements are the same as those Manager provided to Seller pursuant to the Current Management Agreement or otherwise. Seller has delivered to Buyer (with a copy of same deposited in the Data Room) all of the Property Documents that are in the possession or reasonable control of Seller, Manager, and their affiliates, and (b) the Property Documents so delivered or made available through the Data Room to Buyer are true, correct and complete copies of those in the possession or reasonable control of Seller, Manager and/or their respective affiliates. To Seller's and Manager's knowledge, each of the income statements, operating statements and other financial statements has been prepared in accordance with the principles of accounting specified therein and fairly present, in all material respects, the financial condition of the Property and the operation of the Facility as of the

respective dates thereof and the results of operations of the Property and Facility for the fiscal periods covered therein. Neither Seller nor Manager has knowledge of any material errors in or omissions from any of the Seller Due Diligence Materials.

(24)AML. Seller and Manager have complied and shall continue to comply with all requirements of law, regulation or rule relating to combating money laundering, anti-terrorism, suspicious transactions, bribery, combating corruption, terrorist financing, trade embargoes and economic sanctions, now or hereafter in effect (including FCPA, U.S. Bank Secrecy Act of 1986, the USA Patriot Act of 2001, the SDN List or other similar list maintained by OFAC) and shall immediately notify Buyer in writing if it becomes aware that any of the foregoing representations, warranties or covenants are no longer true or have been breached or if Seller has a reasonable basis to believe that they may no longer be true or have been breached.

(25) Physical Condition. In addition to routine expenditures for repairs and replacements in connection with the ongoing maintenance and upkeep of the Facility, and except as set forth on **Schedule 9(A)(25)**, Seller and Manager do not have any outstanding contracts for material capital expenditures relating to the Facility which includes agreements, obligations (including, but not limited to, open permits from applicable jurisdictions) or commitments for material capital expenditures relating to the Facility. Since January 1, 2023, Seller and Manager have not received written notices regarding deficiencies of, and to Seller's knowledge and Manager's knowledge, there are no deficiencies in, fire suppression systems or any construction standards related to fire suppression. Neither Seller nor Manager has received written notice alleging, asserting or disclosing any material structural defects affecting the Improvements. To Seller's knowledge and Manager's knowledge, the Improvements contain no concealed (i.e., a condition not observable by non-invasive visual inspection) defective condition which requires the expenditure of capital to repair, correct or remedy. Seller agrees to complete, at Seller's sole cost and expense, all the capital projects described on **Schedule 9(A(25)** (the "**Pending CapEx Work**") If any projects are not completed and paid for by the Closing Date, Seller agrees to (a) establish a holdback escrow with the Title Company at Closing in an amount equal to 125% of the estimated cost to complete each such project, which reserve shall be governed by an escrow agreement reasonably acceptable to Seller, Buyer and Title Company, and (b) provide to Title Company such other agreements and affidavits as may be required for Title Company to issue the Title Policy without exception for liens relating to the Pending CapEx Work. Said escrow agreement shall (i) provide for periodic (but not more frequently than monthly) disbursement of held funds to pay approved costs incurred in connection with the completion of said projects, (ii) provide that, upon completion of said work and payment of all sum due in connection therewith, all remaining funds held by Title Company shall be disbursed to Seller, and (iii) be in form and substance as is necessary for Title Company to insure over liens that may attach against the applicable Facility.

(26) Existing Loan Documents. There is no Default or Event of Default (as defined in the Existing Loan Documents) under the Existing Loan Documents, and Seller has provided to Purchaser true and correct copies of the Existing Loan Documents.

If (i) at or prior to the Closing, Buyer obtains actual knowledge or Constructive Knowledge (defined below) that any of Seller's or Manager's representations and warranties in Section 9(A) were untrue, inaccurate or incorrect in any material respect as of the date made, or that any fact, matter or event exists or has first occurred that would cause any of Seller's or Manager's representations and warranties in Section 9(A) to be untrue, inaccurate or incorrect if made after the date of this Agreement and (ii) either (x) Buyer obtains such Constructive Knowledge prior to the expiration of the Due Diligence Period and nonetheless elects not to deliver a Termination Notice or (y) Buyer (1) obtains such Constructive Knowledge after the expiration of the Due Diligence Period but prior to the Closing Date, (2) Buyer has the right under Section 11(B)(4) to terminate this Agreement in light of such breach or inaccuracy and (3)

Buyer nonetheless elects not to terminate this Agreement and to proceed to Closing, then (A) Seller shall have no obligation, from and after the Closing Date, to indemnify any Buyer Indemnified Party for Losses arising out of or resulting from such inaccuracy in the Seller's and Manager's representations and warranties of which Buyer had actual knowledge or Constructive Knowledge, and (B) Buyer shall make no claim against Seller for (and Buyer shall be deemed to have waived any and all claims against Seller by reason of) a breach of representations and warranties resulting from such inaccuracy of representations and warranties. Any and all uses of the defined term "**Constructive Knowledge**" shall mean only that, prior to Closing, Buyer is deemed to have knowledge of such information from (a) any fact, condition or circumstance expressly disclosed in a written instrument, report, document or test result Buyer actually receives from an unaffiliated third-party (*i.e.*, not from Seller, Manager or their affiliates or agents), (b) any fact, condition or circumstance expressly stated in a written disclosure Seller, Manager or their affiliates or agents deliver to Buyer pursuant to the notice provisions of this Agreement on or prior to the date that is three (3) Business Days prior to the expiration of the Due Diligence Period, or (c) any fact, condition or circumstance expressly disclosed in a document or written materials Seller, Manager or their affiliates or agents deposit into the Data Room on or prior to the date that is three (3) Business Days prior to the expiration of the Due Diligence Period.

For purposes of this Agreement, "**Buyer's knowledge,**" "**known to Buyer**" (or any similar phrase) means the present actual knowledge of Stefan Oh without duty of inquiry or investigation and without taking into account any constructive or imputed knowledge. Notwithstanding anything herein to the contrary, such individual referred to in the preceding sentence shall not have any liability under or in connection with this Agreement.

For purposes of this Agreement, "**Seller's knowledge,**" "**known to Seller**", "**Manager's knowledge,**" "**known to Manager**" (or any similar phrase) means the present actual cognitive awareness, without duty of inquiry or investigation and without taking into account any constructive or imputed knowledge, of David Faeder, Tiffany Tomasso, Tanya Walker and Brian Hilton. Notwithstanding anything herein to the contrary, such individuals referred to in the preceding sentence shall not have any liability under or in connection with this Agreement.

Promptly upon obtaining knowledge of the same, Seller and Manager shall notify Buyer in writing of any event or condition known to them that causes Seller's or Manager's representations or warranties to become untrue in any material respect (a "**Change of Circumstances**"). Any such notice of a Change of Circumstances shall be prominently labeled "CHANGE OF CIRCUMSTANCES NOTICE" and shall reference this Section of this Agreement. If Seller or Manager do not (i) within ten (10) days after delivery of written notice of the same to Buyer cure any Change of Circumstances (to the extent curable) or (ii) for matters described in the Updated Schedules for which no notice of Change of Circumstances was previously delivered to Buyer, cure the same on or prior to the Closing Date, then Buyer shall have the right, as Buyer's sole and exclusive remedy hereunder for such failure, either (a) to terminate this Agreement by written notice to Seller and Manager, in which case (i) Escrow Agent shall immediately (and in any event, within one (1) Business Days) pay the Deposit, or portion thereof, that it holds (minus the Independent Consideration) to Buyer, (ii) Seller shall immediately (and in any event, within one (1) Business Day after Buyer's delivery of such notice of termination) pay to Buyer the Deposit (if and to the extent previously paid to Seller) and Buyer's Pursuit Costs, and (iii) other than as aforesaid, this Agreement shall be null and void and of no further force or effect and the parties hereto shall have no further obligations to the other (except for any obligations or liabilities that expressly survive termination of this Agreement), or (b) to waive the foregoing right of termination and all other rights and remedies on account of such breach or default and to close the transaction contemplated by this Agreement, without any reduction in the Purchase Price, in which event Buyer shall not be entitled to bring any claims against Seller following the Closing for a breach of representation or warranty arising out of such Change of Circumstances.

(B) Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows, which representations and warranties shall survive Closing:

(1) Authority. Buyer is a limited partnership, duly formed and validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite power and authority to execute and deliver, and to perform all its obligations under, this Agreement and the Buyer Closing Documents (taking into account the rights of the initially named Buyer hereunder pursuant to Section 13(B) to assign its rights as Buyer hereunder to one or more to-be-formed entities that will perform such obligations). Notwithstanding the foregoing, Seller acknowledges that Buyer has not yet obtained all necessary internal approvals to consummate the transactions contemplated in this Agreement or to execute, deliver and perform the obligations set forth in the Buyer Closing Documents but that, if Buyer elects (in its sole and absolute discretion) not to deliver a Termination Notice, Buyer will be deemed to have obtained all such necessary internal approvals as of such date.

(2) Due Execution. Subject to the last sentence of Section 9(B)(1) above, the execution, delivery and performance of this Agreement and the Buyer Closing Documents have been duly authorized by all necessary action on the part of Buyer and do not and will not (a) require any consent, approval, license, order, permit or authorization that has not been obtained except as provided in this Agreement in connection with the Required Regulatory Approvals, or (b) violate any provision of Buyer's organizational documents, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any material agreement or instrument to which Buyer is a party or by which Buyer may be bound in any case which would prevent Buyer from performing its obligations hereunder in all material respects or (a) violate any order, judgment, injunction, decree ruling or regulation of any state or federal court or governmental authority binding on Buyer in any case which would prevent Buyer from performing its obligations hereunder in all material respects (the foregoing clauses (a)-(c)) taking into account the rights of the initially named Buyer hereunder pursuant to Section 13(B) to assign its rights as Buyer hereunder to one or more to-be-formed entities that will perform such obligations).

(3) Enforceability. This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and general equitable principles.

(4) OFAC. Buyer is not (i) currently listed on the SDN List or any similar list maintained by OFAC at the United States Department of the Treasury, (ii) owned or controlled, directly or indirectly (other than non-controlling ownership in publicly-traded securities of which Buyer has no actual knowledge), by a person or entity listed on the SDN List or other similar list maintained by OFAC; (iii) a person or entity with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of U.S. law, regulation or executive order; (iv) incorporated in any country subject to U.S. country-based economic sanctions whereby conducting transactions with that person or entity would be in violation of any applicable law, rule or regulation; or (v) in violation of any of the prohibitions set forth in any U.S. law related to money laundering, or FCPA.

(C) Indemnification; Survival; Holdback; Limitation on Amount.

(1) Indemnification by Seller and Manager. Following the Closing and subject to Section 9(C)(3), Section 9(C)(4), Section 9(C)(5) and Section 11(B)(2), Seller and Manager shall indemnify and hold harmless Buyer, Buyer's affiliates, and their respective partners, officers, employees, agents, successors and assigns (each a "**Buyer Indemnified Party**" and collectively the "**Buyer Indemnified Parties**") from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs

(collectively, "**Losses**") suffered or incurred by Buyer and any such Buyer Indemnified Party to the extent arising out of or resulting from (it being understood that such indemnity shall cover, without limitation, claims made by third parties as well as Losses from claims made by Buyer directly against Seller):

(a) any breach of any (i) representation or warranty of Seller or Manager contained in this Agreement or any Seller Closing Documents, or (ii) covenant, undertaking, obligation, liabilities or agreement on the part of Seller or Manager under this Agreement or any Seller Closing Document;

(b) any breach by the lessor under any Resident Agreement or Commercial Lease to the extent accruing prior to the Effective Time;

(c) any third-party claims (including by any resident, former resident, or government authority or manager) relating to the Property or the operation of the Property to the extent accruing prior to the Effective Time;

(d) Taxes imposed by or on behalf of a governmental authority in connection with the operation of the Property to the extent attributable to the period prior to the Effective Time, and any interest or penalties thereon; and

(e) the Excluded Liabilities.

The foregoing indemnification obligations of Seller shall survive the Closing, subject to the provisions of Section 9(C)(4).

(2) Indemnification by Buyer. From and after the Closing and subject to Section 9(C)(3), Section 9(C)(4), and Section 9(C)(5), Buyer shall indemnify and hold harmless Seller, Manager, Seller's and Manager's affiliates, and their respective partners, officers, employees, agents, successors and assigns (each a "**Seller Indemnified Party**" and collectively the "**Seller Indemnified Parties**") from any and all Losses suffered or incurred by such Seller Indemnified Party to the extent arising out of or resulting from only the following (it being understood that such indemnity shall cover, without limitation, claims made by third parties as well as claims made by Seller directly against Buyer), except to the extent such Losses are an Excluded Liability or an obligation of Seller, Manager or any of their affiliates pursuant to a Seller Closing Documents (including the New Management Agreement):

(a) any breach by the lessor under any Resident Agreement or Commercial Lease to the extent accruing from and after the Effective Time;

(b) any third-party claims (including by residents, former residents, government authority or manager) relating to the Property or the operation of the Property (as opposed to the physical condition of the Property) to the extent accruing on or after the Effective Time; and

(c) Taxes imposed by or on behalf of a governmental authority in connection with the operation of the Property to the extent attributable to the period on or after the Effective Time and any interest or penalties thereon.

Notwithstanding anything in this Agreement or in any Closing Documents to the contrary, Seller's and Manager's sole post-Closing remedy against Buyer under this Agreement or any Closing Documents shall be to make a claim against Buyer under the terms of this Section 9(C)(2). The foregoing indemnification obligations of Buyer shall survive the Closing.

(3) Notification and Defense.

(a) If an indemnified party (the "**Indemnified Party**") becomes aware of any claim or demand for which an indemnifying party (an "**Indemnifying Party**") may have liability to such Indemnified Party hereunder (an "**Indemnification Claim**"), the Indemnified Party shall promptly notify the Indemnifying Party in writing of such Indemnification Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Indemnification Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto, in each case to the extent actually known to such party (a "**Claim Notice**"); provided, that, subject to this Section 9(C)(3), no delay on the part of the Indemnified Party in giving such Claim Notice shall relieve the Indemnifying Party of any indemnification obligations hereunder except to the extent that the Survival Period has expired, if applicable, or the Indemnifying Party is prejudiced by such delay.

(b) The Indemnifying Party shall have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter, to assume, at the Indemnifying Party's expense, the defense of any Indemnification Claim based on any action, suit, proceeding, claim, demand or assessment by any third-party with authority to conduct such defense and to settle or otherwise dispose of the same and the Indemnified Party will reasonably cooperate in such defense at the expense of the Indemnifying Party (subject to subsection (d) below); provided that (i) such third-party claim does not seek to impose any Liabilities on the Indemnified Party other than money damages, and (ii) such claim does not involve any criminal Liability.

(c) As to those third-party actions, suits, proceedings, claims, demands or assessments with respect to which the Indemnifying Party does not elect to assume control of the defense, the Indemnified Party will afford the Indemnifying Party an opportunity to participate in such defense, at its cost and expense, and will consult with the Indemnifying Party prior to settling or otherwise disposing of any of the same. The Indemnified Party may not settle, adjust, or compromise such Indemnification Claim without the prior written consent of the Indemnifying Party, which consent is not permitted to be unreasonably withheld, conditioned or delayed.

(d) If the Indemnifying Party proceeds with the defense of any Indemnification Claim pursuant to subsection (b) above:

(i) the Indemnifying Party shall proceed to defend such Indemnification Claim in a diligent manner with counsel reasonably satisfactory to the Indemnified Party at the sole expense of the Indemnifying Party;

(ii) the Indemnified Party shall make available to the Indemnifying Party any non-privileged documents and materials in the possession of the Indemnified Party that may be reasonably necessary to the defense of such Indemnification Claim;

(iii) the Indemnifying Party shall keep the Indemnified Party informed of all material developments and events relating to such Indemnification Claim;

(iv) the Indemnified Party will have the right to participate, at its sole cost and expense, in the defense of such Indemnification Claim; and

(v) the Indemnifying Party may not settle, adjust, or compromise such Indemnification Claim without the prior written consent of the Indemnified Party, which consent is not permitted to be unreasonably withheld, conditioned or delayed.

(e) If the Indemnified Party proceeds with the defense of any Indemnification Claim pursuant to subsection (c) above:

(i) the Indemnified Party shall proceed to defend such Indemnification Claim in a commercially reasonable, diligent manner with counsel reasonably satisfactory to the Indemnifying Party;

(ii) the Indemnifying Party shall make available to the Indemnified Party any non-privileged documents and materials in the possession or control of the Indemnifying Party that may be reasonably necessary to the defense of such Indemnification Claim;

(iii) the Indemnified Party shall keep the Indemnifying Party informed of all material developments and events relating to such Indemnification Claim; and

(iv) if either or both of the conditions described in clauses (i) and (ii) of Section 3(b) above are not satisfied, the Indemnified Party may not settle, adjust or compromise such Indemnification Claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, conditioned or delayed.

(f) Notwithstanding anything contained in this Section 9(C)(3) to the contrary, no party shall have the authority to admit liability (i) on behalf of the other party, or (ii) on its own behalf if such party is seeking indemnification from the other party for such liability, in either case without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed.

(4) Limitations on Survival and Indemnity Amount. (a) Seller's and Manager's obligations to indemnify Buyer with respect to any claim under Section 9(C)(1)(c) (Third-party Claims) and 9(C)(1)(d) (Taxes) shall survive the Closing indefinitely; (b) Seller's and Manager's obligations to indemnify Buyer with respect to any claim and under Section 9(C)(1)(a) (breach of representations, warranties and covenants), other than the Fundamental Reps (defined below), shall survive the Closing for a period of nine (9) months after the Closing Date; (c) Seller's and Manager's obligations to indemnify Buyer with respect to any claim and under Section 9(C)(1)(a) (breach of representations, warranties and covenants) as to the Fundamental Reps, shall survive Closing for the applicable statute of limitations with respect to the Fundamental Reps (as applicable, the "**Survival Period**"). As used herein, the term "**Fundamental Reps**" means the representations and warranties set forth in Sections 9(A)(1) (Authority), 9(A)(2) (Due Execution), 9(A)(3) (Enforceability), 9(A)(4) (No Bankruptcy or Dissolution), 9(A)(17) (Medicare; Medicaid), 9(A)(19) (Non-Foreign Status), 9(A)(20) (OFAC), 9(A)(21) (Taxes) and 9(A)(24) (AML). If Buyer delivers a Claim Notice within the Survival Period applicable to such Claim Notice, then all rights and remedies with respect to the matters which are the subject of such claim shall survive until the full and final, unappealable resolution of such claim and full payment of any amounts owed by the applicable party as a result thereof. For purposes of determining the amount of losses of any Indemnified Claim with respect to any events, facts or circumstances, after determining whether or not such facts, events or circumstances give rise to a breach of a representation or warranty (after giving full effect to any qualifications as to materiality or similar standards contained in such representation and warranty), the determination of the amount of losses for such breach of representation and warranty, as it relates to such facts, events or circumstances, shall be made without giving effect to any qualifications as to materiality or similar standards contained in such representation or warranty. Notwithstanding anything to the contrary herein, Buyer shall not have any right to seek indemnity against Seller or Manager pursuant to Section 9 (i) where the claim is made after the Survival Period or (ii) unless the amount of such indemnity claim, individually or when taken together with all other such indemnity claims hereunder and/or under the Kensington Portfolio Purchase Agreement is at least equal to Two Hundred Fifty Thousand and no/100

Dollars ($250,000) (the "**Indemnity Floor**"), after which the Indemnitor shall be responsible for any such Indemnitee's Claims on a first dollar basis. Additionally, Buyer shall not have any right to seek indemnity against the Seller for any such indemnity claims hereunder and/or under the Kensington Portfolio Purchase Agreement in an aggregate amount in excess of two percent (2.0%) of the sum of the Purchase Price under this Agreement and the Purchase Price under the Kensington Portfolio Purchase Agreement (such sum, the "**Indemnity Cap**"). Attorneys' fees arising out of any indemnified third party claim shall not be subject to such Indemnity Cap; and any attorneys' fees and costs payable to the prevailing Party arising out of any dispute between Seller and Buyer hereunder, including, without limitation, to enforce any Indemnitee Claim, also shall not be subject to the Indemnity Cap. In no event shall any Indemnitor be liable to any Indemnitee for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, except to the extent payable to a third-party. Notwithstanding any provision of this Agreement to the contrary, the Indemnity Cap shall not apply with respect to the following: (i) any breach of a Fundamental Rep; (ii) the fraud or intentional misrepresentation committed by Seller, Manager or their respective affiliates, and (iii) any post-closing reconciliations, adjustment and/or re-proration implemented pursuant to the terms of this Agreement; (iv) the indemnity by Seller regarding the payment of the commission to Seller's broker pursuant to Section 13(A); (v) the indemnity by Seller with respect to Excluded Liabilities pursuant to the terms of Section 9(C)(i); (vi) any liability with respect to covenants to be performed by Seller or Manager following Closing pursuant to the express terms of this Agreement or any Seller Closing Document.

(5) Limitations on Indemnification. Each of Buyer, Seller and Manager, for itself and on behalf of its agents, members, partners, employees, representatives, related and affiliated entities, successors and assigns, hereby agrees that in no event shall any of the officers, directors, employees, agents, consultants, representatives or attorneys of a party to this Agreement or any direct or indirect owner of any beneficial interest of the other party have any personal liability under this Agreement or under any of the Closing Documents and each party hereby expressly release and waive all such liability. In no event shall Buyer, Seller or Manager be responsible for any consequential, special, exemplary or punitive damages, all of which are expressly waived by Buyer, Seller and Manager; *provided*, however, that the foregoing waiver shall not apply to (i) fraud, willful misconduct, or intentional misrepresentation by a party, or (ii) consequential, special, exemplary or punitive damages actually paid to a third party in a tort claim and compensable pursuant to an express indemnification obligations under this Agreement.

(6) Holdback. As an inducement to Buyer to enter into this Agreement, Seller agrees that at Closing the Title Company shall retain in escrow from the Purchase Price proceeds otherwise distributable to Seller an amount equal to two percent (2%) of the Purchase Price to be held pursuant to the terms of a Holdback Escrow Agreement in the form of **Exhibit J** (the "**Holdback Agreement**") for a period ending nine (9) months after the Closing Date.

(7) The terms and provisions of this Section 9(C) shall survive the Closing.

(D) Certain Covenants of Seller and Manager. From the Effective Date until the Closing Date or the sooner termination of this Agreement, except to the extent otherwise expressly provided in this Agreement or prohibited by applicable regulatory requirements:

(1) Property Operation and Maintenance. Seller and Manager shall operate and maintain the Property and the Facility pursuant to its normal course of business and substantially in accordance with the historical operating standards of each, subject to destruction by casualty or eminent domain or other events beyond the reasonable control of Seller or Manager, including changes in laws, rules, ordinances and regulations, and (b) comply in all material respects with all applicable legal

requirements affecting the Property and all terms, covenants and conditions of any Contracts and Occupancy Agreements, and other agreements affecting the Property to which they are a party.

(2) Existing Insurance Policies. Prior to Closing, Seller and Manager shall maintain without interruption in coverage all existing insurance policies that currently are maintained by Seller or Manager in full force and effect in accordance with the terms thereof (subject to any necessary extensions, renewals or replacements providing substantially similar coverage as the existing policies). Seller and Manager shall report all claims and occurrences covered by such policies in a timely manner to the appropriate insurer if any occurrences arise.

(3) Licenses. Seller and Manager shall maintain in full force and effect all Licenses that are necessary for the use and operation of the Facility in accordance with all applicable laws and promptly notify Buyer of, and promptly deliver to Buyer a copy of, any written notice Seller or Manager receives prior to Closing from any governmental authority, concerning any material violation of law, imposition of sanctions or material penalties and fines, and any actual or threatened suspension or revocation of any License.

(4) Contracts and Agreements. Seller and Manager shall not enter into any new service contracts or other similar agreements affecting the Property or modify, or renew any existing Contracts that will be binding on Buyer after Closing without the prior written consent of Buyer (in its reasonable discretion); *provided*, however, that Seller and Manager may, and without the prior written consent of Buyer, (i) enter into new service contracts and similar agreements (a) that are related to resident safety and/or welfare, (b) that are required by applicable laws or regulations, or (c) that are entered into in the ordinary course of business; provided that they are cancelable on not more than thirty (30) days' notice without penalty (unless Seller agrees to pay any such penalty, and provided that in the event of subclause (a) or (b) immediately above, Seller shall consult with Buyer prior to entering into such contracts or agreements if Seller is reasonably able to do so), or (ii) renew any Contracts if such renewal(s) are made in the ordinary course, in accordance with the terms of such existing Contracts, and, as so renewed, are cancelable on not more than thirty (30) days' notice without penalty unless Seller agrees to pay such penalty. Buyer's failure to approve or disapprove such service contracts within five (5) Business Days after Buyer's receipt of Seller's written request for such approval shall be deemed a disapproval of the same. Seller shall provide Buyer with a copy of any material new contract or modified or renewed Contract entered into by Seller or Manager in accordance with this Section.

(5) Occupancy Agreements. Seller and Manager shall continue to lease the Property (including entering into, modifying and terminating Resident Agreements) to residents in the same manner as prior to the Effective Date pursuant to their normal course of business; provided, however, that any new or modified Resident Agreement shall (i) be on the current form of resident agreement previously provided to Buyer as the "standard form" of Resident Agreement used by Seller and/or Manager at the Property, (ii) be for a term of not more than one (1) year and at a rate consistent with rates charged in the ordinary course of business by Seller or Manager, (iii) not provide concessions in excess of the concessions that Seller or Manager has provided to residents in the ordinary course of business, and (iv) not include any so-called "rate-lock" that extends beyond one year from the date of such Resident Agreement. After the Effective Date, Seller and Manager shall not enter into any new commercial lease, license agreement or other occupancy agreement (other than a Resident Agreement) that will be an obligation affecting the Property after Closing, or modify, renew or terminate any Commercial Lease, without the prior written consent of Buyer in Buyer's reasonable discretion.

(6) Notice Delivery. Seller and Manager shall promptly deliver to Buyer a copy of any written notice Seller or Manager receives of any material violations, judgments, claims and litigation affecting Seller, Manager or the Property, including written notice from any governmental authority of any material violation of any laws regulating the condition, use or operation of the Property.

(7) Warranties and Other Intangibles. Seller and Manager shall request (and use commercially reasonable efforts to obtain) the consents of the issuers of any and all warranties (including those issued in connection with the foundation, structure, roof, and the Building's mechanical, plumbing, electrical, fire/life safety and other systems) affecting the Property to the assignment of such warranties at Closing to Buyer at no material cost to Seller or Manager, including being available at reasonable times and after reasonable notice for inspections of the roof by such issuers and executing such documents as reasonably necessary to assign any such warranties to Buyer (it being understood that obtaining such consent, and the assignment thereof, shall not be a condition to Closing hereunder). The obligation to use such reasonable efforts shall survive the Closing for a period of twelve (12) months.

(8) Property Documents. Promptly, and in any event within three (3) Business Days, after its receipt, delivery, discovery, filing or preparation, as the case may be, Seller and Manager shall deliver to Buyer a copy of any document, information, material, notice or comparable report or item that constitutes a Property Document that Seller or Manager is required by this Agreement to deliver to Buyer (which copy shall be true, correct and complete in all material respects) but either did not exist, was not discovered or was not in the possession or reasonable control of Seller, Manager or any of their respective affiliates as of the Effective Date. **EXCEPT FOR EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE DOCUMENTS EXECUTED BY SELLER OR MANAGER IN CONNECTION HEREWITH, ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY IS SOLELY FOR BUYER'S CONVENIENCE AND WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES. SELLER AND MANAGER MAKE NO (AND EXPRESSLY DISCLAIMS ALL) REPRESENTATIONS AS TO THE ACCURACY OF SUCH INFORMATION. EXCEPT FOR EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE DOCUMENTS EXECUTED BY SELLER, MANAGER AND THEIR AFFILIATES IN CONNECTION HEREWITH, SELLER AND MANAGER SHALL NOT BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF.**

(9) Additional Covenants of Seller and Manager. Unless otherwise permitted hereunder, Seller and Manager shall not take any of the following actions, to the extent the same would be binding on or affect any of the Property or any owner, lessee, or operator thereof after the Closing, without Buyer's prior written approval in Buyer's sole discretion:

(a) subject the Property to, permit or suffer any new liens, covenants, restrictions or easements (other than liens for non-delinquent real estate taxes);

(b) after the Effective Date, except in connection with a casualty or condemnation which is governed by Section 8 hereof, make any material alterations or improvements to the Property (except for repairs, replacements and maintenance in the ordinary course) except as disclosed on **Schedule 9(a)(25)**;

(c) after the Effective Date, apply for or consent to any zoning change, variance, subdivision, lot line adjustment or similar change with respect to the Property;

(d) after the Effective Date, intentionally cause any action to be taken which would cause any of such representations or warranties to be untrue as of the Closing Date in any material respect except as permitted under this Agreement; or

(e) sell, lease, transfer or otherwise dispose of all or any portion of the Property, except for (i) the entering into of Occupancy Agreements in the ordinary course in accordance with the terms of Sections 9(D)(4) and 9(D)(5) above, and (ii) the use and consumption of supplies and

replacement of worn out, obsolete and defective tools, furniture, fixtures, equipment and appliances in the ordinary course and in accordance with Section 9(D)(1) above.

(10) Termination of Current Management Agreement and Owner-Operator Lease. Seller and Manager shall terminate the Current Management Agreement as of Closing (but not before), at no cost to Buyer. Seller shall terminate each existing lease between Seller and affiliates of Seller as of Closing (but not before), at no cost to Buyer.

(11) Data Property. Seller and Manager shall reasonably cooperate (at no material out-of-pocket cost to Seller) with Buyer in connection with Buyer's review of, and Seller's conveyance at Closing to Buyer of, the Data Property, including, but not limited to, providing test, snapshot and/or extract files upon request, introductions to vendor account representatives, and executing data-sharing and data transfer agreements (if required).

(12) Regulatory Surveys. Seller and Manager shall comply in all material respects with the requirements of any outstanding plan or plans of correction ("**Correction Plans**") proposed in response to any inspection or regulatory survey conducted by any governmental entity prior to Closing. Seller and Manager shall pay any fines, penalties and the costs of correction resulting from any inspection or regulatory survey conducted by any governmental entity prior to Closing, or if conducted after Closing and to the extent related to the pre-Closing period of operations (the "**Survey Fines**"; and together with Correction Plans, the "**Survey Response Actions**") and Seller and Manager shall retain all liability for all costs and expenses in pursuing such appeals and all liabilities for any penalties not rescinded. In addition, Seller and Manager shall consult with Buyer and, after the expiration of the Due Diligence Period, obtain Buyer's prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed), for any settlements of such appeals and notify Buyer of the final disposition of such matters.

(13) Maryland Bulk Sale Tax Clearance. Seller shall pay any Maryland Bulk Sales and Use Tax or any other sales or use or other similar taxes resulting from the consummation of the transactions contemplated by this Agreement ("**MD Bulk Sales Taxes**"). At least ten (10) days prior to Closing, Seller shall deliver to Purchaser tax clearance certificates for all such MD Bulk Sales Taxes ("**Maryland Tax Clearance Certificates**"). Seller's obligations under this Section 9(D)(13) apply whether or not the applicable tax, license tax, assessment, fee, penalty, or interest is shown as an exception to title, is of record in the land records, is lienable against the real property, would result in an exception to any title insurance policy, or would be insured over by Buyer's title insurer. Further, Seller shall execute and deliver all authorizations, powers of attorney, tax information releases, account numbers, prior certificate numbers, closure forms, final returns, and other documents reasonably requested by Buyer, Escrow Agent, any State, Commonwealth, County or City office or agency, including the Maryland Department of Revenue, in connection with obtaining the Maryland Tax Clearance Certificates. Seller's obligations under this Section 9(D)(13) shall survive Closing.

(14)WARN Act. In connection with the termination of the Current Management Agreement as of the Closing and the execution of the New Management Agreement, the parties anticipate that (i) the employment of none of the Facility's employees will be terminated as of or in connection with Closing and (ii) Manager shall continue to employ substantially all said employees as of Closing without interruption in service and on the same terms and conditions as those in effect prior to Closing. Seller and Manager shall take such actions to ensure that neither they, Buyer nor the Facility is subject to the notification requirements of the federal Worker Adjustment and Retraining Notification Act, as amended, and any other similar applicable state or local Law (the "**WARN Act**"). If Seller and Manager fail to comply with its obligations set forth in this Section, Seller and Manager shall be responsible for all obligations, damages, fines or penalties arising under the WARN Act or other applicable law (the "**WARN Act Liabilities**"). Notwithstanding anything to the contrary contained herein, nothing in this Agreement

shall be construed as granting any of the Facility's employees any rights of continuing employment, compensation or benefits.

(15) Title Correction Documents. Prior to executing this Agreement, pursuant to Section 13.2 of the Ground Lease, Seller delivered to HOCMC an Offering Notice (as said term is defined in the Ground Lease) stating that Seller intends to sell its interest in the Ground Lease and the Land, which Offering Notice set forth the terms of the Acceptable Offer (as said term is defined in the Ground Lease).

(16) Elevator Repair. Seller shall, at Seller's sole cost and expense, complete the repair, replacement and remediation of a hydraulic fuel leak associated with the Facility elevator (the "**Elevator Repair**"). If Seller does not complete the Elevator Repair at or prior to Closing, then (i) Seller shall remain obligated to promptly complete the Elevator Repair following Closing, and (ii) Escrow Agent shall withhold a portion of the Purchase Price otherwise payable to Seller at Closing in the amount of Two Hundred Thousand and NO/100 Dollars (the "**Repair Holdback**"). The Repair Holdback shall secure Seller's obligation to promptly complete the Elevator Repair following Closing and same shall be held by Escrow Agent pursuant to the terms of an escrow agreement among Buyer, Seller and Escrow Agent (the "**Repair Holdback Escrow Agreement**") to be executed at Closing, such Repair Holdback Escrow Agreement to be in a form reasonably acceptable to such parties.

(17) Existing Loan Documents. Seller covenants that, during the term of this Agreement, Seller shall not, without the prior written consent of Buyer, amend the Existing Loan Documents in any respect.

The provisions of this Section 9(D) shall survive Closing.

(E) Tail Insurance Coverage. To the extent Seller's or Manager's current insurance policies are on a "claims made" (as opposed to "occurrence") basis with respect to the Facility, Seller and Manager shall obtain tail insurance coverage on substantially the same terms (including limits and deductibles) as such claims made policies at its sole cost and expense for the period commencing on the Closing Date and ending on the second (2^{nd}) anniversary of the Closing Date with respect to the Facility for losses arising prior to Closing and/or during said term of the Interim Agreements. Such tail coverage will name Buyer and Buyer's designees (as identified by Buyer) as additional insureds. Seller and Manager shall provide evidence of such tail coverage to Buyer as of the Closing Date.

(F) [Intentionally Deleted];

(G) [Intentionally omitted];

(H) [Intentionally omitted];

(I) [Intentionally omitted]; and

(J) Title Estoppel: With respect to those easement agreements, development agreements, declarations, or other covenants or restrictions encumbering any portion of the Land and Improvements listed on **Schedule 9(J)**, Seller shall reasonably cooperate with Buyer by promptly delivering to the appropriate parties to such an agreement an estoppel certificate in a form reasonably requested by Buyer and/or Title Company (each, a "**Title Estoppel**"). After delivery of any requested estoppel certificates to the applicable parties, Seller shall use commercially reasonable efforts to obtain executed copies of the same and, once executed, deliver same to Buyer and Title Company; *provided*, however, in no event shall Seller be required by the foregoing to pay any sums (or incur any other liability) to any party in connection with its attempts to obtain such estoppel certificates. If Seller is not able to deliver to Buyer

and Title Company at Closing each of the Title Estoppels, for any Title Estoppel not so delivered (excluding those referenced on **Schedule 9(J)** as being required from the applicable third parties), Seller shall deliver an estoppel certificate executed by Seller in the same form as the Title Estoppel (each, a "**Seller Title Estoppel**"), except that statements therein relating to the actions of third parties may be qualified by Seller's knowledge (as said term is defined in this Agreement). Notwithstanding any provision contained in this Agreement to the contrary, it shall not be a condition to Buyer's obligations hereunder that any of the Title Estoppels (as opposed to the Seller Title Estoppels) are obtained, nor shall it be a covenant on the part of Seller to deliver the Title Estoppels (as opposed to the Seller Title Estoppels).

(K) Exclusivity. Prior to Closing or termination of this Agreement pursuant to its terms, Seller, Manager and any officer, director, employee, advisor or others authorized to act on Seller's and/or Manager's behalf, (i) will not, directly or indirectly, initiate, solicit, authorize or encourage discussions relating to any Acquisition Proposal (defined below); (ii) will not participate in negotiations in connection with or in furtherance of any Acquisition Proposal or permit any person other than the Buyer and its representatives to have any access to the Facility in connection with an Acquisition Proposal, or furnish to any person other than Buyer and its representatives any non-public information with respect to the Property in connection with an Acquisition Proposal; (iii) will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties, other than the Buyer, conducted on or before the date of this Agreement with respect to any Acquisition Proposal; and (iv) will immediately provide to Buyer written notice of any Acquisition Proposal, including the name of the party seeking to initiate, continue or renew activities, discussions or negotiations regarding an Acquisition Proposal. As used herein, the term "Acquisition Proposal" means any offer, proposal or other overture or communication of any kind to acquire or sell some or all of the Property or any ownership or controlling interest in Seller, Manager, or Seller's or Manager's direct or indirect parent.

(L) Cooperation with Audit. Seller and Manager acknowledge that Buyer is affiliated with a publicly registered company ("Registered Company"). Seller and Manager acknowledge that it has been advised that Buyer and its assignee may be required to make certain filings with the Securities and Exchange Commission (the "SEC Filings") that relate to the most recent pre-acquisition fiscal year (the "Audited Year") and the current fiscal year through the date of acquisition (the "stub period") for the Property. To assist the assignee in preparing the SEC Filings, the Seller and Manager covenant to provide the assignee with the following during the Due Diligence Period, thereafter until Closing and for one (1) year thereafter: (i) access to bank statements for the Audited Year and stub period; (ii) rent roll as of the end of the Audited Year and stub period; (iii) operating statements for the Audited Year and stub period; (iv) access to the general ledger for the Audited Year and stub period; (v) cash receipts schedule for each month in the Audited Year and stub period; (vi) access to invoices for expenses and capital improvements in the Audited Year and stub period; (vii) accounts payable ledger and accrued expense reconciliations; (viii) check register for the 3-months following the Audited Year and stub period; (ix) all leases and 5-year lease schedules; (x) copies of all insurance documentation for the Audited Year and stub period; (xi) copies of accounts receivable aging as of the end of the Audited Year and stub period along with an explanation for all accounts over 30 days past due as of the end of the Audited Year and stub period; and (xii) signed representation letter in the form reasonably required by Buyer or its counsel. Seller and Manager also agree to deliver a signed Representation Letter in the form attached hereto as Exhibits L to Buyer within five (5) Business Days prior to Closing, and such delivery shall be a condition to Closing. The provisions of this Section shall survive Closing.

10.DISCLAIMER: AS AN ESSENTIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT, AND AS PART OF THE DETERMINATION OF THE PURCHASE PRICE, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES AS OF THE EFFECTIVE DATE AND AS OF THE CLOSING DATE AS FOLLOWS:

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN THE SELLER CLOSING DOCUMENTS, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS" BASIS. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY SELLER CLOSING DOCUMENT, SELLER AND MANAGER HAVE NOT MADE, DO NOT MAKE AND SPECIFICALLY NEGATE AND DISCLAIM ANY REPRESENTATIONS, WARRANTIES, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, ANY FACILITY OR ANY OTHER MATTER WHATSOEVER, INCLUDING: (i) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION AND ASPECTS OF THE PROPERTY AND THE FACILITY, INCLUDING THE STRUCTURAL ELEMENTS, SEISMIC ASPECTS OF THE PROPERTY, FOUNDATION, ROOF, APPURTENANCES, ACCESS, SIGNAGE, LANDSCAPING, PARKING FACILITIES AND THE ELECTRICAL, MECHANICAL, HVAC, PLUMBING, SEWAGE, AND UTILITY SYSTEMS, FACILITIES AND APPLIANCES, THE SQUARE FOOTAGE WITHIN THE IMPROVEMENTS ON THE PROPERTY AND THE IMPROVEMENTS AND WITHIN EACH TENANT SPACE THEREIN AND WITHIN THE COMMON ELEMENTS OF THE PROPERTY, (ii) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND ANY GROUNDWATER, (iii) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY OR THE FACILITY, (iv) THE DEVELOPMENT POTENTIAL OF THE PROPERTY OR THE FACILITY, AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, (v) THE ZONING AND OTHER LEGAL STATUS OF THE PROPERTY, THE IMPROVEMENTS AND ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON USE OF THE PROPERTY, (vi) THE COMPLIANCE OF THE PROPERTY OR THE FACILITY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, (vii) THE ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING THE PRESENCE OF HAZARDOUS MATERIALS ON, UNDER OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY, (viii) THE QUALITY OF ANY LABOR AND MATERIALS USED IN ANY IMPROVEMENTS ON THE PROPERTY OR THE FACILITY, (ix) THE CONDITION OF TITLE TO THE PROPERTY, (x) THE LEASES, CONTRACTS OR OTHER AGREEMENTS AFFECTING THE PROPERTY, THE FACILITY OR THE IMPROVEMENTS, AND (xi) ECONOMICS OF THE OPERATION OF THE PROPERTY, THE FACILITY, AND THE IMPROVEMENTS OR THE FINANCIAL CONDITION OF ANY TENANT OF THE PROPERTY. THIS SECTION 10 SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND THIS SECTION 10 (AND ANY OTHER OBLIGATION OR LIABILITY THAT EXPRESSLY SURVIVES CLOSING HEREUNDER) SHALL NOT BE DEEMED TO HAVE MERGED INTO THE DEED OR ANY OF THE OTHER DOCUMENTS EXECUTED OR DELIVERED AT CLOSING OR IN CONNECTION THEREWITH.

11. Conditions to Closing.

(A) Seller's Conditions to Closing. In addition to any conditions expressly provided in other provisions of this Agreement, Seller's obligations to proceed to Closing and consummate the sale of the Property are conditioned on the following (any of which may be waived in writing by Seller, and which conditions are without limitation of Seller's remedies for default by Buyer as set forth in Section 3(D)). If any such condition has not been satisfied as of Closing, then Seller may elect to (i) extend the Closing Date by up to thirty (30) days to attempt to cure such condition failure, or to allow Buyer time to

cure such condition failure or (ii) terminate this Agreement by written notice to Buyer, in which case this Agreement shall terminate, the Deposit (excluding the Independent Consideration), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination:

(1) Performance by Buyer. The due performance in all material respects by Buyer of the undertakings and agreements to be performed by it hereunder (including the delivery to Seller or Escrow Agent, as applicable, of the items specified to be delivered by Buyer in Section 7(A)(2) hereof).

(2) Accuracy of Representations and Warranties. The truth of each representation and warranty made by Buyer in this Agreement in all material respects at the time as of which the same is made and as of the Closing Date.

(3) No Injunctions; Restraints; Insolvency. (a) No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect. (b) No action shall have been taken nor any statute, rule, or regulation shall have been enacted by any governmental agency that makes the consummation of the transactions contemplated hereby illegal. (c) There shall exist no assignments for the benefit of creditors, or insolvency, bankruptcy, or reorganization proceedings, pending or threatened against Buyer that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement.

(B) Buyer's Conditions to Closing. In addition to any conditions expressly provided in other provisions of this Agreement, Buyer's obligations to proceed to Closing and consummate the purchase of the Property are conditioned on the satisfaction of each of the below conditions as of Closing, any of which may be waived in writing by Buyer, and which conditions are without limitation of Buyer's remedies for default by Seller and/or Manager as set forth in Section 3(D)(1). If any such condition has not been satisfied as of Closing, then Buyer may elect to (i) extend the Closing Date by up to forty (40) days to attempt to cure, or to allow Seller and Manager to attempt to Cure, such condition failure or (ii) terminate this Agreement by written notice to Seller and Manager, in which case (a) this Agreement shall terminate, (b) if the condition not satisfied as of Closing is the condition in Sections 11(B)(1), (3), (4), and (6-10), then Seller shall reimburse Buyer for all of Buyer's Pursuit Costs (as defined in Section 3(D)(2)), which obligation shall survive the termination of this Agreement, and (c) the Deposit shall be returned to Buyer, which obligation shall survive the termination of this Agreement and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination (and subject to the provisions of Section 11(A) if applicable).

(1) Performance by Seller and Manager. The full and timely performance by Seller and Manager in all material respects of the undertakings and agreements to be performed by Seller and Manager hereunder (including the delivery to Buyer or Escrow Agent, as applicable, of the items specified to be delivered by Seller in Section 7(A)(1) hereof).

(2) Required Regulatory Approvals. (A) As of Closing, the Licenses shall be in good standing without restrictions or conditions and (B) either the (i) the Required Regulatory Approvals shall have been received as of the Closing for the Facility without any restrictions or conditions or (ii) if the Required Regulatory Approvals have not been received as of the Closing for the Facility, Seller and Manager, as applicable, shall have executed and delivered the Interim Sublease and the Interim Management Agreement with respect to the Facility. For purposes hereof, the Required Regulatory Approvals shall be deemed to have been received for the Facility if Buyer has received written assurances from the applicable governmental authority, in form and substance reasonably acceptable to Buyer, that the parties are authorized to consummate the transactions contemplated hereunder with respect to the Facility

and that such Required Regulatory Approvals shall be issued in due course effective as of the Closing Date following such governmental authority's receipt of documentation from the parties evidencing that the Closing has occurred as of the Closing Date.

(3) Accuracy of Representations and Warranties. The truth of each representation and warranty made by Seller and Manager in this Agreement in all material respects (unless such representation and warranty is qualified by materiality, in which case the truth thereof shall be in all respects) at the time as of which the same is made and as of the Closing Date; provided, however, in remaking all the representations and warranties on and as of the Closing Date, (a) all references to **Exhibit I** in **Section 9** shall be deemed to refer to an updated list of Contracts reflecting those Contracts executed, modified or terminated in accordance with Section 9(D)(4) of this Agreement, which updated list shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date, (b) all references to **Exhibit H** in Section 9 shall be deemed to refer to an updated list of Resident Agreements reflecting those Resident Agreements executed, modified or terminated in accordance with Section 9(D)(5) of this Agreement and an updated rent roll, which updated exhibits shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date, (c) all references to **Exhibit H-1** in Section 9 shall be deemed to refer to an updated list of Commercial Leases reflecting those Commercial Leases executed, modified or terminated in accordance with Section 9(D)(4) of this Agreement, which updated list shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date. The failure of any representation or warranty of Seller and/or Manager in this Agreement to be true in all material respects (unless such representation and warranty is qualified by materiality, in which case the truth thereof shall be in all material respects) which results from a change in facts or circumstances or a change of Seller's or Manager's knowledge after the Effective Date that was not caused by Seller's default of their obligations under this Agreement shall not constitute a default by Seller or Manager but shall cause the failure of the condition set forth in this item (3).

(4) No Injunctions; Restraints; or Insolvency. No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect. No action shall have been taken nor any statute, rule or regulation shall have been enacted by any governmental agency that makes the consummation of the transactions contemplated hereby illegal. There shall exist no assignments for the benefit of creditors, or insolvency, bankruptcy, or reorganization proceedings, pending or threatened against Seller or Manager that would materially and adversely affect Seller's or Manager's ability to perform its obligations under this Agreement.

(5) Title Policy. The Title Company shall issue (or shall be prepared and irrevocably and unconditionally committed to issue) an extended coverage lessee's policy of title insurance for the Facility covering Buyer's lessee's interest in the Land and Improvements, in the amount of the Purchase Price, insuring the lessee's interest therein will be vested in Buyer, subject only to Permitted Exceptions (the "**Title Policy**"), subject to payment of the premium therefor.

(6) Management Agreement; Related: (a) Manager executing and delivering to Buyer (or to Buyer's designated affiliate) at Closing a New Management Agreement in form and substance reasonably acceptable to Buyer with respect to the Facility.

(7) [Intentionally omitted];

(8) [Intentionally Deleted];

(9) [Intentionally omitted];

(10) Ground Lease Documents: Buyer shall have received the Ground Lease Closing Documents duly authorized and executed by (as applicable) Seller and HOCMC.

(11) Bulk Sale Tax Certificates. Buyer shall have received the Maryland Tax Clearance Certificates.

12.Escrow Provisions.

(A) Buyer, Seller and Manager hereby appoint Escrow Agent to act as their escrow agent on the terms and conditions hereinafter set forth, and Escrow Agent accepts such appointment. Escrow Agent agrees to hold the Deposit on behalf of Buyer and Seller, and to apply, disburse and deliver the Deposit as provided in this Agreement. This Agreement shall serve as the mutual escrow instructions of Seller and Buyer.

(B) Escrow Agent shall hold the Deposit in an interest bearing savings (or money market) account. Each of Buyer and Seller agree to execute and deliver to Escrow Agent a form W-9 Request for Taxpayer Identification Number and Certification for any investment made hereunder on its behalf. Escrow Agent shall not commingle the Deposit with any other funds. Escrow Agent shall pay the Deposit in accordance with the terms of this Agreement. If, prior to the expiration of the Due Diligence Period, Buyer makes a demand upon Escrow Agent for delivery of the Deposit, Escrow Agent shall, no later than one (1) Business Day thereafter, pay the Deposit (less the Independent Consideration, which shall be paid to Seller) to Buyer and Seller shall have no right whatsoever to object to any such payment of the Deposit to Buyer, it being understood that, until the expiration of the Due Diligence Period, this escrow shall be a single order escrow in favor of Buyer only. If after the expiration of the Due Diligence Period and prior to the Closing, either party makes a demand upon Escrow Agent for delivery of the Deposit, Escrow Agent shall promptly give notice to the other party of such demand. If a notice of objection to the proposed payment is not received from the other party within seven (7) Business Days after the giving of notice by Escrow Agent, Escrow Agent is hereby authorized to deliver the Deposit to the party who made the demand. If Escrow Agent receives a notice of objection within said period, then Escrow Agent shall continue to hold the Deposit and thereafter pay it to the party entitled when Escrow Agent receives (a) notice from the objecting party withdrawing the objection, or (b) a notice signed by both parties directing disposition of the Deposit, or (c) a judgment or order of a court of competent jurisdiction.

(C) Escrow Agent shall be protected in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness of any notice, demand, certificate, signature, instrument or other document which is given to Escrow Agent without verifying the truth or accuracy of any such notice, demand, certificate, signature, instrument or other document. Escrow Agent shall not be bound in any way by any other contract or understanding between Seller and Buyer, whether or not Escrow Agent has knowledge thereof or consents thereto unless such consent is given in writing. Escrow Agent's sole duties and responsibilities shall be to hold and disburse the Deposit in accordance with this Agreement; provided, however, that Escrow Agent shall have no responsibility for the clearing or collection of the check representing the Deposit. Upon the disbursement of the Deposit in accordance with this Agreement, Escrow Agent shall be relieved and released from any liability under this Agreement.

(D) If the Deposit is at any time attached, garnished, or levied upon under any court order or if the payment or delivery of the Deposit is stayed or enjoined by any court order, or if any order, judgment or decree shall be made or entered by any court affecting the Deposit, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with the order, writ, judgment or decree. Escrow Agent shall not be liable to any of the parties or to any other person firm or corporation by reason of such compliance even though the order, writ, judgment or decree may be subsequently reversed modified, annulled, set aside or vacated.

(E) The parties hereto do hereby certify that they are aware that the Federal Deposit Insurance Corporation ("**FDIC**") coverages apply only to a cumulative maximum amount of $250,000 for each individual depositor for all of depositor's accounts at the same or related institution. The parties hereto further understand that certain banking instruments such as, but not limited to, repurchase agreements and letters of credit are not covered at all by FDIC insurance. Further the parties hereto understand that Escrow Agent assumes no responsibility for, nor will the parties hereto hold Escrow Agent liable for, any loss occurring which arises from the fact that the amount of the above account may cause the aggregate amount of any individual depositor's accounts to exceed $250,000 and that the excess amount is not insured by the Federal Deposit Insurance Corporation or that FDIC insurance is not available on certain types of bank instruments.

(F) The parties hereto acknowledge that the maintenance of escrow accounts with some depository institutions may result in Escrow Agent being provided with an array of bank services, accommodations or other benefits by the depository institution. Escrow Agent or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Agent, and Escrow Agent shall have no obligation to account to the parties hereto for the value of such services, accommodations or other benefits.

(G) Escrow Agent may resign at any time upon at least ten (10) Business Days prior written notice to Seller and Buyer. If, prior to the effective date of such resignation, Seller and Buyer shall have approved, in writing, a successor escrow agent, then upon the resignation of Escrow Agent, Escrow Agent shall deliver the Deposit to such successor escrow agent. From and after such resignation and the delivery of the Deposit to such successor escrow agent, Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement, all of which duties, responsibilities and obligations shall be performed by the appointed successor escrow agent. If for any reason Seller and Buyer shall not approve a successor escrow agent within such period, Escrow Agent may bring any appropriate action or proceeding for leave to deposit the Deposit with a court of competent jurisdiction, pending the approval of a successor escrow agent, and upon such deposit Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement. Escrow Agent shall not have any liability or obligation for loss of all or any portion of the Deposit by reason of the insolvency or failure of the institution of depository with whom the escrow account is maintained.

(H) Seller and Buyer hereby agree to, jointly and severally, indemnify, defend and hold harmless Escrow Agent from and against any liabilities, damages, losses, costs or expenses incurred by, or claims or charges made against, Escrow Agent (including reasonable attorneys' fees and disbursements) by reason of Escrow Agent performing its obligations pursuant to, and in accordance with, the terms of this Agreement, but in no event shall Escrow Agent be indemnified for its negligence, willful misconduct or breach of the terms of this Agreement.

(I) Subject to the terms of subsection (B) above, in the event that a dispute shall arise in connection with this Section 12, or as to the rights of Seller and Buyer in and to, or the disposition of, the Deposit, Escrow Agent shall have the right to (i) hold and retain all or any part of the Deposit until such dispute is settled or finally determined by litigation, arbitration or otherwise, or (ii) deposit the Deposit in an appropriate court of law, following which Escrow Agent shall thereby and thereafter be relieved and released from any liability or obligation under this Agreement, or (iii) institute an action in interpleader or other similar action permitted by stakeholders in the State of and Federal Courts of Bethesda, Maryland, or (iv) interplead Seller or Buyer in any action or proceeding which may be brought to determine the rights of Seller and Buyer to all or any part of the Deposit.

The terms and provisions of this Section 12 shall survive the Closing or earlier termination of this Agreement.

13. Miscellaneous.

(A) Brokerage Issues. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that no broker or finder has been engaged by it, respectively, in connection with any of the transactions contemplated by this Agreement or to its knowledge is in any way connected with any of such transactions other than Newmark, whose commission shall be paid by Seller at Closing pursuant to a separate written agreement. In the event of a claim for broker's or finder's fee or commissions by any broker claiming through Seller in connection herewith, then Seller shall indemnify, protect, defend and hold Buyer harmless from and against the same. In the event of a claim for broker's or finder's fee or commissions in connection herewith by any broker claiming through Buyer in connection with this transaction, then Buyer shall indemnify, protect, defend and hold Seller harmless from and against the same. The provisions of this Section 13(A) shall survive the Closing or any termination of this Agreement (as applicable).

(B) Successors and Assigns. This Agreement shall not be assigned by Buyer to any person or entity without the express prior written consent of Seller except as provided in this Section. Notwithstanding the preceding sentence, at any time prior to the Closing, without the prior written consent of Seller, Buyer may assign or partially assign its right, title and interest herein to any one or more corporations, partnerships, limited liability companies, or other entities Controlled by or under common Control with Buyer; and provided further that Seller receives written notice of such assignment and a copy of the agreement that legally effectuates such assignment at least five (5) Business Days prior to the Closing Date. Notwithstanding any provision in this Agreement to the contrary, no assignment or delegation of its rights and duties under this Agreement by Buyer shall relieve Buyer of any of its obligations and liabilities hereunder. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and shall be binding upon the successors and assigns of the parties.

(C) Notices. Unless otherwise agreed to by the parties or set forth herein, all notices required or permitted to be given hereunder shall be in writing. Such notices shall be effective only upon receipt or documented refusal of receipt following deposit into the United States mail, registered or certified, return receipt requested, postage prepaid, or if hand delivered or if sent by nationally recognized overnight courier providing evidence of delivery or when sent via electronic mail (*e.g.*, e-mail), addressed as follows:

To Buyer:

c/o American Healthcare REIT, Inc.
18191 Von Karman Avenue, Suite 300
Irvine, California 92612
Attn: Stefan Oh, Chief Investment Officer
E-mail: [***]

And to:

Arnall Golden Gregory LLP
171 17th Street, NW, Suite 2100
Atlanta, GA 30363
Attention: Steven A. Kaye, Esq.
E-mail: [***]

To Seller:

Kensington Senior Living, LLC
11921 Freedom Drive, Suite 950
Reston, VA 20190
Attention: Michael Rafeedie
E-mail: [***]

With Copies To:

Tatusko Kennedy, PC
3016 Williams Drive, Suite 200
Fairfax, Virginia 22130
Attention: Wayne G. Tatusko, Esq.
E-mail: [***]

To Title Company/Escrow Agent:

Chicago Title Insurance Company
2699 Howell Street, Suite 200
Dallas, Texas 75204
Attn: Shannon Bright
Email: [***]

or at such other place as a party may designate in a written notice given in accordance herewith. E-mail transmissions received during business hours during a Business Day at the receiving location shall be deemed made on such Business Day if received prior to 6:00 p.m. Eastern Time and e-mail transmissions received at any other time shall be deemed received on the next Business Day. The attorneys for any party hereto shall be entitled to provide any notice that a party desires to give or is required to give hereunder.

(D) Legal Costs. In the event any action is instituted by Seller or Buyer to enforce this Agreement, the prevailing party in such action (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall be entitled to all fees and costs, including reasonable attorneys' fees incurred in defending or prosecuting the action, as well as all fees and costs, including reasonable attorneys' fees, incurred in connection with obtaining and recovering any and all fees and costs provided for herein. Prejudgment interest on such fees and costs shall start to accrue thirty (30) days after invoices are received. The foregoing includes reasonable attorneys' fees, expenses and costs of investigation incurred in (1) appellate proceedings; (2) in any post-judgment proceedings to collect or enforce the judgment; (3) establishing the right to indemnification; and (4) any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. This provision is separate and several and shall survive the consummation of the transaction contemplated by this Agreement or the earlier termination of this Agreement.

(E) Confidentiality. Seller, Manager and Buyer shall maintain the confidentiality of this Agreement and the transactions contemplated hereby and shall not, except as required by law, court order, legal process, or rule or regulation of a regulatory authority having jurisdiction such as the SEC or the NYSE (collectively, "**Law**"), disclose the terms of this Agreement, the parties thereto, or of such sale and purchase to any third parties whomsoever other than (i) Seller may disclose the terms of this Agreement to its employees, auditors and/or lenders, and its direct and indirect investors, members and partners, officers, directors, agents, legal counsel, accountants, other professional advisors, derivative counterparties,

and affiliates, and Seller shall advise and direct each of the confidential nature and its obligations under this Section, and (ii) Buyer may disclose the terms of this Agreement to its partners, investors, potential investors, joint venturers, potential joint venturers, syndicate participants, potential syndicate participants, lenders, and potential lenders, and the attorneys, other advisors, accountants, employees, officers, derivative counterparties, agents and affiliates of each of the foregoing (each, a "**Buyer Permitted Party**") who are actively and directly participating in, or solicited by another Buyer Permitted Party to participate in, the negotiation of this Agreement, or evaluation, the appraisal, investigation or financing of the purchase or acquisition of the Property, or the prospective leasing of the Property (including, as it relates to such prospective leasing, the evaluation of the scope and cost of any anticipated tenant or landlord improvements following Buyer's acquisition of the Property), and Buyer shall advise each of the confidential nature and its obligations under this Section, or as required by law or any regulatory requirements to which Buyer is subject. In addition, Buyer may communicate with and disclose the existence (but not the terms) of this Agreement to current and prospective contractors that have been or may be retained in connection with the Property, and Buyer may communicate with any of the foregoing and any Buyer Permitted Party with respect to the planned use, ownership, maintenance and financing of the Property, provided that Buyer shall advise each of the confidential nature and its obligations under this Section. Neither Seller nor Buyer shall at any time, prior to Closing, issue a press release or otherwise communicate with media representatives regarding the sale and purchase contemplated by this Agreement without the prior written approval of the other party hereto as to such disclosure and the contents thereof. Nothing herein shall restrict either party from disclosing information that is required to be disclosed by applicable Law. Prior to any disclosure required by Law and, to the extent permitted under applicable Law, the disclosing party shall notify the non-disclosing party in writing of such required disclosure and the contents thereof and provide the non-disclosing party with a reasonable opportunity to obtain a restraining order or take other protective action, except to the extent such disclosure is a part of a routine regulatory audit process. Notwithstanding the foregoing, Seller acknowledges that Buyer's ultimate parent company is a publicly traded company, and that as such it and its representatives may make disclosures of confidential information in the ordinary course of business to The New York Stock Exchange, financial analysts, investors (including on earnings calls), rating agencies, banks and other similar persons or institutions, which information is of the same general nature as that disclosed to such persons or institutions in its ordinary course of business and that such disclosure shall not constitute a breach of the terms of this Section 13(E). The terms of this Section 13(E) are intended to supersede any prior confidentiality agreement entered into by Buyer (or its affiliate) in connection with the sale of the Property. This Section 13(E) shall survive the Closing or earlier termination of this Agreement.

(F) Further Instruments. Each party will, whenever and as often as it shall be requested so to do by the other, cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Agreement, provided that such instruments and documents do not limit or impair the rights of, nor increase the liabilities or obligations of the party being asked to execute same.

(G) Matters of Construction.

(1) Incorporation of Exhibits and Schedules. All exhibits and schedules attached and referred to in this Agreement are hereby incorporated herein as if fully set forth in (and shall be deemed to be a part of) this Agreement. In the event that any exhibit or schedule intended to be attached to this Agreement is not attached hereto as of the Effective Date, the parties shall, after such execution and prior to Closing, complete and attach all remaining exhibits and schedules.

(2) Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

(3) Non-Business Days. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time (or by a particular date) that ends (or occurs) on a non-Business Day, then such period (or date) shall be extended until the immediately following Business Day. As used herein, "**Business Day**" means any day other than a Saturday, Sunday, federal holiday or holiday in the State where the Facility is located.

(4) Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(5) Interpretation. Words used in the singular shall include the plural, and vice-versa, and any gender shall be deemed to include the other. Whenever the words "including", "include" or "includes" are used in this Agreement, they should be interpreted in a non-exclusive manner. The captions and headings of the Sections of this Agreement are for convenience of reference only and shall not be deemed to define or limit the provisions hereof. Except as otherwise indicated, all Exhibit, Schedule and Section references in this Agreement shall be deemed to refer to the Exhibits, Schedules and Sections in or attached to, as applicable, this Agreement. Each party acknowledges that it has had counsel of its own choosing in connection with the negotiation of this Agreement and further acknowledges and agrees that this Agreement (a) has been reviewed by it and its counsel; (b) is the product of negotiations between the parties, and (c) shall not be deemed prepared or drafted by any one party.

(6) No Waiver. Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Agreement, nor shall it be deemed to be a waiver by such party of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature). No failure or delay by one party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by such party while the other party continues to be so in default.

(7) Consents and Approvals. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder may be given or withheld in the absolute discretion of such party.

(8) Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MARYLAND. THE STATE AND FEDERAL COURTS OF BETHESDA MARYLAND SHALL HAVE SOLE AND EXCLUSIVE JURISDICTION.

(9) Third-party Beneficiaries. Seller, Manager and Buyer do not intend by any provision of this Agreement to confer any right, remedy or benefit upon any third-party (express or implied) other than, with respect to the applicable indemnification, defense and hold harmless obligations under this Agreement, the Seller Indemnified Parties and the Buyer Indemnified Parties, as applicable, and no third-party shall be entitled to enforce or otherwise shall acquire any right, remedy or benefit by reason of any provision of this Agreement.

(10) Amendments. This Agreement may be amended by written agreement of amendment executed by all parties hereto, but not otherwise. An amendment not affecting the rights and obligations of Escrow Agent shall be effective without being executed by Escrow Agent.

(11) Time of Essence. Time is of the essence with respect to all of the obligations contained in this Agreement.

(12) Joint and Several Obligations. The obligations of the Seller and Manager under this Agreement are joint and several.

(H) Counterparts/Facsimiles. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this Agreement had executed the same counterpart. Signatures to this Agreement delivered by facsimile or electronic mail in portable document format ("**PDF**") or via Docusign shall be valid and effective to bind the party so signing, provided that each party agrees to promptly deliver an executed original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own facsimile or PDF or Docusign signature and shall accept the facsimile or PDF or Docusign signature of the other party to this Agreement.

(I) Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF SELLER, MANAGER AND BUYER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER DOCUMENT DELIVERED BY A PARTY TO ANOTHER PARTY, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF THE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO THIS AGREEMENT. THIS SECTION 13(I) SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

[REST OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURES APPEAR ON THE FOLLOWING PAGES]

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

MANAGER:

KENSINGTON SENIOR LIVING, LLC, a
Virginia limited liability company

By: /s/ David W. Faeder
David W. Faeder, Manager

SELLER:

FSP-KENSINGTON, LLC, a
Maryland limited liability company

By: Faeder KP Manager, a
Delaware limited liability company

By: /s/ David W. Faeder
David W. Faeder, Sole Member

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

BUYER:

AMERICAN HEALTHCARE REIT HOLDINGS, LP
a Delaware limited partnership

By: /s/ Stefan Oh
Name: Stefan Oh
Title: Authorized Signatory

JOINDER OF ESCROW AGENT:

The undersigned Escrow Agent has executed this Agreement in order to confirm that the Escrow Agent shall notify the parties upon receipt of the Deposit and shall hold the Deposit and the interest earned thereon, if any, in escrow in accordance with the terms of this Agreement, and shall disburse the Deposit, and the interest earned thereon, pursuant to the provisions of this Agreement.

Chicago Title Insurance Company

By: /s/ Shannon Bright
Name: Shannon Bright
Title: Escrow Officer

LIST OF EXHIBITS AND SCHEDULES

(Kensington Park PSA)

Exhibit	-	List of Defined Terms
Exhibit A	-	Legal Description of the Land
Exhibit B	-	Intentionally Deleted
Exhibit C	-	Form of Title Affidavit (Leasehold)
Exhibit D-1	-	Form of Bill of Sale
Exhibit D-2	-	Form of Assignment of Intangible Property
Exhibit D-3	-	Form of Assignment and Assumption of Resident Agreements
Exhibit D-4	-	Form of Assignment and Assumption of Lease Agreements
Exhibit E	-	Form of Certificate of "Non-Foreign" Status
Exhibit F	-	Form of Seller and Manager Closing Certificate
Exhibit G	-	Form of Buyer Closing Certificate
Exhibit H	-	List of Resident Agreements/Rent Roll
Exhibit H-1	-	List of Commercial Leases/Rent Roll
Exhibit H-2	-	List of Leasing and Commission Agreements
Exhibit I	-	List of Contracts
Exhibit J	-	Form of Holdback Agreement
Exhibit K-1	-	Form of Interim Sublease
Exhibit K-2	-	Form of Interim Management Agreement
Exhibit L	-	Form of Representation Letter
Exhibit M	-	Form of Ground Lease Estoppel Certificate

Schedule 1(F)	-	List of Seller Trade Names
Schedule 2(B)	-	Price Allocation
Schedule 3(E)	-	Existing Loan Documents
Schedule 4(C)	-	Required Removal Items - UCCs
Schedule 6(A)	-	Required Regulatory Approvals
Schedule 7(B)(2)	-	Allocation of Certain Closing Costs
Schedule 9A(6)	-	Rent Subsidies
Schedule 9A(9)	-	Leased Vehicles and Equipment
Schedule 9A(10)	-	Litigation
Schedule 9A(12)	-	Affiliate Agreements
Schedule 9A(13-1)	-	Largest Number of Employees in a Single Shift
Schedule 9A(13-2)	-	Employee Complaints
Schedule 9A(15)	-	Existing Purchase Rights
Schedule 9A(16)	-	Licenses
Schedule 9A(18)	-	Environmental Reports
Schedule 9(A)(25)	-	Outstanding Capital Improvement Projects
Schedule 9(J)	-	Recorded Agreements Requiring Title Estoppel or Seller Title Estoppel

Exhibit 10.4

PURCHASE AGREEMENT

(The Kensington Bethesda)

SELLER:

REGENCY KENSINGTON BETHESDA OWNER, LLC,
a Maryland limited liability company

and

BUYER:

AMERICAN HEALTHCARE REIT HOLDINGS, LP,
a Delaware limited partnership

August 10, 2026

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made as of August 10, 2026 (the "**Effective Date**"), by and among the following parties: (i) American Healthcare REIT Holdings, LP, a Delaware limited partnership ("**Buyer**"); (ii) Kensington Senior Living, LLC, a Virginia limited liability company ("**Manager**"); and (iii) Regency Kensington Bethesda Owner, LLC, a Maryland limited liability company ("**Seller**").

RECITALS

A. Seller is the owner of (i) the land located at 5485 Westbard Avenue, Bethesda Maryland, as described on **Exhibit A** attached hereto, together with all of Seller's right, title and interest in and to all appurtenances relating thereto (collectively, the "**Land**"), and (ii) all of the improvements, structures and fixtures located on the Land (collectively, the "**Improvements**"). Seller is the licensed operator of the 140-bed assisted living and memory care facility known as "The Kensington Bethesda" located on the Land (the "**Facility**"). Seller and Manager are parties to that certain Marketing and Management Agreement dated September 21, 2023 pursuant to which Manager manages the operation of the Facility (the "**Current Management Agreement**").

B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all of Seller's right, title and interest in and to the Property (as defined below), on the terms and conditions set forth in this Agreement.

C. A list of defined terms used in this Agreement is set forth on initial exhibit attached to this Agreement entitled "*Exhibit - List of Defined Terms*".

NOW, THEREFORE, in consideration of the foregoing recitals (which by reference thereto are incorporated into the body of this Agreement), the respective promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

AGREEMENT

1. Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the following, as applicable (collectively, the "**Property**"):

(A) Seller's and, if applicable, Manager's respective rights title and interest in the Land that each owns or leases including, without limitation, fee title to all of the Land;

(B) the Improvements located upon the Land, including the Facility;

(C) all tangible personal property that is located on and used in connection with the ownership, leasing, management, use, operation or repair of the Land and Improvements and expressly including any owned or leased motor vehicles and the furniture, fixtures, equipment, supplies and inventory (collectively, the "**Personal Property**");

(D) the Occupancy Agreements (as hereinafter defined);

(E) subject to the terms of Section 5(C), all of the following:

(i) all rights, title and interests in and to the contracts, equipment leases, and other agreements relating to the Property, together with any additional contracts, equipment leases and agreements and any modifications of any of the foregoing that are entered into in accordance with the terms of Section 9(D) hereof (collectively, the "**Contracts**"), which Contracts specifically ***exclude*** the following:

(a) the Current Management Agreement which shall be terminated as of Closing;

(b) any Occupancy Agreements, which are addressed separately above and elsewhere in this Agreement; and

(c) any other written agreement, license or contract relating to the leasing, operation, maintenance or management of the Property or any portion thereof by and between Seller, Manager, and/or any affiliate of Seller or Manager, on the one hand, and any affiliate of Seller or Manager, on the other hand ("**Affiliate Agreements**").

(ii)each and all of the following items (collectively, the "**Intangible Property**"):

(a) Facility-related data from any and all electronic management systems used in connection with the Facility (including, but not limited to, property management systems, CRM or other sales and marketing systems, electronic health records and healthcare systems, payroll systems, digital training/learning platforms, IT systems (including firewall), and other similar systems) that is necessary or advisable for the transition of operations of the Facility (collectively, the "**Data Property**");

(b) all telephone and facsimile numbers and telephone listing for the Facility; and

(c) the permits, licenses, certificates, certificates of need, bed rights, approvals, development rights and warranties, if any, held or used in connection with all or any portion of the Improvements or the Personal Property (other than the Excluded Property, as defined below).

The Land, Improvements, Personal Property, Occupancy Agreements, Contracts, and Intangible Property associated with the Facility and all other real and personal property expressly referenced in this Agreement as included in the transaction contemplated by this Agreement collectively are referred to as the "**Property**."

(F) Notwithstanding anything to the contrary contained in this Agreement, the Property excludes the following (the "**Excluded Property**"):

(i) the Affiliate Agreements;

(ii)any personal property owned by residents, occupants or employees of the Facility, if any;

(iii)all cash, account balances at banks or other financial institutions, prepaid insurance premiums, financial records of Seller and Manager, and all accounts receivable of Seller as of the Closing Date; and

(iv)any trade name, trademarks, service marks, domain names and email addresses associated with the Facility (including the name "*Kensington,*" or any derivations thereof or other

trade names, trademarks or service marks associated therewith as shown on **Schedule 1(F)** attached hereto) Notwithstanding the foregoing, so long as Manager is the manager of the Facility on behalf of Buyer, Buyer shall have the right to use the name "*Kensington,*" or any derivations thereof or other trade names, trademarks or service marks associated therewith as shown on **Schedule 1(F)** at the Facility pursuant to a license agreement executed by the parties at Closing (the "**Name License**");

(G) Notwithstanding anything to the contrary set forth in this Agreement, Buyer shall not assume, pay, perform, satisfy or discharge any liability or obligation of Seller, Manager and/or or any of their respective affiliates existing or accruing on or prior to the Closing Date (as hereinafter defined) or arising out of any transactions entered into, or any state of facts existing or accruing or any incidents occurring, on or prior to the Closing Date, except for those monetary obligations for which, and only to the extent that Buyer expressly and specifically assumes in writing and for which Buyer receives a credit at Closing pursuant to the express provisions of this Agreement (collectively, the "**Excluded Liabilities**"). The term "***Excluded Liabilities***" shall include, without limitation, the following:

(1) any liabilities or obligations of Seller, Manager and/or any of their respective affiliates relating to employee benefits or compensation arrangements of any nature, including, but not limited to compensation, severance, accrued paid time off, sick time, personal days, any amounts accrued under any employee benefit or welfare plan relating to the period prior to the Closing Date, except to the extent a credit has been provided for in the prorations provisions below;

(2) any liabilities or obligations of Seller and Manager and their respective affiliates under the Current Management Agreement or other agreements between or among them;

(3) any liability or obligation of Seller, Manager or any other current occupant or operator for breach of contract, any wrongful or willful acts, bodily injury (including death), malpractice, workers compensation, personal injury, advertising injury or property damage (whether based on negligence, breach of warranty, strict liability or any other theory);

(4) any liability or obligation of Seller, Manager and/or any of their respective affiliates for money borrowed;

(5) any amounts due, claimed or becoming due to the payor under any federal healthcare program, or any other health care plan or reimbursement or payment intermediary (including so-called "HMO" and "PPO" programs) (collectively, "**Third-Party Payor Programs**"), including, but not limited to, any statutory or regulatory claims, fines or civil monetary claims, recapture, adjustment, overpayment, recoupment, penalty assessment or any other financial obligation or charge whatsoever with respect to any period, including but not limited to those arising from any adjustments (whether retroactive or otherwise) or reductions in reimbursement rates under any Third-Party Payor Programs, or claims of any state or federal agencies or governmental authorities, whether civil or criminal, fraud-based or otherwise, all of which Seller shall pay at or prior to Closing, or after Closing if the assessment thereof first occurs following Closing, which covenant shall survive Closing;

(6) the Survey Fines costs related to the Correction Plans, each as defined below;

(7) the WARN Act Liabilities;

(8) the payment of all taxes and assessments of any kind and nature due and payable or accrued but not yet paid arising from Seller's ownership and/or the operation of the Property

prior to the Closing Date, including amounts due under any "bulk sale" law or similar law in the State where the Property is located;

(9) any Environmental Liabilities. For purposes of this Agreement, "**Environmental Liabilities**" shall mean: any and all losses, damages, claims, causes of action, judgments, costs and expenses (including, without limitation, reasonable fees and expenses of attorneys) and other liabilities arising in connection with or in any way relating to the Property, or the use, operation or ownership of the Property, whether vested or unvested, contingent or fixed, actual or potential, that (i) arise under or relate to Environmental Laws (as hereinafter defined) or Hazardous Materials (as hereinafter defined) and (ii) arise from or relate in any way to actions occurring or conditions existing prior to the Closing Date, provided, however, (a) the Excluded Liabilities shall not include any Environmental Liabilities that Buyer is strictly liable for under applicable laws, and (b) Seller shall not have a duty or obligation to indemnify Buyer for Environmental Liabilities;

(10) any actual, pending, or threatened litigation with respect to the Property which relates to events that occurred prior to the Closing;

(11) any and all other liabilities and obligations of every kind of Seller, Manager and/or any of their respective affiliates incurred in connection with, or arising by reason of, their ownership or operation, as applicable, of the Property prior to the Closing.

2. Purchase Price.

(A) The purchase price for the Property shall be One Hundred Seventy-Five Million Dollars ($175,000,000.00) (the "**Purchase Price**"), subject to the prorations and adjustments provided for in this Agreement.

(B) The Purchase Price shall be allocated to the Property in accordance with the allocations set forth on **Schedule 2(B)** hereto (such allocation the "**Purchase Price Allocation**"). The Purchase Price Allocation shall control and be binding for purposes of determining any real estate transfer taxes, personal property taxes or other similar taxes levied in connection with the transfer of the Property only (including, without limitation, any applicable documentary stamp tax and surtax on the deed). Notwithstanding anything herein to the contrary, Seller and Buyer will each file federal, state and local income tax returns based on each party's own separate determination, each bearing its own consequences of any discrepancies. This subsection shall survive the Closing without limitation, provided that each Party's income tax and other non-property tax matters are not governed by the Purchase Price Allocation.

3. Payment of Purchase Price. The Purchase Price shall be paid to Seller by Buyer as follows:

(A) Deposit.

(1) Deposit. Within three (3) Business Days following the Effective Date, Buyer shall deliver to the Dallas office of Chicago Title Insurance Company, having an address of 2699 Howell Street, Suite 200, Dallas, Texas 75204, Attn: Shannon Bright, Email: brights@ctt.com (the "**Title Company**" and/or the "**Escrow Agent**") (pursuant to wiring instructions provided to Buyer) a wire transfer of immediately available funds, in an amount equal to One Million Seven Hundred Fifty Thousand Dollars ($1,750,000.00) as a deposit (the "**Deposit**"). Failure of Buyer to timely deposit the Deposit with Escrow Agent as provided in this Section 3(A)(1) shall be deemed to be a disapproval of this Agreement by Buyer, in which case this Agreement shall automatically terminate, it being expressly agreed by Seller and Buyer that time is of the essence with respect to Buyer's obligation to deliver the Deposit.

(2) Refundability If Buyer has not delivered the Termination Notice as provided (and defined) in Section 5(B) below prior to the expiration of the Due Diligence Period, then the Deposit shall be non-refundable to Buyer except as otherwise specifically provided in this Agreement where the Deposit is expressly refundable to Buyer.

(3) Independent Consideration. The sum of One Hundred and No/100 Dollars ($100.00) (the "**Independent Consideration**") out of the Deposit is independent of any other consideration provided hereunder, shall be fully earned by Seller upon the Effective Date, and is not refundable to Buyer under any circumstances. Accordingly, if this Agreement is terminated for any reason by either party, the Independent Consideration shall be paid by the Title Company to Seller.

(B) Closing Payment; Closing Date. The balance of the Purchase Price, less the Deposit, and as adjusted by the adjustments, prorations, credits and allocations of income and expenses provided for in this Agreement, shall be delivered by Buyer to Title Company in immediately available funds on or prior to the Closing Date. Such balance of the Purchase Price, as so adjusted, is herein called the "**Closing Payment**." As used herein the "**Closing Date**" shall mean the fifth (5^{th}) business day after the expiration of the satisfaction or Buyer's waiver of the Stabilization Condition; provided the following shall apply:

(1) the Closing Date shall occur no earlier than September 1st, 2026, and no later than July 31, 2027 (even if the Stabilization Condition has not been satisfied as of said date);

(2) The Deposit is and shall be applicable to the Purchase Price and Buyer shall receive at Closing a credit for same reflecting the application of the Deposit to the aggregate Purchase Price;

(3) if the Closing Date as calculated above is a Monday or a Business Day following a non-Business Day, the Closing Date shall be delayed by one (1) Business Day to the next Business Day;

(4) the parties may agree (but shall have no obligation to agree) to extend the Closing Date to occur on or effective as of the first day of a calendar month.

(C) Other Purchase Agreements.

(1) Notwithstanding anything to the contrary provided in this Agreement, Buyer, Seller and Manager acknowledge and agree that:

(i) Buyer, Manager, White Plains Kensington Borrower, LLC, White Plains Kensington, LLC, Kensington SM GP LLC, FSDW Redwood City LLC, The Kensington of Falls Church, LLC, Kensington Redondo Owner LLC and Kensington Reston Owner, LLC (each an affiliate of Seller and collectively referred to herein as the "**Kensington Portfolio Sellers**"), are parties to that certain Purchase Agreement dated of even date herewith, with respect to certain facilities commonly known as Kensington White Plains, The Kensington Sierra Madre, The Kensington Redwood City, The Kensington Falls Church, The Kensington Redondo Beach and The Kensington Reston, as more particularly set forth therein ("**Kensington Portfolio Purchase Agreement**");

(ii) Buyer, Manager and FSP-Kensington, LLC, an affiliate of Seller ("**Kensington Park Seller**"), are parties to that certain Purchase Agreement dated of even date herewith, with respect to certain property located at 3620 Littledale Road, Kensington, Maryland, as more particularly set forth therein ("**Kensington Park Purchase Agreement**");

(iii) Any default and/or breach beyond any applicable notice and cure period by any Kensington Portfolio Sellers, Kensington Park Seller and/or Manager under the Kensington Portfolio Purchase Agreement and/or the Kensington Park Purchase Agreement ("**Seller/Manager Other Purchase Agreement Default**") shall automatically be deemed a default and/or breach by Seller and/or Manager (as applicable) hereunder;

(iv) Any default and/or breach beyond any applicable notice and cure period by Buyer or its permitted assignee under the Kensington Portfolio Purchase Agreement and/or the Kensington Park Purchase Agreement ("**Buyer Other Purchase Agreement Default**") shall automatically be deemed a default and/or breach by Buyer hereunder;

(v) In addition to any conditions expressly provided in other provisions of this Agreement, Seller's obligations to proceed to Closing and to consummate the sale of the Property are conditioned on the consummation of the closings under both the Kensington Portfolio Purchase Agreement and the Kensington Park Purchase Agreement prior to the consummation of Closing under this Agreement, which condition may be waived in writing by Seller, and which condition is without limitation of Seller's remedies for a default by Buyer as set forth in Section 3(D), including, without limitation, a Buyer Other Purchase Agreement Default. If either or both of the Kensington Portfolio Purchase Agreement and the Kensington Park Purchase Agreement are terminated prior to the consummation of the closings thereunder, or if the closings under both of the Kensington Portfolio Purchase Agreement and the Kensington Park Purchase Agreement are not otherwise consummated prior to the Closing under this Agreement, then Seller may elect to terminate this Agreement by written notice to Buyer within the earlier to occur of (A) ten (10) days following the date of the applicable termination of the Kensington Portfolio Purchase Agreement and/or the Kensington Park Purchase Agreement, as applicable, and (B) the Closing Date under this Agreement, in which case this Agreement shall terminate, and the Deposit (excluding the Independent Consideration) shall be returned to Buyer unless the failure of this condition precedent is due to a Buyer Other Purchase Agreement Default giving Seller the right under this Agreement to recover the Deposit as provided for in Section 3(D), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination; and

(vi) In addition to any conditions expressly provided in other provisions of this Agreement, Buyer's obligations to proceed to Closing and to consummate the sale of the Property are conditioned on the consummation of the closings under both the Kensington Portfolio Purchase Agreement and the Kensington Park Purchase Agreement prior to the consummation of Closing under this Agreement, which condition may be waived in writing by Buyer, and which condition is without limitation of Buyer's remedies for a default by Seller and/or Manager as set forth in Section 3(D), including, without limitation, a Seller/Manager Other Purchase Agreement Default. If either or both of the Kensington Portfolio Purchase Agreement and the Kensington Park Purchase Agreement are terminated prior to the consummation of the closings thereunder, or if the closings under both of the Kensington Portfolio Purchase Agreement and the Kensington Park Purchase Agreement are not otherwise consummated prior to the Closing under this Agreement, then Buyer may elect to terminate this Agreement by written notice to Seller within the earlier to occur of (A) ten (10) days following the date of the applicable termination of the Kensington Portfolio Purchase Agreement and/or the Kensington Park Purchase Agreement, as applicable, and (B) the Closing Date under this Agreement, in which case this Agreement shall terminate, and the Deposit (excluding the Independent Consideration) shall be returned to Buyer unless the failure of this condition precedent is due to a Buyer Other Purchase Agreement Default giving Seller the right under this Agreement to recover the Deposit as provided for in Section 3(D), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination.

(D) Remedies; Damages.

(1) Buyer, Seller and Manager recognize that the Property will be removed from the market during the term of this Agreement and that, if Buyer defaults in its obligations under this Agreement and such default is not cured by Buyer within ten (10) Business Days after written notice from Seller to Buyer, and such default is the sole reason Closing does not occur, then Seller should be compensated for such detriment; provided, however, that such notice and cure period shall not be applicable with respect to any Buyer Other Purchase Agreement Default, and any Buyer Other Purchase Agreement Default shall immediately be deemed a default by Buyer under this Agreement. It is extremely difficult and impractical to ascertain the extent of the detriment and, to avoid this problem, the parties agree that if this transaction is not consummated due solely to Buyer's default hereunder (and such default is not cured within the ten (10) Business Day cure period described above, as applicable), Seller shall be entitled to recover from Buyer as liquidated damages the amount of the Deposit, which shall be disbursed by the Escrow Agent (if applicable) (or retained by Seller) to Seller as Seller's and Manager's sole and exclusive remedy hereunder, at law or in equity, and Seller and Manager hereby irrevocably and unconditionally waive all other rights and remedies they have or may have against Buyer. This amount has been agreed upon, after negotiation, as the parties' best estimate of Seller's and Manager's damages for Buyer's default of its obligation to proceed to Closing when required to do so under this Agreement. The parties agree that the sum stated above as liquidated damages shall be in lieu of any other damages to which Seller and/or Manager might otherwise be entitled by virtue of this Agreement or by operation of law (and Seller and Manager shall not be entitled to any recovery under Section 13(d)). Upon payment, release or retention of such amount, Buyer shall be released from any other liability to Seller hereunder, except as to those obligations, agreements and indemnities that expressly survive the termination of this Agreement. **THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF APPLICABLE LAW BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER.** Except as expressly provided otherwise in this Agreement (including in this Section 3(d)(1) and in Sections 9(c)(4) and 9(c)(5)), no limitation on damages that are recoverable under this Agreement shall limit, impair or affect a party's recovery of attorneys' fees under Section 13(d) or recovery with respect to any surviving obligations, agreements and indemnities.

(2) If, at or prior to the Closing, Seller and/or Manager fail to perform any of their covenants or obligations in any material respect, or if a Seller/Manager Other Purchase Agreement Default occurs, or if any of Seller's and/or Manager's representations or warranties hereunder were untrue in any material respect when made as of the Effective Date or, subject to Section 11(b)(4), as of the Closing Date, in each case after notice from Buyer specifying such breach and Seller's or Manager's failure to cure the same within a period of ten (10) Business Days from and after receipt of such notice (provided, however, Seller and Manager shall be in default if one or more of them breach their obligation to complete closing hereunder on the Closing Date and such failure continues for three (3) business days after notice thereof from Buyer to Seller), then Buyer may elect either to: (a) bring an action for specific performance of this Agreement (but specifically excluding damages; provided, however, that Buyer shall be entitled to recovery of attorneys' fees and expenses under Section 13(d) in connection with any action for specific performance); or (b) terminate this Agreement by written notice to Seller and Title Company, and upon such termination: (1) Seller (and/or Escrow Agent, if Escrow Agent continues to hold any of the Deposit) shall within two (2) Business Days after delivery of such notice of termination) pay the Deposit to and as directed by Buyer, and (2) Seller shall immediately (and in any event, within three (3) Business Days after delivery of such notice of termination and evidence of payment of Buyer's Pursuit Costs) pay to Buyer the Buyer's actual third-party out-of-pocket fees, costs and expenses incurred by Buyer in pursuit of the transactions contemplated by this Agreement, up to a maximum of One Hundred Fifty Thousand Dollars ($150,000.00) ("**Buyer's Pursuit Costs**"); provided, however, that no notice and cure period shall apply to any

Seller/Manager Other Purchase Agreement Default, and any Seller/Manager Other Purchase Agreement Default shall immediately be deemed a default by Seller and Manager under this Agreement.

(3) If the Closing occurs in accordance with the terms of this Agreement, the Deposit shall be applied as a credit toward the Purchase Price.

This Section 3(d) shall survive the termination of this Agreement and, except as expressly provided otherwise in this Agreement (including the limitations set forth in Section 3(d)(1)), nothing contained in this Section 3(d) is intended to limit the rights and obligations of the parties under Sections 13(a), 13(d) or 13(e).

4. Title.

(A) Title Report; Pro Forma. Prior to the Effective Date, Seller furnished to Buyer (i) a copy of Seller's existing owner's title insurance policy for the Land and Improvements of the Facility and (ii) a copy of Seller's existing survey of the Land. Prior to the Effective Date, Buyer ordered a current title insurance commitment to be issued by Title Company covering the Land and Improvements; together with copies of the documents evidencing the exceptions to title stated therein (collectively, the "**Title Report**"); and Buyer ordered an update to the existing survey of the Land and Improvements provided by Seller or a new survey of the Land and Improvements (the "**Survey**").

(B) Title Review. Buyer shall satisfy itself prior to expiration of the Due Diligence Period (subject to reinstatement and extension as provided in Section 11(B)(7)) as to the condition of title and survey to the Property, subject to the terms of Section 4(D) regarding New Matters (as defined below). Unless Buyer gives written notice ("**Title Disapproval Notice**") that it disapproves any exceptions to title shown in the Title Report, on the Survey, in the zoning report obtained by Buyer or otherwise discovered by Buyer during the conduct of its due diligence, stating the exceptions or matters so disapproved (each, a "**Disapproved Title Matter**") not later than the expiration of the Due Diligence Period ("**Objection Deadline**"), then, subject to Section 4(D) below regarding New Matters, Buyer shall be conclusively deemed to have approved the Survey and the Title Report except with respect to any Required Removal Item (as defined herein).

(1) Upon receipt by Seller of a Title Disapproval Notice given on or before the Objection Deadline, Seller shall have five (5) Business Days from receipt of such Title Disapproval Notice to notify Buyer in writing (a "**Seller Response Notice**") as to each Disapproved Title Matter either that: (i) Seller elects not to cause such Disapproved Title Matter to be removed as of the Closing Date (or otherwise take any action with respect thereto), or (ii) Seller intends to either: (a) cause such Disapproved Title Matter to be removed or released as of the Closing Date; or (b) cause the Title Company to insure or endorse over such Disapproved Title Matter on terms and conditions acceptable to Buyer in its reasonable discretion in writing prior to the expiration of the Due Diligence Period. If Seller delivers a Seller Response Notice to Buyer within such five (5) Business Day period stating that Seller will not remove, release or otherwise correct any such Disapproved Title Matter or if Seller fails to deliver a Seller Response Notice to Buyer within such five (5) Business Day period (which shall be deemed an election by Seller not to take any action with respect to any such Disapproved Title Matter), then Buyer may elect in writing within three (3) Business Days after the expiration of said five (5) Business Day period either to waive Buyer's objection to any such Disapproved Title Matter for which Seller will take no action to cure or to terminate this Agreement; provided that Buyer's failure to deliver a Termination Notice as provided in Section 5(B) below shall be deemed a waiver of Buyer's objection to any such Disapproved Title Matter for which Seller has indicated that it would take no action to remove. If Buyer shall fail to make such election in the immediately preceding sentence, then Buyer shall be deemed to have elected to terminate this Agreement. In the event Buyer shall elect in writing prior to the expiration of the Due Diligence Period to terminate this Agreement,

or is deemed to have elected to terminate this Agreement pursuant to this Section 4(B), then the portion of the Deposit held by Escrow Agent (less than and excluding the Independent Consideration) shall be promptly delivered by the Title Company to Buyer, and the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement).

(2) If Seller has provided a Seller Response Notice to Buyer stating that Seller has unconditionally elected to remove or cure any Disapproved Title Matter(s) pursuant to clause (ii) of this Section (as opposed to an agreement by Seller to use commercially reasonable efforts to remove or cure), and any such Disapproved Title Matter that is not a Required Removal Item is not so removed, released, insured or endorsed over in accordance with this Section 4(B) as of the Closing Date, then Buyer shall have the right either to (A) terminate this Agreement, in which event Escrow Agent shall immediately pay to Buyer the portion of the Deposit it holds (minus the Independent Consideration), Seller shall immediately (and in any event within two (2) Business Days after such termination) pay the Deposit (if previously paid to Seller) to Buyer, and Seller shall pay Buyer for Buyer's Pursuit Costs, and thereafter the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement), or (B) waive the foregoing right of termination on account of any such Disapproved Title Matter and proceed to close the transaction contemplated by this Agreement, without any reduction or abatement of the Purchase Price. If Buyer fails to make such election, then Buyer shall be deemed to have made the election set forth in the immediately preceding subclause (B) above. Subject to Section 4(C) below, all non-standard exceptions in the Title Report and matters on the Survey other than (i) matters addressed by the Seller's Title Affidavit and (ii) the Required Removal Items that are approved or deemed approved by Buyer pursuant to this Section 4(B) shall become Permitted Exceptions (as hereinafter defined).

(C) Required Removal Items; Permitted Exceptions. At Closing, Seller shall convey to Buyer marketable fee title to the Land and Improvements subject only to the following: (1) those Disapproved Title Matters (other than Required Removal Items) that are expressly approved or are deemed approved pursuant to Section 4(B); (2) those New Matters (as defined below and expressly excluding Required Removal Items) that are expressly approved or deemed approved pursuant to Section 4(D) below; (3) real estate taxes and assessments that are not yet due and payable; and (4) the printed standard exceptions which appear in the jacket of the extended coverage form Title Policy (defined below) of title insurance issued by Title Company (the foregoing being collectively referred to as the "**Permitted Exceptions**"). On or prior to Closing, Seller shall be unconditionally obligated to cure or remove the following (collectively, the "**Required Removal Items**"), whether described in the Title Report, or first arising or first disclosed by the Title Company (or otherwise) to Buyer after the date of the Title Report, and regardless of whether raised in the Title Disapproval Notice or any "**New Matter Notice**" (defined below); provided that Seller shall not effect any cure by insuring or bonding over any Required Removal Items without Buyer's prior written consent in Buyer's reasonable discretion: (a) mortgages, deeds of trust, financing instruments or liens; (b) all judgment liens against Seller, Manager or their agents or affiliates; (c) all tax liens (other than liens for non-delinquent real estate taxes); (d) mechanics liens for improvements to the Property; (f) all ground leases; (g) matters created by the acts or omissions of Seller or agents or affiliates after the date of the Title Report or Survey in violation of the terms of this Agreement and (h) the UCC-1s listed on Schedule 4(C) attached hereto. Anything to the contrary in this Agreement notwithstanding, Buyer hereby objects to all Required Removal Items and all Required Removal Items are Disapproved Title Matters and deemed automatically objected to such that Buyer need not raise any Required Removal Items in any Title Disapproval Notice.

(D) New Matters. If an exception to a title or survey matter affecting the Property ("**New Matter**") is first disclosed in writing to Buyer or arises after the Effective Date, including through an update to the Title Report, Pro Forma or Survey, which was not reflected in the Title Report or Pro

Forma or shown on the Survey (and any updates to any of the foregoing received by Buyer prior to the Effective Date), and such New Matter is not a Required Removal Item (which shall be unconditionally obligated to remove on or prior to Closing and Buyer shall be deemed to have automatically objected to without any further notice or action by Buyer), then Buyer shall have five (5) Business Days from receipt of such update to deliver to Seller Buyer's written objection to such New Matter (and the Closing Date shall be extended to accommodate such notice period) (each a "**New Matter Notice**"). Notwithstanding the foregoing, any New Matter that is the result of the activities of Buyer shall be deemed approved by Buyer, and Buyer shall have no right to object to such New Matter. So long as such New Matter is not a Required Removal Item, Seller may elect, within three (3) Business Days from the date of receipt of Buyer's objection with respect to the New Matter, to notify Buyer in writing that Seller will use commercially reasonable efforts to remove or release, or cause the Title Company to insure or endorse over such New Matter on terms and conditions reasonably acceptable to Buyer in writing, and the Closing Date shall be extended by up to five (5) Business Days to allow Seller to attempt to so remove, release, insure or endorse over such New Matter. In the event that, within such five (5)-day period, Seller (i) does not elect in writing to remove or release or cause the Title Company to bond, insure or endorse over such New Matter, or (ii) elects in writing to remove or release such New Matter (or cause the Title Company to insure or endorse over such New Matter on terms and conditions reasonably acceptable to Buyer) as of the Closing Date (as extended hereby) but fails to so remove or release or cause the Title Company to bond, insure or endorse over such New Matter as of the Closing Date (and such New Matter is not a Required Removal Item), then Buyer, as its sole and exclusive remedy hereunder for such failure, shall elect in writing within two (2) Business Days after such five (5)-day period as to subclause (i), or on or prior to Closing as to subclause (ii), either (a) to terminate this Agreement by written notice to Seller, in which case the entire Deposit (excluding the Independent Consideration) shall be returned to Buyer, and this Agreement shall be of no further force or effect and the parties hereto shall have no further obligations to the other (except for those obligations and liabilities that expressly survive termination of this Agreement), or (b) to waive the foregoing right of termination on account of such New Matter and to close the transaction contemplated by this Agreement, without any reduction or abatement of the Purchase Price. If Buyer fails to make such election within the applicable time periods set forth in this Section 4(D), then Buyer shall be deemed to have made the election set forth in subclause (b) above.

(E) Conveyance of Title. Seller shall convey title in the condition required hereby to the Land and Improvements of the Facility using the form of deed attached hereto as **Exhibit B** (the "**Deed**"), or in such form as otherwise reasonably required by Title Company and approved by Buyer, such approval not to be unreasonably withheld, conditioned or delayed, which Deed will convey the Land and Improvements to Buyer (or its permitted assignee hereunder) free and clear of all liens, claims and encumbrances, subject only to the Permitted Exceptions.

(F) Endorsements to Title Policy. It is understood that Buyer may request a number of endorsements to or survey coverage for its Title Policy. Buyer shall satisfy itself that the Title Company will be willing to issue such endorsements or extended coverage in connection with the Title Policy at Closing, and, accordingly, in no event shall the issuance of such endorsements or survey coverage constitute a condition to Buyer's obligations under this Agreement. In no event shall either Seller be obligated to provide any indemnity in order to issue the same other than (i) the title affidavit in the form of **Exhibit C▼**, or in such form as otherwise reasonably required by Title Company and approved by the parties, such approval not to be unreasonably withheld, conditioned or delayed, which Seller shall deliver to Escrow Agent as of the Closing Date (the "**Seller Title Affidavit**"), (ii) a customary gap indemnity in form customarily required by Title Company to issue an ALTA extended coverage Title Policy of title insurance required under this Section 4(F), and (iii) such other documents, agreement and instruments agreed to by Seller in or in connection with a Seller Response or as required with respect to a Required Removal Item.

5. Diligence.

(A) Materials and Access

(1) Materials. Prior to the Effective Date, Seller and Manager delivered to Buyer, by depositing same to an internet-based data room having a web address of [***] (the ("**Data Room**") copies of the documents referenced in that certain Access and Confidentiality Agreement dated June 16, 2026 (the "**Access Agreement**") as more particularly described in the Access Agreement (the "**Seller Due Diligence Materials**"). Seller and Manager shall furnish such additional financial and operating data and other information as Buyer and Buyer's Representatives shall from time-to-time reasonably request provided that such information is readily available to Seller and Manager at no material cost to Seller or Manager. Seller and Manager shall supplement or amend any information, written or otherwise, previously delivered or otherwise disclosed to Buyer with respect to any matter hereafter arising which, if existing, discovered or occurring at the Effective Date, would have been required to be set forth or disclosed. Seller and Manager also shall provide to Buyer any new materials, inspections, reports, or similar documents that are included in the list of Due Diligence Materials that were not previously so delivered. Notwithstanding the foregoing, Seller and Manager shall not be obligated to provide to Buyer the following: (a) documents covered by the attorney-client privilege, (b) loan documents, (c) proposals from, and correspondence with, other potential purchasers of the Property, so long as nothing material or deficient relative to normally accepted practices in the market for institutionally owned and operated buildings as it relates to operations, compliance, physical plant or life safety concerns was made known to the Seller, (d) the Current Management Agreement, or (e) any information Seller or Manager are prohibited by law from disclosing.

(2) Access to Property. Subject to the terms and provisions of this Agreement, Seller and Manager shall permit Buyer and its employees, authorized agents, consultants, contractors, and representatives (together with Buyer, collectively, the "**Buyer Representatives**") to enter upon the Property during normal business hours to perform any inspections, investigations, studies, and tests of the Property that Buyer deems reasonable or appropriate, including, but not limited to, ALTA land surveys, physical property condition inspections, geotechnical surveys, and so-called "Phase 1" environmental site assessments (generally, "**Inspections**"); provided, however, that Buyer shall not perform an Inspection that will require excavations, borings, drilling, removal or demolition of any portion of the Property, or any other invasive activities on the Property without the prior written consent of Seller, as applicable, which may be given or withheld in Seller's sole discretion. Buyer shall notify Manager of the intention of any Buyer Representative to enter the Property at least two (2) Business Days prior to such intended entry. Seller and Manager shall have the right to have their employees, agents, consultants, contractors, or other representatives (the "**Seller Representatives**") present at any Inspections; provided, however, that Buyer's only responsibility shall be to notify Manager at least two (2) Business Days prior to any Inspection taking place. Buyer shall, at its sole cost and expense, promptly restore any portion of the Property (and any personal property located thereon) damaged as a result of the Inspections to substantially the same condition existing immediately prior to any Inspection, but in no event later than ten (10) days after any disturbance or damage occurs; provided, however, in no event shall Buyer's obligation to restore the Property include any remediation or restoration of any environmental contamination discovered or uncovered during the Inspections or any repair of damage caused by anyone other than any Buyer Representative. If Buyer fails to comply with the terms of this Section 5(A)(2), then Seller shall have the right to make any repairs and/or restoration required to be made by Buyer hereunder, and Buyer shall reimburse Seller for the actual, reasonable, third-party out-of-pocket cost of such repairs and/or restoration within ten (10) Business Days after receipt of invoice. Buyer shall (a) use commercially reasonable efforts to cause its investigation of the Property not to interfere with the operation of the Property, (b) maintain (i) comprehensive general liability (occurrence) insurance covering any accident arising in connection with the presence of any Buyer Representative on the Property with a single limit of liability of not less than $1 million per occurrence, $2 million aggregate, which liability insurance policy shall name Seller as an additional insured and (ii) worker's compensation as required by law, and Buyer shall provide Seller with

a certificate of insurance evidencing the insurance required hereunder prior to commencing Buyer's physical inspections of the Property, and (c) not permit any liens to attach to the Property by reason of the exercise of Buyer's rights hereunder. Buyer hereby agrees to indemnify, defend, and hold Seller and its members, partners, officers, directors, successors and assigns harmless from and against any and all liens, claims, causes of action, damages, liabilities, demands, suits, obligations, losses, penalties, costs, and expenses (including reasonable attorneys' fees) (generally, "**Damages**") arising from any act of an Buyer Representative in connection with the Inspections; provided, however, that Buyer's indemnity hereunder shall not include any Damages resulting from (a) the negligence or intentional misconduct of any Seller Representative, Manager, or invitees of the Property, or (b) the mere discovery of any pre-existing adverse physical conditions at the Property, except to the extent any Buyer Representative's failure to exercise reasonable care exacerbates such pre-existing condition. Buyer's obligations under this Section 5(A)(2) shall survive the termination of this Agreement.

(B) Buyer's Approval. If Buyer determines in its sole and absolute discretion that it will not acquire the Property and Buyer notifies Seller and the Title Company in writing of its election to terminate this Agreement (the "**Termination Notice**") on or before 6:00 p.m. Eastern Time on July 31, 2026 (the "**Due Diligence Period**"), neither party shall have any further rights or obligations hereunder (except for any rights and obligations that expressly survive termination) and Escrow Agent shall promptly return the Deposit (less the Independent Consideration) to Buyer, without any requirement of consent by Seller. If Buyer does not deliver to Seller and the Title Company the Termination Notice pursuant to this Section 5(B) on or prior to the expiration of the Due Diligence Period, then this Agreement shall continue in full force and effect and the Deposit shall be non-refundable to Buyer other than as expressly provided in this Agreement, including without limitation following a termination of this Agreement after a Seller default. ***Notwithstanding any provision of this Agreement to the contrary, Buyer shall have the right to deliver the Termination Notice exclusively via email and the same shall be effective for all purposes under this Agreement, notwithstanding the other terms of this Agreement proscribing the delivery of notices***. Prior to the expiration of the Due Diligence Period, Escrow Agent shall not be permitted to, and shall not, follow any conflicting instructions given by Seller or any third-party as to the disposition of the Deposit but shall instead follow only the instructions of Buyer in connection therewith, and Seller agrees in such instance not to deliver any conflicting instructions to Escrow Agent for any reason and hereby instructs the Escrow Agent to act in respect of the Deposit solely in accordance with Buyer's instructions on or prior to the expiration of the Due Diligence Period, including instructions of Buyer to return the Deposit to Buyer. The Due Diligence Period shall be subject to reinstatement and extension as provided in Section 11(B)(7) of this Agreement.

(C) Contracts.

(1) On the Closing Date, Seller and Manager shall assign to Buyer all of Seller's and Manager's rights, title and interest in and to, and Buyer shall assume to the extent arising from and after the Closing Date, Seller's and Manager's obligations and liabilities under, any Contract that relates exclusively to the Property (i) for which the consent of any third-party is not required or (ii) for which the consent of a third-party is required and has been obtained, all pursuant to the Assignment of Intangible Property (as defined below), with Seller and Manager (as applicable) being responsible for the payment of any fee or other charge imposed by any party to any such Contract in connection with such transfer, excluding those Contracts (if any) that Buyer identifies for termination in a written notice Buyer delivers to Seller and/or Manager prior to expiration of the Due Diligence Period, as extended and reinstated extension as provided in Section 11(B)(7) of this Agreement (such Contracts, excluding those so designated for termination, collectively, the "**Assumed Contracts**"). Without limiting the foregoing, any Contracts that Buyer notifies Seller prior to expiration of the extended and reinstated Due Diligence Period that it does not wish to assume shall not be assigned by Seller or Manager or assumed by Buyer and shall not constitute Assumed Contracts. Notwithstanding the foregoing, Seller shall not assign, and Buyer shall not

assume, any rights, obligations or liabilities in, to or under any Affiliate Agreements (which are excluded from the definition of Contracts hereunder) or, unless otherwise specified by Buyer, any Contracts to which Property Manager (rather than Seller) is a party.

(2) Seller and Manager shall use their best efforts, at Seller's sole cost and expense, to obtain all third-party consents (if any) required to assign the Assumed Contracts to Buyer at Closing. If any Assumed Contract or any property or rights included therein is not assignable either by virtue of the provisions thereof or under applicable law without the consent of a third-party and such consent is not obtained prior to the Closing Date, despite Seller and Manager having exercised the efforts required by this Section, then Seller shall not assign and Buyer shall not assume the rights, obligations or liabilities of Seller under such Assumed Contract. Seller shall pay all fees, costs and expenses arising or accruing as a result of the termination of a Contract or the assignment of a Contract pursuant to the terms of this Section 5(C).

(3) Seller will not enter into any new Material Contracts nor make any material amendments to any existing Material Contracts prior to Closing without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

(4) This Section 5(C) shall survive the Closing.

6. Required Regulatory Approvals.

(A) Regulatory Approvals.

(1) After Buyer's receipt of all necessary information from Seller and Manager, Buyer shall (i) make all notices, filings and applications with any governmental authority or agency having jurisdiction over the Property or any other entity identified in **Schedule 6(A)** required to be made in order to consummate the transactions contemplated hereby (the "**Required Regulatory Notices**") and following receipt of the Required Regulatory Approvals (as defined below), operate the Property; and thereafter (ii) diligently pursue and use its commercially reasonable efforts to obtain any and all required approvals from any governmental authority or agency having jurisdiction over the Property or any other entity identified in **Schedule 6(A)** in in order for Buyer or its designated affiliate to consummate the transactions contemplated hereby and operate the Property following approval by the applicable governmental authority or agency (such approvals being, collectively, the "**Required Regulatory Approvals**"). In addition, to the extent any notices or other documentation are required to be filed by Seller or Manager in connection with Buyer's efforts to obtain the approvals contemplated by this Section 6, Seller and Manager shall cause such notices or other documentation required of Seller and Manager to be filed by the date set forth on **Schedule 6(A)** or as otherwise required and Seller and Manager shall take such actions and comply with such Required Regulatory Notices. Each party hereto will cooperate with the other party with respect to all notices, filings, applications and such other information or documentation that a party is required to make in connection with the Required Regulatory Approvals and the transactions contemplated hereby.

(2) In furtherance and not in limitation of the foregoing, Buyer, Seller and Manager shall reasonably cooperate and use their respective commercially reasonable efforts to obtain any and all Required Regulatory Approvals, and to respond to any request for information from any governmental authority or agency having jurisdiction over the Property or such other persons or entities from which or whom such Required Regulatory Approvals are sought. Seller and Manager shall provide, to the extent in Seller's and/or Manager's possession or reasonable control, all financial and other information with respect to the Property and the operation thereof as may be requested by such

governmental authorities or agencies from time to time in connection with the delivery of the Required Regulatory Notices or obtaining the Required Regulatory Approvals.

(3) If, as anticipated, the Required Regulatory Approvals are not received as of the Closing, at Closing, Buyer (or its designated affiliate), Seller and Manager shall, as applicable, enter into such other mutually and reasonably acceptable documents and agreements as may be necessary and permitted under all applicable laws, rules, and regulations in each instance to cause the current healthcare license for the Property to remain in place pending receipt of the applicable Required Regulatory Approvals to Buyer (or its designated affiliate), including, without limitation, a sublease from Buyer or such designated affiliate to Seller and Manager, as the current healthcare license holder, in the form attached hereto as **Exhibit K-1** (the "**Interim Sublease**"), and an interim management agreement between Seller, as lessee under the Interim Sublease, and Manager (in its capacity as manager for Buyer or Buyer's affiliate, the lessor under the Interim Sublease), in the form attached hereto as **Exhibit K-2** (the "**Interim Management Agreement**"); provided, however, that if the applicable governmental authority determines that the Interim Sublease and/or Interim Management Agreement are inadequate to permit the Closing and continued operation of the Property in compliance with applicable law, then Seller, Manager and Buyer shall have no obligation to enter into such agreements and Seller or Buyer may extend the Closing Date by up to one hundred twenty (120) days to attempt to address such inadequacy.

(4) Buyer and Seller each promptly shall notify and keep the other reasonably advised as to (i) any material communication (not to include routine phone calls or emails in the course of obtaining the Required Regulatory Approvals) from all such applicable governmental authorities or agencies regarding any of the transactions contemplated hereby and (ii) any claim or proceeding pending and known to such party or, to such party's knowledge, threatened in writing, which challenges the transactions contemplated hereby.

(5) In the unlikely event that any of the Required Regulatory Approvals are denied prior to Closing, Buyer shall have the right to terminate this Agreement and upon such termination Seller (and/or Escrow Agent, if holds any portion of the Deposit) shall immediately (and in any event, within two (2) Business Days) pay the Deposit to Buyer, and thereafter the parties shall have no further obligations or liabilities hereunder (except for those obligations and liabilities that expressly survive termination of this Agreement).

(6) The provisions of this Section 6(A) shall survive the Closing.

7. Closing. The sale and purchase herein provided shall be consummated (the "**Closing**") through escrow with all deliveries required hereunder to the Title Company on or prior to 4:00 p.m. Eastern Time on the Closing Date. Buyer, Seller and Manager acknowledge and agree that the Closing Date is of extreme importance to Seller and Buyer and that TIME IS OF THE ESSENCE with respect to Buyer's, Seller's and Manager's obligation to close this transaction on the Closing Date, and that the parties' respective covenant to close the transaction contemplated by this Agreement on the Closing Date constitutes a material inducement to the entry by Seller, Manager and Buyer into this Agreement. Attorneys for Seller/Manager and Buyer shall exchange pdf copies of all executed Closing documents on the Business Day preceding the Closing Date so that each confirm completion of same. Buyer, Seller and Manager shall deliver to the Title Company only those documents Escrow Agent requires to complete Closing and insure title to the Real Property, or as otherwise directed by Seller and Buyer.

(A) Escrow. On or prior to 2:00 p.m. Eastern Time on the Closing Date, except as otherwise specified herein, the parties shall deliver to the Title Company the following:

(1) By Seller and/or Manager. Seller and Manager shall (as applicable to each) deliver, or cause its applicable affiliates to deliver, the following (collectively, the "**Seller Closing Documents**"):

(a) a duly executed and acknowledged original Deed for the Facility's Land and Improvements. If the legal description of the Land of the Facility set forth on the survey obtained by Buyer differs from the legal description of the Land set forth on the deed by which Seller acquired title, Seller also shall deliver a quit claim deed conveying the applicable Land and Improvements to Buyer utilizing said survey legal description;

(b) a duly executed counterpart of a Bill of Sale transferring and conveying the Personal Property in the form of **Exhibit D-1** attached hereto (the "**Bill of Sale"**). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Personal Property, Seller and (if applicable) Manager shall deliver a Bill of Sale to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Personal Property;

(c) a duly executed counterpart of an Assignment of Intangible Property assigning and conveying the Assumed Contracts and the Intangible Property in the form of **Exhibit D-2** attached hereto (the "**Assignment of Intangible Property**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Assumed Contracts and the Intangible Property, Seller and (if applicable) Manager shall deliver an Assignment of Intangible Property to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Assumed Contracts and the Intangible Property;

(d) a duly executed counterpart of an Assignment and Assumption of Resident Agreements assigning and conveying the Resident Agreements in the form of **Exhibit D-3** attached hereto (the "**Assignment and Assumption of Resident Agreements**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Resident Agreements, Seller and (if applicable) Manager shall deliver an Assignment and Assumption of Resident Agreement to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Resident Agreements;

(e) a duly executed counterpart of an Assignment and Assumption of Lease Agreements assigning and conveying the Commercial Leases in the form of **Exhibit D-4** attached hereto (the "**Assignment and Assumption of Lease Agreements**"). Upon an assignment of this Agreement to more than one entity as permitted under Section 13(B) of this Agreement where such assignee succeeds to the right to acquire certain of the Commercial Leases, Seller and (if applicable) Manager shall deliver an Assignment and Assumption of Lease Agreement to each such assignee as designated by Buyer with respect to that assignee's designated portion of the Commercial Leases;

(f) a single form announcement in a form reasonably acceptable to Buyer and Seller, executed by Seller and Manager, duplicate copies of which shall be sent by Buyer, to each resident and responsible family member under the Resident Agreements informing them of the transaction between Seller and Buyer;

(g) a duly executed certificate certifying that Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended (the "**Code**") in the form of **Exhibit E** attached hereto, together with any similar form or forms required by the state in which the Property is located;

(h) Seller's "**Closing Statement**" (as hereinafter defined), dated as of the Closing Date and duly executed by Seller, setting forth, among other things, all payments to and from Seller in connection with the purchase and sale of the Property;

(i) the Seller's Title Affidavit; and the Affidavit Relating to Matters Affecting Real Estate in the form previously agreed upon by Title Company and counsel to each of Seller and Buyer relating to that certain Memorandum of Lease dated April 18, 2000, by and between Laszlo N. Tauber, Trustee for Westwood Joint Venture, Laszlo N. Tauber, M.D., Trustee, Laszlo N. Tauber, M.D. & Associates, Westwood Joint Venture LLC, a Maryland limited liability company, Westwood joint Venture No.4 LLC, and Westbard Apartments LLC, a Maryland limited liability company, was recorded April 1, 2019, in Liber 19033, page 572, in the Land Records of Montgomery County, Maryland;

(j) one (1) original of the certificate of Seller and Manager in the form of **Exhibit F** (the "**Seller and Manager Closing Certificate**");

(k) if required pursuant to Section 6(A)(3), a counterpart of each of (i) the Interim Sublease, duly executed by Seller, and (ii) the Interim Management Agreement, duly executed by Seller and Manager;

(l) evidence (to be delivered only to Title Company) reasonably satisfactory to the Title Company that all necessary authorizations of the transaction provided herein have been obtained by Seller and Manager, and such other documents and instruments as may be reasonably requested by the Title Company in order to consummate the transaction contemplated hereby and issue the Title Policy, including an original certificate of good standing issued for Seller and Manager by the Secretary of State of the State in which the Facility is located;

(m) all documents and instruments as may be necessary pursuant to the applicable vehicle code to transfer title (or assign the vehicle lease, as applicable) to any motor vehicles being transferred by Seller or Manager to Buyer in connection with this Agreement; provided that, upon the written agreement of Buyer, Seller or Manager shall be permitted to deliver same to Buyer promptly following Closing;

(n) any sales or real property transfer tax declarations or other disclosures or reports as are required by state or local law, executed by Seller as required by such laws;

(o) confirmation of the termination of the Current Management Agreement, such termination effective as of Closing (but not before);

(p) a Maryland Form WH-AR Certificate of Exemption from Withholding;

(q) as of the Closing Date, in each case to the extent the same are then in Seller's or Manager's possession or reasonable control, and have not theretofore been delivered to Buyer, originals (or copies, if originals are unavailable) of each and every commercial lease and license of space of all or any portion of the Facility (each, a "**Commercial Lease**" and, collectively with the Resident Agreements, the "**Occupancy Agreements**"), all Assumed Contracts and originals (or copies if originals are unavailable) of all permits and licenses in the name of Seller and/or Manager (which materials under this subsection 7(A)(1)(q) may be left at the management office the Facility to which they relate);

(r) any motor vehicles being transferred (or the lease for the same assigned, as applicable) to Buyer in connection with this Agreement shall be deemed to be delivered as of

the Closing Date if left at the Property provided the keys have been left at the management office at the Property or left with the Manager at the Manager's off-site office on the Closing Date; after Seller has delivered to Buyer a completed form of transfer of title (or assignment of the vehicle lease) with respect thereto, Buyer shall be responsible for otherwise effectuating the conveyance of title to such vehicles to Buyer after Closing to the extent required under applicable law;

(s) the new management services agreement between Manager and Buyer (or Buyer's designated assignee affiliate) in form and substance reasonably acceptable to Buyer pursuant to which Manager manages the daily operation of the Facility ("**New Management Agreement**");

(t) with respect to the New Management Agreement, a certificate executed by Manager in support of the legal opinion Buyer requires in connection with REIT and RIDEA matters relating to the transaction contemplated by this Agreement;

(u) [Intentionally Deleted];

(v) [Intentionally Deleted];

(w) each Title Estoppel or, as permitted by this Agreement, Seller Title Estoppel;

(x) the Name License;

(y) [Intentionally Deleted];

(z) [Intentionally Deleted];

(aa) the escrow holdback agreement for the Pending CapEx Work, should any exist;

(bb) [Intentionally Deleted];

(cc) [Intentionally Deleted];

(dd) [Intentionally Deleted]; and

(ee) the Holdback Agreement (as hereinafter defined), duly executed in counterpart by Seller.

(2) By Buyer. Buyer shall deliver the following (collectively, the "**Buyer Closing Documents**" and, together with the Seller Closing Documents, collectively, the "**Closing Documents**"):

(a) the Closing Payment by wire transfer of immediately available federal funds (provided, however, that Buyer shall not be in default hereunder if the same is delivered after 4:00 pm Eastern Time on the Closing Date, as long as it is delivered prior on the Closing Date);

(b) an executed counterpart of the Bill of Sale;

(c) an executed counterpart of the Assignment of Intangible Property;

(d) an executed counterpart of the Assignment and Assumption of Resident Agreements;

(e) an executed counterpart of the Assignment and Assumption of Lease Agreements;

(f) Buyer's Closing Statement, dated as of the Closing Date and duly executed by Buyer setting forth, among other things, all payments to and from Buyer in connection with the purchase and sale of the Property;

(g) a duly executed certificate of Buyer in the form of **Exhibit G** ("**Buyer Closing Certificate**");

(h) if required pursuant to Section 6(A)(3), counterparts of the Interim Sublease duly executed by Buyer's designated affiliate;

(i) any sales or real property transfer tax declarations or other disclosures or reports as are required by state or local law, executed by Buyer as required by such laws;

(j) evidence reasonably satisfactory to the Title Company that all necessary authorizations of the transaction provided herein have been obtained by Buyer, and such other documents and instruments as may be reasonably requested by the Title Company in order to consummate the transaction contemplated hereby and to issue the Title Policy; and

(k) for the Facility, an executed counterpart of a New Management Agreement;

(l) a Maryland Form WH-AR Certificate of Exemption from Withholding;

(m) the Name License;

(n) [Intentionally Deleted];

(o) [Intentionally Deleted];

(p) [Intentionally Deleted];

(q) the escrow holdback agreement for the Pending CapEx Work, should any exist; and

(r) the Holdback Agreement (as hereinafter defined), duly executed in counterpart by Buyer or its designee.

(B) Closing Costs.

(1) Buyer shall pay one-half of all escrow and closing fees for the transactions contemplated under this Agreement and all fees, costs or expenses in connection with Buyer's due diligence reviews hereunder. Seller shall pay (a) the release of Seller's existing monetary liens (including any prepayment or other penalties or amounts due and payable in connection with the discharge and satisfaction of such liens and/or the indebtedness secured thereby) and the cost to remove or insure over (to the extent

permitted hereunder) all Required Removal Items and those matters that Seller elected in writing to attempt to cure pursuant to Sections 4(B)-(D) above; (b) one-half of all escrow and closing fees for the transactions contemplated under this Agreement; and (c) all taxes on the transfer of the Personal Property.

(2) Buyer and Seller shall pay their respective share of all state and local realty transfer tax, documentary stamp tax, and/or excise tax (collectively, "**RTT**"), and the base premium for the Title Policy (exclusive of endorsements) ("**Title Premium**") based upon the state in which the Facility is located, as set forth on **Schedule 7(B)(2)**.

(3) Seller and Buyer shall each pay their respective (a) legal fees and expenses (subject to Section 13(D) of this Agreement), (b) share of prorations (as provided below), and (c) the cost of all of its performances under this Agreement. All other Closing costs shall be allocated between Buyer and Seller in accordance with local custom. Each party shall indemnify, protect, defend and hold the other harmless from and against any Losses in any way arising from the non-payment of any of the items for which such first party is responsible pursuant to this Section 7(B).

(4) The provisions of this Section 7(B) shall survive the Closing Date and the recording of the Deed.

(C) Prorations.

(1) Items to be Prorated. The following shall be prorated between Seller and Buyer (and such amounts allocated to Buyer may be further allocated between Buyer's affiliate assignees of this Agreement as elected and directed by Buyers in their sole discretion) as of 12:01 a.m. local time for the Property on the Closing Date ("**Effective Time**"):

(a) *Taxes and Assessments; Association Fees and Assessments*.

(i) All real estate taxes and assessments on the Property (including the Personal Property) paid or payable during or attributable to the tax year in which the Closing occurs (the "**Current Tax Year**") shall be prorated as of the Closing Date on an accrual basis, based upon the latest available tax information for the Current Tax Year (such that Seller is responsible for all such taxes and assessments attributable to the period prior to the Closing Date and Buyer is responsible for all such taxes and assessments attributable to the period from and after the Closing Date). If any assessments on the Property are payable in installments, then the installment for the current period shall be prorated as of the Closing Date, on an accrual basis, with Buyer being allocated the obligation to pay any installments due on and after the Closing Date (provided that Buyer receives a credit at Closing for any such payments attributable to periods prior to the Closing Date that have not been paid as of the Closing Date). Upon the Closing Date, Buyer shall be responsible for real estate taxes and assessments on the Property (i) payable with respect to periods prior to Closing for which Buyer receives a credit hereunder, and (ii) attributable to the period from and after the Closing Date, which first become due and payable from and after Closing, and any other real estate taxes and assessments attributable to the period from and after the Closing Date and payable to the governmental authorities on and after the Closing Date.

(ii) All tax refunds and credits attributable to taxes paid during any period prior to the Current Tax Year shall belong to and be the property of Seller regardless of when received by Seller or Buyer, and Buyer shall promptly pay the same to Seller upon receipt thereof. All tax refunds and credits attributable to taxes paid or payable during any period from and after the Current Tax Year shall belong to and be the property of Buyer, and Seller shall promptly pay the same to Buyer to the extent Seller receives any of the same. All tax refunds and credits attributable to taxes paid during the Current Tax Year shall be prorated between Seller and Buyer in accordance with subsection (i) above,

whether received before or after Closing, and Seller and Buyer shall mutually cooperate in the prosecution of any such tax appeal with respect to the Current Tax Year.

(iii)Any dues, fees, common charges, maintenance fees or similar fees or charges relating to any homeowners or commercial associations, planned unit developments and reciprocal easement agreements, and any other expenses pertaining to the Property thereunder, if any, shall be pro-rated on an accrual basis as of the Closing Date, with Seller responsible for any such amounts which relate to the period prior to the Closing Date and Buyer responsible for any such amounts which relate to the period on and after the Closing Date.

(b) *Rents*. All amounts payable and receivable under the Occupancy Agreements and actually collected prior to Closing shall be prorated between Buyer and Seller, with Seller being charged and credited for all of the same which have been paid and are allocable to the period up to the Closing Date and Buyer being charged and credited for all of the same which have been paid and are allocable to the period from and after the Closing Date. Uncollected amounts shall not be prorated; provided, however, that to the extent Buyer receives rental amounts or other charges from and after the Closing Date, such payments shall be applied first toward the rental amounts or other charges for the month in which the Closing occurs, then to the rental amounts or other charges owed to Buyer, and then to any delinquent rental amounts or other charges owed to Seller less reasonable out-of-pocket collection costs incurred by Buyer, with Seller's share thereof being promptly delivered to or as directed by Seller. Any pre-paid rents for the period from and after Closing shall be paid over by Seller to Buyer. Seller shall pay at or prior to Closing (and provide evidence of same to Buyer) all fees for referral services other than those signed during the period following the Effective Date that Buyer has approved in writing. Buyer shall receive a credit against the Purchase Price for (i) refundable resident deposits (if any) and/or (ii) resident trust funds held by a Seller party or its affiliate.

(c) *Utility Service*. Fuel, water, electricity, sewer, gas, telephone and other utility charges for the Property (including any taxes thereon) based, to the extent practicable, on final meter readings and final invoices (or, if it is not practicable to obtain final meter readings and final invoices by the Closing Date, then upon reasonable estimates) shall be pro-rated as of the Closing Date, with Seller responsible for any such amounts which relate to the period prior to the Closing Date and Buyer responsible for any such amounts which relate to the period from and after the Closing Date. Seller shall not assign to Buyer any of the utility deposits which Seller has with any of the utility services or companies servicing the Property. The parties shall arrange with such services and companies to have new accounts opened in Buyer's (or its designee's) name beginning at the Effective Time, but the foregoing shall not be a condition to the parties' obligation to close hereunder. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading and post-closing adjustments between Buyer and Seller shall be made within thirty (30) days after the date that actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and the recording of the Deed.

(d) *Permits*. Any fees relating to governmental permits, licenses, certificates, authorizations, accreditations and approvals relating exclusively to the use or operation of the Property which are assigned by Seller to Buyer at Closing shall be pro-rated as of the Closing Date, with Buyer receiving a payment for any amounts owed with respect to the period prior to the Closing Date and Seller receiving a payment with respect to any prepaid fees for the period from and after the Closing Date.

(e) *Employees*. Buyer shall receive a credit against the Purchase Price at Closing equal to the amount of all wages, bonuses, and accrued/unpaid vacation days and PTO as of the Closing Date, plus an amount equal to all taxes relating thereto, with respect to all individuals who are

employed by Seller or Manager on a full-time or part-time basis at a Property. The foregoing shall apply notwithstanding the fact that Manager, rather than Seller, is the employer of said employees.

(f) *Contracts.* With respect to the Assumed Contracts, Seller shall be responsible for any payments that are due and payable thereunder and relate to the period prior to the Closing Date and Buyer shall be responsible for any payments that are due and payable thereunder and relate to the period from and after the Closing Date.

(g) *Operating Income and Expense*. Any other items of income and expense of the ownership, operation and maintenance of the Property (including ground lease rents) shall be prorated between Buyer and Seller as of the Effective Time, with Seller being charged and credited for all of the same allocable to the period up to the Closing Date and Buyer being charged and credited for all of the same allocable to the period from and after the Closing Date.

(2) Calculation; Reproration. The prorations and payments shall be made on the basis of draft settlement statements (with a separate statement for Seller and Buyer) submitted to Buyer and Seller by Title Company (based on information provided to Title Company by Buyer and Seller) at least five (5) Business Days prior to the Closing Date and approved by Buyer and Seller, to be reviewed and revised as necessary by Buyer, Seller and Title Company, for approval by Buyer and Seller, respectively (as to the statement for each) on or before Closing (as applicable, a "**Closing Statement**"). Any item which cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and adjusted when the information is available in accordance with this subsection. If the prorations and credits made under the Closing Statements shall prove to be incorrect or incomplete for any reason, then either party shall be entitled to an adjustment to correct the same; provided, however, that any adjustment shall be made, if at all, within one hundred twenty (120) days after the Closing Date (except with respect to real estate taxes and assessments, in which case such adjustment shall be made within thirty (30) days after issuance of the final tax bill for the Property for the period that includes the Closing Date, with reconciliation payment being made to the party entitled thereto within ten (10) Business Days thereafter), and if a party fails to request an adjustment to the Closing Statements by a written notice delivered to the other party within the applicable period set forth above (such notice to specify in reasonable detail the items within the Closing Statements that such party desires to adjust and the reasons for such adjustment), then the prorations and credits set forth in the Closing Statements shall be binding and conclusive against such party. Notwithstanding anything to the contrary contained in this Section 7, for any item for which Buyer receives a credit or otherwise assumes responsibility pursuant to this Section 7(C) and which is payable after Closing, Buyer shall be responsible for paying for such item when due.

(3) Items Not Prorated. Seller and Buyer agree that none of the insurance policies relating to the Property (whether placed by Seller or Manager) will be assigned to Buyer and Buyer shall be responsible for arranging for its own insurance as of the Closing Date.

(4) Survival. The provisions of this Section 7(C) shall survive the Closing Date.

8. Destruction/Condemnation of Property.

(A) In the event that, after the Effective Date all or any portion of the Land or Improvements of the Facility is damaged or destroyed by any casualty which would cost in excess of two percent (2%) of the Purchase Price to repair, as determined by a contractor mutually acceptable to Seller and Buyer in their reasonable discretion, or there is a taking or condemnation under eminent domain laws whether permanent or temporary, that (i) materially restricts access to the Improvements of the Facility which would reasonably be expected to continue for any period of time from and after the Closing Date,

(ii) affects five percent (5%) or more of the Improvements of the Facility, or (iii) reduces the parking available to the Improvements of the Facility to less than that which is required by law, under any Commercial Lease, or under any recorded instrument affecting the Property, or (iv) has a material adverse effect for any period of time after the Closing Date on the use or operation of the Property (each a "**Casualty/Condemnation Event**"), Seller shall give Buyer prompt written notice of the same (a "**Casualty/Condemnation Notice**"), but Seller shall have no obligation to repair or replace any damage or destruction caused by the foregoing. In such event, Buyer shall have the right to terminate this Agreement by written notice thereof delivered to Seller within ten (10) days after Buyer has received the Casualty/Condemnation Notice from Seller (with time being of the essence), and if such termination right is exercised, the Deposit shall be immediately (and in any event, within two (2) Business Days) paid to Buyer and this Agreement shall terminate and be of no further force or effect, except for the obligations and indemnifications hereof which survive the termination of this Agreement. If Buyer does not so elect to terminate this Agreement, or if the casualty or condemnation is not a Casualty/Condemnation Event, Seller shall have no obligation to (and, in the case of a Casualty/Condemnation Event, shall not, except in a manner required by applicable laws or regulations or to address an emergency situation, otherwise approved in advance by Buyer, which approval shall not be unreasonably withheld, conditioned, or delayed), repair the Land or Improvements or portion thereof so damaged, the Closing shall take place as provided herein, and Seller shall, upon consummation of the transaction herein provided, assign to Buyer (to the extent assignable) all of Seller's right, title and interest in and to the claims of Seller under or pursuant to any applicable insurance coverage, including commercial property, business interruption or pollution liability, or under the provisions of eminent domain law, as applicable, and all proceeds from any such casualty insurance (including all rent loss insurance applicable to any period from and after, but not before, the Closing) or condemnation awards received by Seller on account of any such casualty or condemnation, as the case may be (collectively, the "**Proceeds**") (but only to the extent the same have not been applied by Seller prior to the Closing Date to repair the resulting damage in a manner reasonably approved by Buyer), and Buyer shall receive at Closing a credit against the Purchase Price in the amount of the deductible and/or self-insured retention under Seller's applicable insurance policy (less any amount of the deductible expended by Seller to repair the resulting damage in a manner permitted by this Section or otherwise reasonably approved by Buyer). This Section 8 shall survive the Closing.

9. Representations and Warranties; Certain Covenants.

(A) Representations and Warranties of Seller. Seller represents and warrants to Buyer the following as of the Effective Date and, subject to the terms of Section 11(B)(2) below, as of the Closing Date, which representations and warranties shall survive Closing:

(1) Authority.

(a) Seller is a limited liability company duly formed and validly existing and in good standing under the laws of the state of its formation and is authorized to do business in the State in which the Facility is located. Seller has all requisite limited liability company power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and the Seller Closing Documents. Each Person signing this Agreement, the Seller Closing Documents to which it is a party, and the other documents contemplated by this Agreement on behalf of Seller has the legal right, power and authority to bind Seller. As used herein, the term "**Person**" means any individual, partnership, association, corporation, limited liability company, business trust, trust or other entity

(b) Manager is a limited liability company duly formed and validly existing and in good standing under the laws of the State of Virginia and is authorized to do business in the State in which the Facility is located. Manager has all requisite limited liability company power and authority to execute and deliver, and to perform all of its obligations under, this Agreement and the Seller Closing Documents to which it is a party. Each Person signing this Agreement, the Seller

Closing Documents to which Manager is a party, and the other documents contemplated by this Agreement on behalf of Manager has the legal right, power and authority to bind Seller.

(2) Due Execution. The execution, delivery and performance of this Agreement and the Seller Closing Documents, and the sale of the Property in accordance with the terms hereof, have been duly authorized by all necessary action on the part of Seller and Manager and do not and will not (a) require any consent, approval, license, order, permit or authorization that has not been obtained except as provided in this Agreement in connection with the Required Regulatory Approvals, or (b) violate any provision of Seller's or Manager's organizational documents, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any material agreement or instrument to which either Seller or Manager is a party or by which either Seller or Manager may be bound in any case which would prevent Seller and Managers from performing its obligations hereunder in all material respects, or (c) violate any order, judgment, injunction, decree ruling or regulation of any state or federal court or governmental authority binding on Seller or Manager in any case which would prevent Seller or Manager from performing its obligations hereunder in all material respects.

(3) Enforceability. This Agreement and, upon execution, the Seller Closing Documents, constitutes a legal, valid and binding obligation of Seller and Manager enforceable against Seller and Manager in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and general equitable principles.

(4) No Bankruptcy or Dissolution. No Bankruptcy/Dissolution Event (as defined below) has occurred with respect to Seller or Manager. As used herein, a "**Bankruptcy/Dissolution Event**" means any of the following: (a) the commencement of a case under Title 11 of the United States Bankruptcy Code, as now constituted or hereafter amended, or under any other applicable bankruptcy law or other similar law; (b) the appointment of a trustee or receiver for the Property; (c) a dissolution or liquidation; or (d) a general assignment for the benefit of creditors or an offer of settlement, extension or composition to creditors generally.

(5) [Intentionally omitted].

(6) Resident Agreements. Attached as **Exhibit H** is a copy of the rent roll of the Facility dated as of the date stated thereon, which shall be no older than the last day of the month preceding the month in which this Agreement is executed (the "**Rent Roll**"), and that was provided by Manager to Seller and used in the ordinary course of operating the Facility. The Rent Roll contains a materially true, complete and correct list of all resident agreements for occupancy by a resident of a bed or unit at the Facility (each a "**Resident Agreement**") that is in effect as of the date of the Rent Roll stated therein. There are no other agreements for residency at the Property other than the Resident Agreements described in **Exhibit H**. Except as shown on **Exhibit H**, each of the Resident Agreements is in full force and effect and neither Seller nor Manager has received or delivered written notice of default of any material obligations under any Resident Agreement which remains uncured as of the date of the Rent Roll or will remain uncured as of the Closing Date, as applicable. Except as set forth on **Exhibit H**, all rent currently due and payable under each Resident Agreement has been paid in full, and no rents under any Resident Agreement have been paid more than one month in advance. **Exhibit H** sets forth a true, correct and complete list of all security deposits, waitlist deposits, entrance fees and other prepaid fees currently held by or on behalf of Seller or Manager or their respective affiliates under the Resident Agreements. Copies of all Resident Agreements (including all guaranties and amendments or modifications relating thereto), each of which is true, correct and complete in all material respects, have been made available to Buyer for Buyer's inspection at the Property (and, with respect to any Resident Agreement executed after the Effective

Date in accordance with this Agreement, shall be made available promptly following such execution). Seller has delivered to Buyer (by depositing same into the Data Room) the form of Resident Agreements which are the form of Resident Agreement currently used at the Facility during Seller's ownership and operation thereof. Except pursuant to the Resident Agreements and medications held for residents, Manager does not hold, and is not holding, any material sums or property in trust for or on account of residents of the Property. Pursuant to Section 11(B)(2) below, seven (7) Business Days prior to Closing, Seller and Manager shall deliver to Buyer an updated copy of the rent roll for the Property, which shall be a true, correct and complete in all material respects as of the date thereon (which shall be no more than one (1) Business Day prior to the date such updated rent roll is delivered to Buyer). No unit or bed at the Facility is subject to any rent subsidies or rental assistance programs and the Facility is not subject to any contract or other agreement with, or requirement of, any governmental or public authority controlling, restricting, or imposing rent controls or income eligibility limits with respect to any of the units, beds or any of the residents of the Facility.

(7) Commercial Leases. Attached as **Exhibit H-1** is a true, complete and correct list of all Commercial Leases affecting the Property to which Seller or Manager is a party and, except as set forth in on **Exhibit H-1** below, there are no leases of commercial, office, medical or retail space in the Facility other than the Commercial Leases described in **Exhibit H-1**. To Seller's knowledge and Manager's knowledge, (defined below), each of the Commercial Leases is in full force and effect and neither Seller nor Manager has received or delivered written notice of a default of any material obligations under any of the Commercial Leases which remains uncured as of the Effective Date. Except as set forth on **Exhibit H-1**, all rent currently due and payable under each Commercial Lease has been paid in full, and no rents under any Commercial Lease have been paid more than one month in advance. **Exhibit H-1** sets forth a true, correct and complete list of all security or similar deposits currently held by or on behalf of Seller (or its affiliates) or Manager (or its affiliates) under the Commercial Leases. Except as set forth on **Exhibit H-1**, there are no (i) outstanding tenant allowances, tenant inducements costs or tenant concessions to be paid for or incurred by the landlord thereunder, (ii) outstanding tenant improvements to be performed by the landlord pursuant to the terms of the Commercial Leases, or (iii) tenant rights or claims to offsets or deductions under the Commercial Leases unless specifically set forth in such Commercial Leases. Seller has provided to Buyer true, complete and correct copies of the Commercial Leases as part of the documents, information, and reports Seller delivered to Buyer prior to the Effective Date (the "**Property Documents**").

(8) No Other Occupancy Agreements; Rents; No Leasing Agreements. To Seller's knowledge, except for the Resident Agreements and the Commercial Leases shown on and **Exhibit H-1**, there are no leases, subleases, license agreements, resident agreements, or other agreements demising space at the Property, or occupancies or tenancies or parties in possession of any part of the Property, and there are no other rights of possession which have been granted by Seller or Manager to any third-party or parties that are presently in effect. No rents for any of the foregoing have been assigned, transferred or hypothecated by Seller or Manager, except by virtue of instruments securing loans that shall be released from such rents and/or Occupancy Agreements at or prior to Closing. Except as set forth on **Exhibit H-2**, Seller and Manager have not entered into, not assumed and are not bound by any leasing or commission agreement or other similar arrangement, pursuant to which any commission, fee or other compensation is payable to any person or entity in connection with any Occupancy Agreements entered into prior to or after the Effective Date. Seller shall pay prior to Closing all commissions, fees and compensation payable to any person or entity as a result of any Occupancy Agreement entered into prior to Closing. Buyer will be responsible for all commissions, fees, or other compensation payable to any person or entity as a result of an Occupancy Agreement executed after Closing.

(9) Personal Property. Seller is the owner of all of the Personal Property and vehicles located at and used in connection with the operation of the Facility and Seller has good title to the Personal Property and shall convey such interests to Buyer (or its designee) at Closing, at Seller's cost and

expense, free and clear of liens, security interests and other encumbrances, except with respect to certain leased vehicles and office equipment as set forth on **Schedule 9(A)(9)**. To the extent Manager has any interest in the Personal Property, it shall convey such interest to Buyer at Closing.

(10) Litigation. Except as identified on **Schedule 9(A)(10)** attached hereto, there is no action, litigation or other proceeding pending against Seller or Manager, or to Seller's knowledge, filed but not yet served upon Seller or Manager, or otherwise with respect to the Property or the operations conducted thereon, including actions, litigation or other proceedings which have been tendered to Seller's or Manager's insurance company. Except as identified on **Schedule 9(A)(10)**, there is no action, suit, litigation, hearing, investigation or administrative proceeding threatened in writing against Seller or Manager or otherwise with respect to the Property or the operations conducted thereon.

(11) Compliance. Except as disclosed in the Data Room, since the July, 2025, Facility opening date, neither Seller nor Manager has received written notice from (i) any governmental authority, department, agency or the like having jurisdiction over the Property to the effect that the Property, or the operations thereon, are currently not in compliance with applicable laws, regulations and ordinances (including any law related to licensure, determination of need, anti-fraud, kickback, or bribery, consumer protection, the environmental condition of the Property, and the federal statute entitled Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq. and the Occupational Safety and Health Act of 1970), or (ii) any governmental authority, department, agency or the like having jurisdiction over the Property, or any counterparty to or benefitted party under any recorded instrument affecting the Property, that the Property or operations thereon are currently not in compliance with such recorded instrument in either case which has not been corrected or cured, and to Seller's knowledge and Manager's knowledge the Property and the operations thereon are currently in full compliance with all such laws, regulations, ordinances and recorded instruments. To Seller's knowledge and Manager's knowledge, there are no uncured violations of any laws, regulations, ordinances or recorded instruments affecting or applicable to any or all of the Property or the operations thereon.

(12) Contracts. The Contracts listed on **Exhibit I** constitute all of the Material Contracts (as defined below) executed by Seller or Manager that are presently in effect with respect to the Property. Except as expressly disclosed on **Exhibit I**, none of the Material Contracts relate to properties other than the Property. Neither Seller nor Manager has given to, nor received from, a party to any Material Contract written notice stating that a default exists thereunder which remains uncured as of the Effective Date and, no monetary default or material non-monetary default presently exists under any Material Contracts. Seller and Manager have deposited in the Data Room a copy of each Material Contract listed on **Exhibit I**, which copies are true and correct in all material respects. For purposes of this Agreement, "**Material Contracts**" means (a) any Contract that will be binding upon the Property from and after the Closing and either (i) requires aggregate annual payments in excess of $50,000.00 per property covered thereby, or (ii) cannot be terminated by Buyer without penalty or payment upon thirty (30) days' written notice or less and (b) any Contracts or other agreements relating to Seller's or Manager's (with respect to the Property) enrollment or participation in any third-party payor program. Material Contracts shall expressly exclude the Current Management Agreement with Manager, any Affiliate Agreements, and the Occupancy Agreements. **Schedule 9(A)(12)** lists all Affiliate Agreements presently in effect with respect to the Property.

(13) Employees; ERISA. Seller has no employees. The largest number of individuals working at the Facility (whether as employees or independent contracts) during any single shift is set forth on **Schedule 9(A)(13-1)**. Other than service providers employed by third-party vendors (which for purposes of this Section 9(A)(13) excludes any affiliate of Seller), all individuals who provide services with respect to the Property are employees of Manager. To Seller's knowledge, the employee listing delivered by Seller as part of the Property Documents identifying all employees of Manager working at the

Property as of the Effective Date, such employees' respective dates of hire, positions, full time/part time designation, salary, benefits and commission and bonus schedule is true and correct in all material respects. All employees of working at the Property have been paid in full (and will be paid in full as of the Closing Date, excluding credits provided to Buyer pursuant to this Agreement) for any wages, salaries, commissions, bonuses, reimbursements, or other direct compensation earned by such employees for any services performed by them with respect to the Property as of the Closing Date. To Seller's knowledge, all payroll employee withholdings and deductions required by applicable state law have been made (or timely will be made) with respect to employees at the Facility, and all withheld amounts have been paid (or as of Closing will be paid) by Seller or Manager to the appropriate entities, as applicable, each in compliance with applicable State law. Neither Seller nor, to Seller's knowledge, Manager is a party to any collective bargaining agreement or similar union contract or any employment agreements affecting the Property. To Seller's knowledge, and except as disclosed in the Data Room, neither Seller nor Manager has experienced any strikes, grievances, or claims of unfair labor practices with respect to the employees employed by Manager at the Facility. To Seller's knowledge, there is no filed complaint or lawsuit filed by or with respect to any employee at the Facility pending against Seller or Manager with respect to a violation of any federal, state or local law relating to employment matters, except as shown on **Schedule 9(A)(13-2)**. Seller is not, and is not acting on behalf of, and to Seller's knowledge, Manager is not and is not acting on behalf of, (a) an "employee benefit plan" (as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974 ("**ERISA**")) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code (each of the foregoing a "**Plan**"), (c) an entity or account the assets of which constitute "plan assets" of one or more such Plans within the meaning of Department of Labor Regulation 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA or (d) a "governmental plan" within the meaning of Section 3(32) of ERISA. To Seller's knowledge, all licensed and/or certified healthcare professionals currently providing services at the Facility have all required licenses and certifications necessary for such professionals to provide such services and all such licenses and certifications are in full force and effect. No employee of Manager has an employment contract or agreement, and each employee is employed on an at-will basis.

(14) Condemnation. Neither Seller nor Manager has received written notice from any governmental authority having jurisdiction over the Land and Improvements that they are presently the subject of any condemnation or similar proceeding or zoning change, and to Seller's knowledge and Manager's knowledge, no condemnation or similar proceeding or zoning change is presently threatened.

(15) No Purchase Options. Seller has not granted or assigned to any party, or entered into any agreement with any party, and Seller have no knowledge of, any pending option, contract, right of first refusal, right of first offer or other agreement or preferential right in each case with respect to the purchase or sale of the Land or Improvements, any portion or interest therein, or of any direct or indirect ownership interest in Seller which is presently in effect.

(16) Permits and Licenses. **Schedule 9(A)(16)** attached hereto sets forth a true, correct and complete list of all licenses, permits, certificates, certificates of need, accreditations, exemptions, classifications, variances, and other consents and authorizations issued by any governmental authority or agency and held by Seller or Manager, in connection with the ownership, use, operation and management of the Facility which are necessary for the conduct of the present business at the Property (each, a "**License**" and, collectively, "**Licenses**") and, except as noted on **Schedule 9(A)(16)**, all such Licenses, are valid and in good standing and full force and effect. The current holder of each of the Licenses is listed on **Schedule 9(A)(16)** (each, a "**Current License Holder**"). Except as noted in **Schedule 9(A)(16)**, neither Seller nor Manager has received during the three (3) years preceding the Effective Date ("**Seller's Ownership Period**") any written notice, and Seller and Manager do not otherwise have knowledge of any actual or threatened, (a) action or proceeding to revoke, withdraw or suspend any License, (b) judicial or

administrative agency judgment or decision not to renew any of the Licenses, (c) health care licensure or certification action of any other type reasonably likely to result in a limitation or restriction with respect to the Facility, (d) any default or violation of any License, (e) any violation of any applicable law in connection with the Licenses, or (f) any failure by Seller or Manager to obtain any License that is necessary for the operation of the Property and Facility as it is currently operated, except as disclosed in the Data Room. True and complete copies of all written survey reports, written waivers of deficiencies, written plans of correction, and any other written investigations issued by the applicable health care agency or authority governing the Property, during the Seller's Ownership Period have been delivered by Seller or Manager to Buyer as part of the Seller Due Diligence Materials. To Seller's knowledge and Manager's knowledge, except as noted on **Schedule 9(A)(16)**, during Seller's Ownership Period, the Facility has not been cited for any deficiency that has not been cured and that has resulted or would reasonably be expected to result in termination, final revocation or cancellation of the Licenses. During Seller's Ownership Period, neither Seller nor Manager has received any written notice issued by the applicable health care licensing agency or authority governing the Property or any other federal or state governmental authority having jurisdiction over the Property: (i) that any records and reports relating to the Residents at the Property (collectively, the "**Resident Records**") have not been maintained in accordance with applicable federal, state or local laws or regulations governing the preparation, maintenance of confidentiality, transfer and/or destruction of such records in any respect or (ii) of any deficiency in the Resident Records or other relevant records of the Property used in connection with the operation of the business conducted at the Property, in the case of each of the foregoing clauses (i) and (ii), which has not been corrected. For purposes only of the immediately preceding sentence, a deficiency shall be deemed "corrected" if the applicable governmental authority has accepted an approved plan of correction addressing such deficiency. Except as set forth on **Schedule 9(A)(16)**, and except for violations noted in routine inspections surveys conducted by any applicable state healthcare agency or authority, no event, occurrence, or condition now exists, which, with the giving of notice or the lapse of time or both, would give rise to a default with respect to the Licenses on the part of Seller or Manager. Except as noted on **Schedule 9(A)(16)**, there are no waivers of deficiencies (including but not limited to with respect to life safety codes) regarding the Property or the operation thereon that would lapse or terminate upon the consummation of the transactions contemplated under this Agreement.

(17) Medicaid. Neither Seller, Manager nor the Facility has participated in, has been excluded from participation in, currently participates in or is a provider under any participation or provider agreements or arrangement with any third-party payor or federal health care program, including without limitation Medicare or Medicaid.

(18) Environmental Representations. Neither Seller nor Manager has received written notice from any governmental authority or regulatory or administrative agency, department or the like (whether federal, state or local) that the Property, or the use and operation thereof, is in violation of any laws or regulations relating to Hazardous Materials (as hereinafter defined) in any material respect. To Seller's knowledge, neither Seller nor Manager has received any written notice from any governmental authority or regulatory agency of pending or threatened investigations, action, suits, claims or proceedings by any governmental authority relating to the existence, generation, release, production, disposal, treatment, emission, migration, transportation or storage of any Hazardous Materials in or on the Property in violation of any applicable law in any material respect. To Seller's knowledge and Manager's knowledge, (i) no Hazardous Materials have been generated, stored, treated, released, or disposed of on, under, or about the Property in violation of any applicable environmental Laws. Seller has deposited in the Data Room a true and correct, in all material respects, copy of each final environmental report or study of the Facility prepared for either Seller or Seller's affiliates by third-party consultants or otherwise in Seller's possession or control relating to the Property, all of which are listed on **Schedule 9(A)(18)** attached hereto (the "**Environmental Reports**"). "**Hazardous Materials**" means any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect renders it subject to federal, state or local regulation, investigation,

remediation or removal as potentially injurious to public health or welfare. To Seller's knowledge and Manager's knowledge, except as disclosed in the environmental reports posted in the Data Room, there are no underground storage tanks or monitoring wells of any kind located on any of the Land.

(19) Non-Foreign Status. Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

(20)OFAC. Seller and Manager are not (i) currently listed on the Specially Designated Nationals List ("**SDN List**") or any similar list maintained by the Office of Foreign Assets Control ("**OFAC**") at the United States Department of the Treasury, (ii) owned or controlled, directly or indirectly (other than non-controlling ownership in publicly-traded securities of which Seller and Manager have no actual knowledge), by a person or entity listed on the SDN List or other similar list maintained by OFAC; (iii) a person or entity with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of U.S. law, regulation or executive order; (iv) incorporated in any country subject to U.S. country-based economic sanctions whereby conducting transactions with that person or entity would be in violation of any applicable law, rule or regulation; or (v) in violation of any of the prohibitions set forth in any U.S. law related to money laundering, or the U.S. Foreign Corrupt Practices Act of 1977 as amended ("**FCPA**").

(21) Taxes. There are no Tax appeals filed or pending with respect to the Property. The Property is not subject to any Tax agreements, Tax programs, special classifications such as open-space or farmland, or any so-called roll-back Tax agreements of any kind and if any such agreements or programs are applicable to the Property, Seller shall (without limitation to any other remedies of Buyer herein) be solely responsible to pay any penalties, Taxes, fees and any other monetary compensation associated with such agreements as and when due but in no case later than the Closing. There are no special or other assessments for public improvements or otherwise affecting the Property. As used in this subsection, "**Tax**" shall mean all business, occupation, payroll, sales, use, gross receipts, rental, income, real and personal property and other similar assessment or charge. Neither Seller nor, to Seller's knowledge, Manager has received written notice of any pending proceedings relating to reassessment or reclassification of the Property for state or local real property taxation purposes. Seller is not a party to any pending tax appeal, tax contest or other similar proceeding relating to any portion of the Property, and no such appeal has been initiated on behalf of Seller. Seller has timely filed all sales, occupancy, and use tax returns and paid all sales, occupancy, and use taxes due, if any, to the state and/or the town in which the Facility is located on or before the Effective Date. All employee, business, sales, or other occupancy taxes due with respect to the Property through the Closing Date have been or will be paid by Seller or Manager either directly or through proration at Closing.

(22) Other Healthcare Matters.

(a) Since the opening of the Facility in July, 2025, the operation of the Facility has been (and is currently) in compliance in all material respects with all applicable laws related to the provision of healthcare services applicable to Seller, Manager and the Facility, except as may be contained in the notices from governmental authorities provided in the Data Room. Seller and Manager have not received written notice of a material failure of the operation to comply with applicable laws that has not been cured.

(b) To Seller's knowledge, neither Seller nor Manager is a Covered Entities under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and the rules and regulations promulgated thereunder, as amended (collectively referred to as "**HIPAA**") with respect to the Property and the operation of the Facility and therefore have not been required to, and are not presently required to, comply with HIPAA.

Seller and Manager are, and, during Seller's Ownership Period as to the Facility, have been, in compliance in all material respects with all applicable state patient privacy and security laws related to patient health information.

(c) [Omitted]

(d) To Seller's knowledge, all material reports, documents and notices required to be filed, maintained or furnished by Seller and Manager to any health care governmental authority under applicable laws required for the current operation of the Property have been so filed, maintained or furnished.

(e) To Seller's knowledge, there are no financial relationships between Seller or Manager and any referral source in violation of applicable laws.

(f) To Seller's knowledge, all healthcare professionals providing services at the Property have all licenses and certifications necessary for such healthcare professionals to provide the services they perform at the Property.

(g) To Seller's knowledge, no moratorium has been implemented by any governmental authority which is in effect that restricts or prohibits the execution of Resident Agreements with new residents or the move-in of new residents at the Facility.

(23) Operating Statements; Property Documents. The books, records, income statements, operating statements and other financial statements Seller and Manager delivered to Buyer (with a copy deposited in the Data Room as part of the Property Documents) are true, correct and complete copies of the books, records, income statements, operating statements and financial statements used in Seller's and Manager's ordinary course of business. Said operating statements are the same as those Manager provided to Seller pursuant to the Current Management Agreement or otherwise. Seller has delivered to Buyer (with a copy of same deposited in the Data Room) all of the Property Documents that are in the possession or reasonable control of Seller, Manager, and their affiliates, and (b) the Property Documents so delivered or made available through the Data Room to Buyer are true, correct and complete copies of those in the possession or reasonable control of Seller, Manager and/or their respective affiliates. To Seller's and Manager's knowledge, each of the income statements, operating statements and other financial statements has been prepared in accordance with the principles of accounting specified therein and fairly present, in all material respects, the financial condition of the Property and the operation of the Facility as of the respective dates thereof and the results of operations of the Property and Facility for the fiscal periods covered therein. Neither Seller nor Manager has knowledge of any material errors in or omissions from any of the Seller Due Diligence Materials.

(24)AML. Seller and Manager have complied and shall continue to comply with all requirements of law, regulation or rule relating to combating money laundering, anti-terrorism, suspicious transactions, bribery, combating corruption, terrorist financing, trade embargoes and economic sanctions, now or hereafter in effect (including FCPA, U.S. Bank Secrecy Act of 1986, the USA Patriot Act of 2001, the SDN List or other similar list maintained by OFAC) and shall immediately notify Buyer in writing if it becomes aware that any of the foregoing representations, warranties or covenants are no longer true or have been breached or if Seller has a reasonable basis to believe that they may no longer be true or have been breached.

(25) Physical Condition. In addition to routine expenditures for repairs and replacements in connection with the ongoing maintenance and upkeep of the Facility, and except as set forth on **Schedule 9(A)(25)**, Seller and Manager do not have any outstanding contracts for material capital expenditures relating to the Facility which includes agreements, obligations (including, but not limited to, open permits from applicable jurisdictions) or commitments for material capital

expenditures relating to the Facility. Since January 1, 2023, Seller and Manager have not received written notices regarding deficiencies of, and to Seller's knowledge and Manager's knowledge, there are no deficiencies in, fire suppression systems or any construction standards related to fire suppression. Neither Seller nor Manager has received written notice alleging, asserting or disclosing any material structural defects affecting the Improvements. To Seller's knowledge and Manager's knowledge, the Improvements contain no concealed (i.e., a condition not observable by non-invasive visual inspection) defective condition which requires the expenditure of capital to repair, correct or remedy. Seller agrees to complete, at Seller's sole cost and expense, all the capital projects described on **Schedule 9(A)(25)**, if any (the "Pending CapEx Work"). If any projects are not completed and paid for by the Closing Date, Seller agrees to (a) establish a holdback escrow with the Title Company at Closing in an amount equal to 125% of the estimated cost to complete such projects each such project, which reserve shall be governed by an escrow agreement reasonably acceptable to Seller, Buyer and Title Company, and (b) provide to Title Company such other agreements and affidavits as may be required for Title Company to issue the Title Policy without exception for liens relating to the Pending CapEx Work. Said escrow agreement shall (i) provide for periodic (but not more frequently than monthly) disbursement of held funds to pay approved costs incurred in connection with the completion of said projects, (ii) provide that, upon completion of said work and payment of all sum due in connection therewith, all remaining funds held by Title Company shall be disbursed to Seller, and (iii) be in form and substance as is necessary for Title Company to insure over liens that may attach against the applicable Facility.

If (i) at or prior to the Closing, Buyer obtains actual knowledge or Constructive Knowledge (defined below) that any of Seller's or Manager's representations and warranties in Section 9(A) were untrue, inaccurate or incorrect in any material respect as of the date made, or that any fact, matter or event exists or has first occurred that would cause any of Seller's or Manager's representations and warranties in Section 9(A) to be untrue, inaccurate or incorrect if made after the date of this Agreement and (ii) either (x) Buyer obtains such Constructive Knowledge prior to the expiration of the Due Diligence Period and nonetheless elects not to deliver a Termination Notice or (y) Buyer (1) obtains such Constructive Knowledge after the expiration of the Due Diligence Period but prior to the Closing Date, (2) Buyer has the right under Section 11(B)(4) to terminate this Agreement in light of such breach or inaccuracy and (3) Buyer nonetheless elects not to terminate this Agreement and to proceed to Closing, then (A) Seller shall have no obligation, from and after the Closing Date, to indemnify any Buyer Indemnified Party for Losses arising out of or resulting from such inaccuracy in the Seller's and Manager's representations and warranties of which Buyer had actual knowledge or Constructive Knowledge, and (B) Buyer shall make no claim against Seller for (and Buyer shall be deemed to have waived any and all claims against Seller by reason of) a breach of representations and warranties resulting from such inaccuracy of representations and warranties. Any and all uses of the defined term "**Constructive Knowledge**" shall mean only that, prior to Closing, Buyer is deemed to have knowledge of such information from (a) any fact, condition or circumstance expressly disclosed in a written instrument, report, document or test result Buyer actually receives from an unaffiliated third-party (*i.e.*, not from Seller, Manager or their affiliates or agents), (b) any fact, condition or circumstance expressly stated in a written disclosure Seller, Manager or their affiliates or agents deliver to Buyer pursuant to the notice provisions of this Agreement on or prior to the date that is three (3) Business Days prior to the expiration of the Due Diligence Period, or (c) any fact, condition or circumstance expressly disclosed in a document or written materials Seller, Manager or their affiliates or agents deposit into the Data Room on or prior to the date that is three (3) Business Days prior to the expiration of the Due Diligence Period.

For purposes of this Agreement, "**Buyer's knowledge,**" "**known to Buyer**" (or any similar phrase) means the present actual knowledge of Stefan Oh without duty of inquiry or investigation and without taking into account any constructive or imputed knowledge. Notwithstanding anything herein to the

contrary, such individual referred to in the preceding sentence shall not have any liability under or in connection with this Agreement.

For purposes of this Agreement, "**Seller's knowledge,**" "**known to Seller**", "**Manager's knowledge,**" "**known to Manager**" (or any similar phrase) means the present actual cognitive awareness, without duty of inquiry or investigation and without taking into account any constructive or imputed knowledge, of David Faeder, Tiffany Tomasso, Tanya Walker and Brian Hilton. Notwithstanding anything herein to the contrary, such individuals referred to in the preceding sentence shall not have any liability under or in connection with this Agreement.

Promptly upon obtaining knowledge of the same, Seller and Manager shall notify Buyer in writing of any event or condition known to them that causes Seller's or Manager's representations or warranties to become untrue in any material respect (a "**Change of Circumstances**"). Any such notice of a Change of Circumstances shall be prominently labeled "CHANGE OF CIRCUMSTANCES NOTICE" and shall reference this Section of this Agreement. If Seller or Manager do not (i) within ten (10) days after delivery of written notice of the same to Buyer cure any Change of Circumstances (to the extent curable) or (ii) for matters described in the Updated Schedules for which no notice of Change of Circumstances was previously delivered to Buyer, cure the same on or prior to the Closing Date, then Buyer shall have the right, as Buyer's sole and exclusive remedy hereunder for such failure, either (a) to terminate this Agreement by written notice to Seller and Manager, in which case (i) Escrow Agent shall immediately (and in any event, within one (1) Business Days) pay the Deposit, or portion thereof, that it holds (minus the Independent Consideration) to Buyer, (ii) Seller shall immediately (and in any event, within one (1) Business Day after Buyer's delivery of such notice of termination) pay to Buyer the Deposit (if and to the extent previously paid to Seller) and Buyer's Pursuit Costs, and (iii) other than as aforesaid, this Agreement shall be null and void and of no further force or effect and the parties hereto shall have no further obligations to the other (except for any obligations or liabilities that expressly survive termination of this Agreement), or (b) to waive the foregoing right of termination and all other rights and remedies on account of such breach or default and to close the transaction contemplated by this Agreement, without any reduction in the Purchase Price, in which event Buyer shall not be entitled to bring any claims against Seller following the Closing for a breach of representation or warranty arising out of such Change of Circumstances.

(B) Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows, which representations and warranties shall survive Closing:

(1) Authority. Buyer is a limited partnership, duly formed and validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite power and authority to execute and deliver, and to perform all its obligations under, this Agreement and the Buyer Closing Documents (taking into account the rights of the initially named Buyer hereunder pursuant to Section 13(B) to assign its rights as Buyer hereunder to one or more to-be-formed entities that will perform such obligations). Notwithstanding the foregoing, Seller acknowledges that Buyer has not yet obtained all necessary internal approvals to consummate the transactions contemplated in this Agreement or to execute, deliver and perform the obligations set forth in the Buyer Closing Documents but that, if Buyer elects (in its sole and absolute discretion) not to deliver a Termination Notice, Buyer will be deemed to have obtained all such necessary internal approvals as of such date.

(2) Due Execution. Subject to the last sentence of Section 9(B)(1) above, the execution, delivery and performance of this Agreement and the Buyer Closing Documents have been duly authorized by all necessary action on the part of Buyer and do not and will not (a) require any consent, approval, license, order, permit or authorization that has not been obtained except as provided in this Agreement in connection with the Required Regulatory Approvals, or (b) violate any provision of Buyer's organizational documents, any note or other evidence of indebtedness, any mortgage, deed of trust or

indenture, or any material agreement or instrument to which Buyer is a party or by which Buyer may be bound in any case which would prevent Buyer from performing its obligations hereunder in all material respects or (a) violate any order, judgment, injunction, decree ruling or regulation of any state or federal court or governmental authority binding on Buyer in any case which would prevent Buyer from performing its obligations hereunder in all material respects (the foregoing clauses (a)-(c)) taking into account the rights of the initially named Buyer hereunder pursuant to Section 13(B) to assign its rights as Buyer hereunder to one or more to-be-formed entities that will perform such obligations).

(3) Enforceability. This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and general equitable principles.

(4) OFAC. Buyer is not (i) currently listed on the SDN List or any similar list maintained by OFAC at the United States Department of the Treasury, (ii) owned or controlled, directly or indirectly (other than non-controlling ownership in publicly-traded securities of which Buyer has no actual knowledge), by a person or entity listed on the SDN List or other similar list maintained by OFAC; (iii) a person or entity with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of U.S. law, regulation or executive order; (iv) incorporated in any country subject to U.S. country-based economic sanctions whereby conducting transactions with that person or entity would be in violation of any applicable law, rule or regulation; or (v) in violation of any of the prohibitions set forth in any U.S. law related to money laundering, or FCPA.

(C) Indemnification; Survival; Holdback; Limitation on Amount.

(1) Indemnification by Seller and Manager. Following the Closing and subject to Section 9(C)(3), Section 9(C)(4), Section 9(C)(5) and Section 11(B)(2), Seller and Manager shall indemnify and hold harmless Buyer, Buyer's affiliates, and their respective partners, officers, employees, agents, successors and assigns (each a "**Buyer Indemnified Party**" and collectively the "**Buyer Indemnified Parties**") from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "**Losses**") suffered or incurred by Buyer and any such Buyer Indemnified Party to the extent arising out of or resulting from (it being understood that such indemnity shall cover, without limitation, claims made by third parties as well as Losses from claims made by Buyer directly against Seller):

(a) any breach of any (i) representation or warranty of Seller or Manager contained in this Agreement or any Seller Closing Documents, or (ii) covenant, undertaking, obligation, liabilities or agreement on the part of Seller or Manager under this Agreement or any Seller Closing Document;

(b) any breach by the lessor under any Resident Agreement or Commercial Lease to the extent accruing prior to the Effective Time;

(c) any third-party claims (including by any resident, former resident, or government authority or manager) relating to the Property or the operation of the Property to the extent accruing prior to the Effective Time;

(d) Taxes imposed by or on behalf of a governmental authority in connection with the operation of the Property to the extent attributable to the period prior to the Effective Time, and any interest or penalties thereon; and

(e) the Excluded Liabilities.

The foregoing indemnification obligations of Seller shall survive the Closing, subject to the provisions of Section 9(C)(4).

(2) Indemnification by Buyer. From and after the Closing and subject to Section 9(C)(3), Section 9(C)(4), and Section 9(C)(5), Buyer shall indemnify and hold harmless Seller, Manager, Seller's and Manager's affiliates, and their respective partners, officers, employees, agents, successors and assigns (each a "**Seller Indemnified Party**" and collectively the "**Seller Indemnified Parties**") from any and all Losses suffered or incurred by such Seller Indemnified Party to the extent arising out of or resulting from only the following (it being understood that such indemnity shall cover, without limitation, claims made by third parties as well as claims made by Seller directly against Buyer), except to the extent such Losses are an Excluded Liability or an obligation of Seller, Manager or any of their affiliates pursuant to a Seller Closing Documents (including the New Management Agreement):

(a) any breach by the lessor under any Resident Agreement or Commercial Lease to the extent accruing from and after the Effective Time;

(b) any third-party claims (including by residents, former residents, government authority or manager) relating to the Property or the operation of the Property (as opposed to the physical condition of the Property) to the extent accruing on or after the Effective Time; and

(c) Taxes imposed by or on behalf of a governmental authority in connection with the operation of the Property to the extent attributable to the period on or after the Effective Time and any interest or penalties thereon.

Notwithstanding anything in this Agreement or in any Closing Documents to the contrary, Seller's and Manager's sole post-Closing remedy against Buyer under this Agreement or any Closing Documents shall be to make a claim against Buyer under the terms of this Section 9(C)(2). The foregoing indemnification obligations of Buyer shall survive the Closing.

(3) Notification and Defense.

(a) If an indemnified party (the "**Indemnified Party**") becomes aware of any claim or demand for which an indemnifying party (an "**Indemnifying Party**") may have liability to such Indemnified Party hereunder (an "**Indemnification Claim**"), the Indemnified Party shall promptly notify the Indemnifying Party in writing of such Indemnification Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Indemnification Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto, in each case to the extent actually known to such party (a "**Claim Notice**"); provided, that, subject to this Section 9(C)(3), no delay on the part of the Indemnified Party in giving such Claim Notice shall relieve the Indemnifying Party of any indemnification obligations hereunder except to the extent that the Survival Period has expired, if applicable, or the Indemnifying Party is prejudiced by such delay.

(b) The Indemnifying Party shall have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter, to assume, at the Indemnifying Party's expense, the defense of any Indemnification Claim based on any action, suit, proceeding, claim, demand or assessment by any third-party with authority to conduct such defense and to settle or otherwise dispose of the same and the Indemnified Party will reasonably cooperate in such defense at the expense of the Indemnifying Party (subject to subsection (d) below); provided that (i) such third-party claim does not seek

to impose any Liabilities on the Indemnified Party other than money damages, and (ii) such claim does not involve any criminal Liability.

(c) As to those third-party actions, suits, proceedings, claims, demands or assessments with respect to which the Indemnifying Party does not elect to assume control of the defense, the Indemnified Party will afford the Indemnifying Party an opportunity to participate in such defense, at its cost and expense, and will consult with the Indemnifying Party prior to settling or otherwise disposing of any of the same. The Indemnified Party may not settle, adjust, or compromise such Indemnification Claim without the prior written consent of the Indemnifying Party, which consent is not permitted to be unreasonably withheld, conditioned or delayed.

(d) If the Indemnifying Party proceeds with the defense of any Indemnification Claim pursuant to subsection (b) above:

(i) the Indemnifying Party shall proceed to defend such Indemnification Claim in a diligent manner with counsel reasonably satisfactory to the Indemnified Party at the sole expense of the Indemnifying Party;

(ii) the Indemnified Party shall make available to the Indemnifying Party any non-privileged documents and materials in the possession of the Indemnified Party that may be reasonably necessary to the defense of such Indemnification Claim;

(iii) the Indemnifying Party shall keep the Indemnified Party informed of all material developments and events relating to such Indemnification Claim;

(iv) the Indemnified Party will have the right to participate, at its sole cost and expense, in the defense of such Indemnification Claim; and

(v) the Indemnifying Party may not settle, adjust, or compromise such Indemnification Claim without the prior written consent of the Indemnified Party, which consent is not permitted to be unreasonably withheld, conditioned or delayed.

(e) If the Indemnified Party proceeds with the defense of any Indemnification Claim pursuant to subsection (c) above:

(i) the Indemnified Party shall proceed to defend such Indemnification Claim in a commercially reasonable, diligent manner with counsel reasonably satisfactory to the Indemnifying Party;

(ii) the Indemnifying Party shall make available to the Indemnified Party any non-privileged documents and materials in the possession or control of the Indemnifying Party that may be reasonably necessary to the defense of such Indemnification Claim;

(iii) the Indemnified Party shall keep the Indemnifying Party informed of all material developments and events relating to such Indemnification Claim; and

(iv) if either or both of the conditions described in clauses (i) and (ii) of Section 3(b) above are not satisfied, the Indemnified Party may not settle, adjust or compromise such Indemnification Claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, conditioned or delayed.

(f) Notwithstanding anything contained in this Section 9(C)(3) to the contrary, no party shall have the authority to admit liability (i) on behalf of the other party, or (ii) on its own behalf if such party is seeking indemnification from the other party for such liability, in either case without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed.

(4) Limitations on Survival and Indemnity Amount. (a) Seller's and Manager's obligations to indemnify Buyer with respect to any claim under Section 9(C)(1)(c) (Third-party Claims) and 9(C)(1)(d) (Taxes) shall survive the Closing indefinitely; (b) Seller's and Manager's obligations to indemnify Buyer with respect to any claim and under Section 9(C)(1)(a) (breach of representations, warranties and covenants), other than the Fundamental Reps (defined below), shall survive the Closing for a period of nine (9) months after the Closing Date; (c) Seller's and Manager's obligations to indemnify Buyer with respect to any claim and under Section 9(C)(1)(a) (breach of representations, warranties and covenants) as to the Fundamental Reps, shall survive Closing for the applicable statute of limitations with respect to the Fundamental Reps (as applicable, the "**Survival Period**"). As used herein, the term "**Fundamental Reps**" means the representations and warranties set forth in Sections 9(A)(1) (Authority), 9(A)(2) (Due Execution), 9(A)(3) (Enforceability), 9(A)(4) (No Bankruptcy or Dissolution), 9(A)(17) (Medicare; Medicaid), 9(A)(19) (Non-Foreign Status), 9(A)(20) (OFAC), 9(A)(21) (Taxes) and 9(A)(24) (AML). If Buyer delivers a Claim Notice within the Survival Period applicable to such Claim Notice, then all rights and remedies with respect to the matters which are the subject of such claim shall survive until the full and final, unappealable resolution of such claim and full payment of any amounts owed by the applicable party as a result thereof. For purposes of determining the amount of losses of any Indemnified Claim with respect to any events, facts or circumstances, after determining whether or not such facts, events or circumstances give rise to a breach of a representation or warranty (after giving full effect to any qualifications as to materiality or similar standards contained in such representation and warranty), the determination of the amount of losses for such breach of representation and warranty, as it relates to such facts, events or circumstances, shall be made without giving effect to any qualifications as to materiality or similar standards contained in such representation or warranty. Notwithstanding anything to the contrary herein, Buyer shall not have any right to seek indemnity against Seller or Manager pursuant to Section 9 (i) where the claim is made after the Survival Period or (ii) unless the amount of such indemnity claim, individually or when taken together with all other such indemnity claims hereunder, is at least equal to Fifty Thousand and no/100 Dollars ($50,000) (the "**Indemnity Floor**"), after which the Indemnitor shall be responsible for any such Indemnitee's Claims on a first dollar basis. Additionally, Buyer shall not have any right to seek indemnity against the Seller for any such indemnity claims hereunder in an aggregate amount in excess of the sum of two percent (2.0%) of the Purchase Price (such sum, the "**Indemnity Cap**"). Attorneys' fees arising out of any indemnified third party claim shall not be subject to such Indemnity Cap; and any attorneys' fees and costs payable to the prevailing Party arising out of any dispute between Seller and Buyer hereunder, including, without limitation, to enforce any Indemnitee Claim, also shall not be subject to the Indemnity Cap. In no event shall any Indemnitor be liable to any Indemnitee for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, except to the extent payable to a third-party. Notwithstanding any provision of this Agreement to the contrary, the Indemnity Cap shall not apply with respect to the following: (i) any breach of a Fundamental Rep; (ii) the fraud or intentional misrepresentation committed by Seller, Manager or their respective affiliates, and (iii) any post-closing reconciliations, adjustment and/or re-proration implemented pursuant to the terms of this Agreement; (iv) the indemnity by Seller regarding the payment of the commission to Seller's broker pursuant to Section 13(A); (v) the indemnity by Seller with respect to Excluded Liabilities pursuant to the terms of Section 9(C)(i); (vi) any liability with respect to covenants to be performed by Seller or Manager following Closing pursuant to the express terms of this Agreement or any Seller Closing Document.

(5) Limitations on Indemnification. Each of Buyer, Seller and Manager, for itself and on behalf of its agents, members, partners, employees, representatives, related and affiliated entities, successors and assigns, hereby agrees that in no event shall any of the officers, directors, employees, agents, consultants, representatives or attorneys of a party to this Agreement or any direct or indirect owner of any beneficial interest of the other party have any personal liability under this Agreement or under any of the Closing Documents and each party hereby expressly release and waive all such liability. In no event shall Buyer, Seller or Manager be responsible for any consequential, special, exemplary or punitive damages, all of which are expressly waived by Buyer, Seller and Manager; *provided*, however, that the foregoing waiver shall not apply to (i) fraud, willful misconduct, or intentional misrepresentation by a party, or (ii) consequential, special, exemplary or punitive damages actually paid to a third party in a tort claim and compensable pursuant to an express indemnification obligations under this Agreement.

(6) Holdback. As an inducement to Buyer to enter into this Agreement, Seller agrees that at Closing the Title Company shall retain in escrow from the Purchase Price proceeds otherwise distributable to Seller an amount equal to two percent (2%) of the Purchase Price to be held pursuant to the terms of a Holdback Escrow Agreement in the form of Error! Reference source not found. (the "**Holdback Agreement**") for a period ending nine (9) months after the Closing Date.

(7) The terms and provisions of this Section 9(C) shall survive the Closing.

(D) Certain Covenants of Seller and Manager. From the Effective Date until the Closing Date or the sooner termination of this Agreement, except to the extent otherwise expressly provided in this Agreement or prohibited by applicable regulatory requirements:

(1) Property Operation and Maintenance. Seller and Manager shall operate and maintain the Property and the Facility pursuant to its normal course of business and substantially in accordance with the historical operating standards of each, subject to destruction by casualty or eminent domain or other events beyond the reasonable control of Seller or Manager, including changes in laws, rules, ordinances and regulations, and (b) comply in all material respects with all applicable legal requirements affecting the Property and all terms, covenants and conditions of any Contracts and Occupancy Agreements, and other agreements affecting the Property to which they are a party.

(2) Existing Insurance Policies. Prior to Closing, Seller and Manager shall maintain without interruption in coverage all existing insurance policies that currently are maintained by Seller or Manager in full force and effect in accordance with the terms thereof (subject to any necessary extensions, renewals or replacements providing substantially similar coverage as the existing policies). Seller and Manager shall report all claims and occurrences covered by such policies in a timely manner to the appropriate insurer if any occurrences arise.

(3) Licenses. Seller and Manager shall maintain in full force and effect all Licenses that are necessary for the use and operation of the Facility in accordance with all applicable laws and promptly notify Buyer of, and promptly deliver to Buyer a copy of, any written notice Seller or Manager receives prior to Closing from any governmental authority, concerning any material violation of law, imposition of sanctions or material penalties and fines, and any actual or threatened suspension or revocation of any License.

(4) Contracts and Agreements. Seller and Manager shall not enter into any new service contracts or other similar agreements affecting the Property or modify, or renew any existing Contracts that will be binding on Buyer after Closing without the prior written consent of Buyer (in its reasonable discretion); *provided*, however, that Seller and Manager may, and without the prior written consent of Buyer, (i) enter into new service contracts and similar agreements (a) that are related to resident safety and/or welfare, (b) that are required by applicable laws or regulations, or (c) that are entered into in

the ordinary course of business; provided that they are cancelable on not more than thirty (30) days' notice without penalty (unless Seller agrees to pay any such penalty, and provided that in the event of subclause (a) or (b) immediately above, Seller shall consult with Buyer prior to entering into such contracts or agreements if Seller is reasonably able to do so), or (ii) renew any Contracts if such renewal(s) are made in the ordinary course, in accordance with the terms of such existing Contracts, and, as so renewed, are cancelable on not more than thirty (30) days' notice without penalty unless Seller agrees to pay such penalty. Buyer's failure to approve or disapprove such service contracts within five (5) Business Days after Buyer's receipt of Seller's written request for such approval shall be deemed a disapproval of the same. Seller shall provide Buyer with a copy of any material new contract or modified or renewed Contract entered into by Seller or Manager in accordance with this Section.

(5) Occupancy Agreements. Seller and Manager shall continue to lease the Property (including entering into, modifying and terminating Resident Agreements) to residents in the same manner as prior to the Effective Date pursuant to their normal course of business; provided, however, that any new or modified Resident Agreement shall (i) be on the current form of resident agreement previously provided to Buyer as the "standard form" of Resident Agreement used by Seller and/or Manager at the Property, (ii) be for a term of not more than one (1) year and at a rate consistent with rates charged in the ordinary course of business by Seller or Manager, (iii) not provide concessions in excess of the concessions that Seller or Manager has provided to residents in the ordinary course of business, and (iv) not include any so-called "rate-lock" that extends beyond one year from the date of such Resident Agreement. After the Effective Date, Seller and Manager shall not enter into any new commercial lease, license agreement or other occupancy agreement (other than a Resident Agreement) that will be an obligation affecting the Property after Closing, or modify, renew or terminate any Commercial Lease, without the prior written consent of Buyer in Buyer's reasonable discretion.

(6) Notice Delivery. Seller and Manager shall promptly deliver to Buyer a copy of any written notice Seller or Manager receives of any material violations, judgments, claims and litigation affecting Seller, Manager or the Property, including written notice from any governmental authority of any material violation of any laws regulating the condition, use or operation of the Property.

(7) Warranties and Other Intangibles. Seller and Manager shall request (and use commercially reasonable efforts to obtain) the consents of the issuers of any and all warranties (including those issued in connection with the foundation, structure, roof, and the Building's mechanical, plumbing, electrical, fire/life safety and other systems) affecting the Property to the assignment of such warranties at Closing to Buyer at no material cost to Seller or Manager, including being available at reasonable times and after reasonable notice for inspections of the roof by such issuers and executing such documents as reasonably necessary to assign any such warranties to Buyer (it being understood that obtaining such consent, and the assignment thereof, shall not be a condition to Closing hereunder). The obligation to use such reasonable efforts shall survive the Closing for a period of twelve (12) months.

(8) Property Documents. Promptly, and in any event within three (3) Business Days, after its receipt, delivery, discovery, filing or preparation, as the case may be, Seller and Manager shall deliver to Buyer a copy of any document, information, material, notice or comparable report or item that constitutes a Property Document that Seller or Manager is required by this Agreement to deliver to Buyer (which copy shall be true, correct and complete in all material respects) but either did not exist, was not discovered or was not in the possession or reasonable control of Seller, Manager or any of their respective affiliates as of the Effective Date. **EXCEPT FOR EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE DOCUMENTS EXECUTED BY SELLER OR MANAGER IN CONNECTION HEREWITH, ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY IS SOLELY FOR BUYER'S CONVENIENCE AND WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES. SELLER AND MANAGER MAKE NO (AND EXPRESSLY DISCLAIMS ALL)**

REPRESENTATIONS AS TO THE ACCURACY OF SUCH INFORMATION. EXCEPT FOR EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE DOCUMENTS EXECUTED BY SELLER, MANAGER AND THEIR AFFILIATES IN CONNECTION HEREWITH, SELLER AND MANAGER SHALL NOT BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF.

(9) Additional Covenants of Seller and Manager. Unless otherwise permitted hereunder, Seller and Manager shall not take any of the following actions, to the extent the same would be binding on or affect any of the Property or any owner, lessee, or operator thereof after the Closing, without Buyer's prior written approval in Buyer's sole discretion:

(a) subject the Property to, permit or suffer any new liens, covenants, restrictions or easements (other than liens for non-delinquent real estate taxes);

(b) after the Effective Date, except in connection with a casualty or condemnation which is governed by Section 8 hereof, make any material alterations or improvements to the Property (except for repairs, replacements and maintenance in the ordinary course) except as disclosed on **Schedule 9(a)(25)**;

(c) after the Effective Date, apply for or consent to any zoning change, variance, subdivision, lot line adjustment or similar change with respect to the Property;

(d) after the Effective Date, intentionally cause any action to be taken which would cause any of such representations or warranties to be untrue as of the Closing Date in any material respect except as permitted under this Agreement; or

(e) sell, lease, transfer or otherwise dispose of all or any portion of the Property, except for (i) the entering into of Occupancy Agreements in the ordinary course in accordance with the terms of Sections 9(D)(4) and 9(D)(5) above, and (ii) the use and consumption of supplies and replacement of worn out, obsolete and defective tools, furniture, fixtures, equipment and appliances in the ordinary course and in accordance with Section 9(D)(1) above.

(10) Termination of Current Management Agreement and Owner-Operator Lease. Seller and Manager shall terminate the Current Management Agreement as of Closing (but not before), at no cost to Buyer. Seller shall terminate each existing lease between Seller and affiliates of Seller as of Closing (but not before), at no cost to Buyer.

(11) Data Property. Seller and Manager shall reasonably cooperate (at no material out-of-pocket cost to Seller) with Buyer in connection with Buyer's review of, and Seller's conveyance at Closing to Buyer of, the Data Property, including, but not limited to, providing test, snapshot and/or extract files upon request, introductions to vendor account representatives, and executing data-sharing and data transfer agreements (if required).

(12) Regulatory Surveys. Seller and Manager shall comply in all material respects with the requirements of any outstanding plan or plans of correction ("**Correction Plans**") proposed in response to any inspection or regulatory survey conducted by any governmental entity prior to Closing. Seller and Manager shall pay any fines, penalties and the costs of correction resulting from any inspection or regulatory survey conducted by any governmental entity prior to Closing, or if conducted after Closing and to the extent related to the pre-Closing period of operations (the "**Survey Fines**"; and together with Correction Plans, the "**Survey Response Actions**") and Seller and Manager shall retain all liability for all costs and expenses in pursuing such appeals and all liabilities for any penalties not rescinded. In addition, Seller and Manager shall consult with Buyer and, after the expiration of the Due Diligence Period, obtain Buyer's prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed), for any settlements of such appeals and notify Buyer of the final disposition of such matters.

(13) Maryland Bulk Sale Tax Clearance. Seller shall pay any Maryland Bulk Sales and Use Tax or any other sales or use or other similar taxes resulting from the consummation of the transactions contemplated by this Agreement ("**MD Bulk Sales Taxes**"). At least ten (10) days prior to Closing, Seller shall deliver to Purchaser tax clearance certificates for all such MD Bulk Sales Taxes ("**Maryland Tax Clearance Certificates**"). Seller's obligations under this Section 9(D)(13) apply whether or not the applicable tax, license tax, assessment, fee, penalty, or interest is shown as an exception to title, is of record in the land records, is lienable against the real property, would result in an exception to any title insurance policy, or would be insured over by Buyer's title insurer. Further, Seller shall execute and deliver all authorizations, powers of attorney, tax information releases, account numbers, prior certificate numbers, closure forms, final returns, and other documents reasonably requested by Buyer, Escrow Agent, any State, Commonwealth, County or City office or agency, including the Maryland Department of Revenue, in connection with obtaining the Maryland Tax Clearance Certificates. Seller's obligations under this Section 9(D)(13) shall survive Closing.

(14)WARN Act. In connection with the termination of the Current Management Agreement as of the Closing and the execution of the New Management Agreement, the parties anticipate that (i) the employment of none of the Facility's employees will be terminated as of or in connection with Closing and (ii) Manager shall continue to employ substantially all said employees as of Closing without interruption in service and on the same terms and conditions as those in effect prior to Closing. Seller and Manager shall take such actions to ensure that neither they, Buyer nor the Facility is subject to the notification requirements of the federal Worker Adjustment and Retraining Notification Act, as amended, and any other similar applicable state or local Law (the "**WARN Act**"). If Seller and Manager fail to comply with its obligations set forth in this Section, Seller and Manager shall be responsible for all obligations, damages, fines or penalties arising under the WARN Act or other applicable law (the "**WARN Act Liabilities**"). Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall be construed as granting any of the Facility's employees any rights of continuing employment, compensation or benefits.

The provisions of this Section 9(D) shall survive Closing.

(E) Tail Insurance Coverage. To the extent Seller's or Manager's current insurance policies are on a "claims made" (as opposed to "occurrence") basis with respect to the Facility, Seller and Manager shall obtain tail insurance coverage on substantially the same terms (including limits and deductibles) as such claims made policies at its sole cost and expense for the period commencing on the Closing Date and ending on the second (2nd) anniversary of the Closing Date with respect to the Facility for losses arising prior to Closing and/or during said term of the Interim Agreements. Such tail coverage will name Buyer and Buyer's designees (as identified by Buyer) as additional insureds. Seller and Manager shall provide evidence of such tail coverage to Buyer as of the Closing Date.

(F) [Intentionally Deleted];

(G) [Intentionally omitted];

(H) [Intentionally omitted];

(I) [Intentionally omitted]; and

(J) Title Estoppel: With respect to those easement agreements, development agreements, declarations, or other covenants or restrictions encumbering any portion of the Land and Improvements listed on **Schedule 9(J)**, Seller shall reasonably cooperate with Buyer by promptly delivering to the appropriate parties to such an agreement an estoppel certificate in a form reasonably requested by

Buyer and/or Title Company (each, a "**Title Estoppel**"). After delivery of any requested estoppel certificates to the applicable parties, Seller shall use commercially reasonable efforts to obtain executed copies of the same and, once executed, deliver same to Buyer and Title Company; *provided*, however, in no event shall Seller be required by the foregoing to pay any sums (or incur any other liability) to any party in connection with its attempts to obtain such estoppel certificates. If Seller is not able to deliver to Buyer and Title Company at Closing each of the Title Estoppels, for any Title Estoppel not so delivered (excluding those referenced on **Schedule 9(J)** as being required from the applicable third parties), Seller shall deliver an estoppel certificate executed by Seller in the same form as the Title Estoppel (each, a "**Seller Title Estoppel**"), except that statements therein relating to the actions of third parties may be qualified by Seller's knowledge (as said term is defined in this Agreement). Notwithstanding any provision contained in this Agreement to the contrary, it shall not be a condition to Buyer's obligations hereunder that any of the Title Estoppels (as opposed to the Seller Title Estoppels) are obtained, nor shall it be a covenant on the part of Seller to deliver the Title Estoppels (as opposed to the Seller Title Estoppels).

(K) Exclusivity. Prior to Closing or termination of this Agreement pursuant to its terms, Seller, Manager and any officer, director, employee, advisor or others authorized to act on Seller's and/or Manager's behalf, (i) will not, directly or indirectly, initiate, solicit, authorize or encourage discussions relating to any Acquisition Proposal (defined below); (ii) will not participate in negotiations in connection with or in furtherance of any Acquisition Proposal or permit any person other than the Buyer and its representatives to have any access to the Facility in connection with an Acquisition Proposal, or furnish to any person other than Buyer and its representatives any non-public information with respect to the Property in connection with an Acquisition Proposal; (iii) will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties, other than the Buyer, conducted on or before the date of this Agreement with respect to any Acquisition Proposal; and (iv) will immediately provide to Buyer written notice of any Acquisition Proposal, including the name of the party seeking to initiate, continue or renew activities, discussions or negotiations regarding an Acquisition Proposal. As used herein, the term "Acquisition Proposal" means any offer, proposal or other overture or communication of any kind to acquire or sell some or all of the Property or any ownership or controlling interest in Seller, Manager, or Seller's or Manager's direct or indirect parent.

(L) Cooperation with Audit. Seller and Manager acknowledge that Buyer is affiliated with a publicly registered company ("Registered Company"). Seller and Manager acknowledge that it has been advised that Buyer and its assignee may be required to make certain filings with the Securities and Exchange Commission (the "SEC Filings") that relate to the most recent pre-acquisition fiscal year (the "Audited Year") and the current fiscal year through the date of acquisition (the "stub period") for the Property. To assist the assignee in preparing the SEC Filings, the Seller and Manager covenant to provide the assignee with the following during the Due Diligence Period (as the same may be extended and reinstated as provided in Section 11(B)(7) of this Agreement), thereafter until Closing and for one (1) year thereafter: (i) access to bank statements for the Audited Year and stub period; (ii) rent roll as of the end of the Audited Year and stub period; (iii) operating statements for the Audited Year and stub period; (iv) access to the general ledger for the Audited Year and stub period; (v) cash receipts schedule for each month in the Audited Year and stub period; (vi) access to invoices for expenses and capital improvements in the Audited Year and stub period; (vii) accounts payable ledger and accrued expense reconciliations; (viii) check register for the 3-months following the Audited Year and stub period; (ix) all leases and 5-year lease schedules; (x) copies of all insurance documentation for the Audited Year and stub period; (xi) copies of accounts receivable aging as of the end of the Audited Year and stub period along with an explanation for all accounts over 30 days past due as of the end of the Audited Year and stub period; and (xii) signed representation letter in the form reasonably required by Buyer or its counsel. Seller and Manager also agree to deliver a signed Representation Letter in the form attached hereto as Exhibits L to Buyer within five (5) Business Days prior to Closing, and such delivery shall be a condition to Closing. The provisions of this Section shall survive Closing.

10.DISCLAIMER: AS AN ESSENTIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT, AND AS PART OF THE DETERMINATION OF THE PURCHASE PRICE, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES AS OF THE EFFECTIVE DATE AND AS OF THE CLOSING DATE AS FOLLOWS:

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN THE SELLER CLOSING DOCUMENTS, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS" BASIS. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY SELLER CLOSING DOCUMENT, SELLER AND MANAGER HAVE NOT MADE, DO NOT MAKE AND SPECIFICALLY NEGATE AND DISCLAIM ANY REPRESENTATIONS, WARRANTIES, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, ANY FACILITY OR ANY OTHER MATTER WHATSOEVER, INCLUDING: (i) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION AND ASPECTS OF THE PROPERTY AND THE FACILITY, INCLUDING THE STRUCTURAL ELEMENTS, SEISMIC ASPECTS OF THE PROPERTY, FOUNDATION, ROOF, APPURTENANCES, ACCESS, SIGNAGE, LANDSCAPING, PARKING FACILITIES AND THE ELECTRICAL, MECHANICAL, HVAC, PLUMBING, SEWAGE, AND UTILITY SYSTEMS, FACILITIES AND APPLIANCES, THE SQUARE FOOTAGE WITHIN THE IMPROVEMENTS ON THE PROPERTY AND THE IMPROVEMENTS AND WITHIN EACH TENANT SPACE THEREIN AND WITHIN THE COMMON ELEMENTS OF THE PROPERTY, (ii) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND ANY GROUNDWATER, (iii) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY OR THE FACILITY, (iv) THE DEVELOPMENT POTENTIAL OF THE PROPERTY OR THE FACILITY, AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, (v) THE ZONING AND OTHER LEGAL STATUS OF THE PROPERTY, THE IMPROVEMENTS AND ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON USE OF THE PROPERTY, (vi) THE COMPLIANCE OF THE PROPERTY OR THE FACILITY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, (vii) THE ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING THE PRESENCE OF HAZARDOUS MATERIALS ON, UNDER OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY, (viii) THE QUALITY OF ANY LABOR AND MATERIALS USED IN ANY IMPROVEMENTS ON THE PROPERTY OR THE FACILITY, (ix) THE CONDITION OF TITLE TO THE PROPERTY, (x) THE LEASES, CONTRACTS OR OTHER AGREEMENTS AFFECTING THE PROPERTY, THE FACILITY OR THE IMPROVEMENTS, AND (xi) ECONOMICS OF THE OPERATION OF THE PROPERTY, THE FACILITY, AND THE IMPROVEMENTS OR THE FINANCIAL CONDITION OF ANY TENANT OF THE PROPERTY. THIS SECTION 10 SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND THIS SECTION 10 (AND ANY OTHER OBLIGATION OR LIABILITY THAT EXPRESSLY SURVIVES CLOSING HEREUNDER) SHALL NOT BE DEEMED TO HAVE MERGED INTO THE DEED OR ANY OF THE OTHER DOCUMENTS EXECUTED OR DELIVERED AT CLOSING OR IN CONNECTION THEREWITH.

11. Conditions to Closing.

(A) Seller's Conditions to Closing. In addition to any conditions expressly provided in other provisions of this Agreement, Seller's obligations to proceed to Closing and consummate the sale of the Property are conditioned on the following (any of which may be waived in writing by Seller, and which conditions are without limitation of Seller's remedies for default by Buyer as set forth in Section 3(D)). If any such condition has not been satisfied as of Closing, then Seller may elect to (i) extend the Closing Date by up to thirty (30) days to attempt to cure such condition failure, or to allow Buyer time to cure such condition failure or (ii) terminate this Agreement by written notice to Buyer, in which case this Agreement shall terminate, the Deposit (excluding the Independent Consideration), and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination:

(1) Performance by Buyer. The due performance in all material respects by Buyer of the undertakings and agreements to be performed by it hereunder (including the delivery to Seller or Escrow Agent, as applicable, of the items specified to be delivered by Buyer in Section 7(A)(2) hereof).

(2) Accuracy of Representations and Warranties. The truth of each representation and warranty made by Buyer in this Agreement in all material respects at the time as of which the same is made and as of the Closing Date.

(3) No Injunctions; Restraints; Insolvency. (a) No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect. (b) No action shall have been taken nor any statute, rule, or regulation shall have been enacted by any governmental agency that makes the consummation of the transactions contemplated hereby illegal. (c) There shall exist no assignments for the benefit of creditors, or insolvency, bankruptcy, or reorganization proceedings, pending or threatened against Buyer that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement.

(B) Buyer's Conditions to Closing. In addition to any conditions expressly provided in other provisions of this Agreement, Buyer's obligations to proceed to Closing and consummate the purchase of the Property are conditioned on the satisfaction of each of the below conditions as of Closing, any of which may be waived in writing by Buyer, and which conditions are without limitation of Buyer's remedies for default by Seller and/or Manager as set forth in Section 3(D)(1). If any such condition has not been satisfied as of Closing, then Buyer may elect to (i) extend the Closing Date by up to forty (40) days to attempt to cure, or to allow Seller and Manager to attempt to Cure, such condition failure or (ii) terminate this Agreement by written notice to Seller and Manager, in which case (a) this Agreement shall terminate, (b) if the condition not satisfied as of Closing is the condition in Sections 11(B)(1), (3), (4), and (6-10), then Seller shall reimburse Buyer for all of Buyer's Pursuit Costs (as defined in Section 3(D)(2)), which obligation shall survive the termination of this Agreement, and (c) the Deposit shall be returned to Buyer, which obligation shall survive the termination of this Agreement and neither party shall have any further obligations or liabilities hereunder except for such obligations and liabilities that expressly survive termination (and subject to the provisions of Section 11(A) if applicable).

(1) Performance by Seller and Manager. The full and timely performance by Seller and Manager in all material respects of the undertakings and agreements to be performed by Seller and Manager hereunder (including the delivery to Buyer or Escrow Agent, as applicable, of the items specified to be delivered by Seller in Section 7(A)(1) hereof).

(2) Required Regulatory Approvals. (A) As of Closing, the Licenses shall be in good standing without restrictions or conditions and (B) either the (i) the Required Regulatory Approvals shall have been received as of the Closing for the Facility without any restrictions or conditions or (ii) if the Required Regulatory Approvals have not been received as of the Closing for the Facility, Seller and Manager, as applicable, shall have executed and delivered the Interim Sublease and the Interim Management Agreement with respect to the Facility. For purposes hereof, the Required Regulatory Approvals shall be deemed to have been received for the Facility if Buyer has received written assurances from the applicable governmental authority, in form and substance reasonably acceptable to Buyer, that the parties are authorized to consummate the transactions contemplated hereunder with respect to the Facility and that such Required Regulatory Approvals shall be issued in due course effective as of the Closing Date following such governmental authority's receipt of documentation from the parties evidencing that the Closing has occurred as of the Closing Date.

(3) Accuracy of Representations and Warranties. The truth of each representation and warranty made by Seller and Manager in this Agreement in all material respects (unless such representation and warranty is qualified by materiality, in which case the truth thereof shall be in all respects) at the time as of which the same is made and as of the Closing Date; provided, however, in remaking all the representations and warranties on and as of the Closing Date, (a) all references to **Exhibit I** in **Section 9** shall be deemed to refer to an updated list of Contracts reflecting those Contracts executed, modified or terminated in accordance with Section 9(D)(4) of this Agreement, which updated list shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date, (b) all references to **Exhibit H** in Section 9 shall be deemed to refer to an updated list of Resident Agreements reflecting those Resident Agreements executed, modified or terminated in accordance with Section 9(D)(5) of this Agreement and an updated rent roll, which updated exhibits shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date, (c) all references to **Exhibit H-1** in Section 9 shall be deemed to refer to an updated list of Commercial Leases reflecting those Commercial Leases executed, modified or terminated in accordance with Section 9(D)(4) of this Agreement, which updated list shall be delivered to Buyer not less than three (3) Business Days prior to the Closing Date. The failure of any representation or warranty of Seller and/or Manager in this Agreement to be true in all material respects (unless such representation and warranty is qualified by materiality, in which case the truth thereof shall be in all material respects) which results from a change in facts or circumstances or a change of Seller's or Manager's knowledge after the Effective Date that was not caused by Seller's default of their obligations under this Agreement shall not constitute a default by Seller or Manager but shall cause the failure of the condition set forth in this item (3).

(4) No Injunctions; Restraints; or Insolvency. No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect. No action shall have been taken nor any statute, rule or regulation shall have been enacted by any governmental agency that makes the consummation of the transactions contemplated hereby illegal. There shall exist no assignments for the benefit of creditors, or insolvency, bankruptcy, or reorganization proceedings, pending or threatened against Seller or Manager that would materially and adversely affect Seller's or Manager's ability to perform its obligations under this Agreement.

(5) Title Policy. The Title Company shall issue (or shall be prepared and irrevocably and unconditionally committed to issue) an extended coverage owner's policy of title insurance for the Facility covering Buyer's fee title to the Land and Improvements, in the amount of the Purchase Price, insuring fee title thereto will be vested in Buyer, subject only to Permitted Exceptions (the "**Title Policy**"), subject to payment of the premium therefor.

(6) Management Agreement; Related: (a) Manager executing and delivering to Buyer (or to Buyer's designated affiliate) at Closing a New Management Agreement in form and substance reasonably acceptable to Buyer with respect to the Facility.

(7) Facility Stabilization: The annualized net operating income of the Facility (determined in accordance with GAAP) for three (3) consecutive full calendar months shall be equal at least Nine Million Five Hundred Thousand Dollars ($9,500,000) (the "**Stabilization Condition"**), as evidenced by financial statements prepared by Manager in the ordinary course of business, as approved and certified by Seller as true, correct and complete in all material respects and delivered to Buyer. At such time as Seller and Manager believe the Stabilization Condition has been satisfied, Seller shall deliver to Buyer written notice of same, together with said financial statements (collectively, the "**Stabilization Notice**"), for Buyer's review and approval, such approval not to be unreasonably withheld, conditioned or delayed. Buyer shall have five (5) business days following its receipt of the Stabilization Notice to review and either accept or object to the information set forth therein, failing which the Stabilization Condition shall be deemed satisfied; and if Buyer timely and reasonably objects to the information set forth in the Stabilization Notice as being materially inaccurate or incomplete, the Stabilization Condition shall remain open and unsatisfied. Buyer shall have thirty (30) days following its acceptance or deemed acceptance of the Stabilization Notice to update its due diligence investigations, in which event the terms of this Agreement relating to the Due Diligence Period (including, without limitation, Buyer's right to terminate this Agreement and receive a full refund of the Deposit (less the Independent Consideration) shall be reinstated and be fully applicable. Upon expiration of said reinstated Due Diligence Period, provided that Buyer has not terminated this Agreement, the Closing Date shall be the fifth (5^{th}) business days following the expiration of the reinstated Due Diligence Period.

(8) [Intentionally Deleted];

(9) [Intentionally omitted];

(10) Bulk Sale Tax Certificates. Buyer shall have received the Maryland Tax Clearance Certificates.

12.Escrow Provisions.

(A) Buyer, Seller and Manager hereby appoint Escrow Agent to act as their escrow agent on the terms and conditions hereinafter set forth, and Escrow Agent accepts such appointment. Escrow Agent agrees to hold the Deposit on behalf of Buyer and Seller, and to apply, disburse and deliver the Deposit as provided in this Agreement. This Agreement shall serve as the mutual escrow instructions of Seller and Buyer.

(B) Escrow Agent shall hold the Deposit in an interest bearing savings (or money market) account. Each of Buyer and Seller agrees to execute and deliver to Escrow Agent a form W-9 Request for Taxpayer Identification Number and Certification for any investment made hereunder on its behalf. Escrow Agent shall not commingle the Deposit with any other funds. Escrow Agent shall pay the Deposit in accordance with the terms of this Agreement. If, prior to the expiration of the Due Diligence Period (as the same may be reinstated and extended as provided in Section 11(B)(7) of this Agreement), Buyer makes a demand upon Escrow Agent for delivery of the Deposit, Escrow Agent shall, no later than one (1) Business Day thereafter, pay the Deposit (less the Independent Consideration, which shall be paid to Seller) to Buyer and Seller shall have no right whatsoever to object to any such payment of the Deposit to Buyer, it being understood that, until the expiration of the Due Diligence Period (or any reinstatement and extension thereof as provided in Section 11(B)(7) of this Agreement), this escrow shall be a single order escrow in favor of Buyer only. If after the expiration of the Due Diligence Period (or any reinstatement

and extension thereof as provided in Section 11(B)(7) of this Agreement) and prior to the Closing, either party makes a demand upon Escrow Agent for delivery of the Deposit, Escrow Agent shall promptly give notice to the other party of such demand. If a notice of objection to the proposed payment is not received from the other party within seven (7) Business Days after the giving of notice by Escrow Agent, Escrow Agent is hereby authorized to deliver the Deposit to the party who made the demand. If Escrow Agent receives a notice of objection within said period, then Escrow Agent shall continue to hold the Deposit and thereafter pay it to the party entitled when Escrow Agent receives (a) notice from the objecting party withdrawing the objection, or (b) a notice signed by both parties directing disposition of the Deposit, or (c) a judgment or order of a court of competent jurisdiction.

(C) Escrow Agent shall be protected in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness of any notice, demand, certificate, signature, instrument or other document which is given to Escrow Agent without verifying the truth or accuracy of any such notice, demand, certificate, signature, instrument or other document. Escrow Agent shall not be bound in any way by any other contract or understanding between Seller and Buyer, whether or not Escrow Agent has knowledge thereof or consents thereto unless such consent is given in writing. Escrow Agent's sole duties and responsibilities shall be to hold and disburse the Deposit in accordance with this Agreement; provided, however, that Escrow Agent shall have no responsibility for the clearing or collection of the check representing the Deposit. Upon the disbursement of the Deposit in accordance with this Agreement, Escrow Agent shall be relieved and released from any liability under this Agreement.

(D) If the Deposit is at any time attached, garnished, or levied upon under any court order or if the payment or delivery of the Deposit is stayed or enjoined by any court order, or if any order, judgment or decree shall be made or entered by any court affecting the Deposit, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with the order, writ, judgment or decree. Escrow Agent shall not be liable to any of the parties or to any other person firm or corporation by reason of such compliance even though the order, writ, judgment or decree may be subsequently reversed modified, annulled, set aside or vacated.

(E) The parties hereto do hereby certify that they are aware that the Federal Deposit Insurance Corporation ("**FDIC**") coverages apply only to a cumulative maximum amount of $250,000 for each individual depositor for all of depositor's accounts at the same or related institution. The parties hereto further understand that certain banking instruments such as, but not limited to, repurchase agreements and letters of credit are not covered at all by FDIC insurance. Further the parties hereto understand that Escrow Agent assumes no responsibility for, nor will the parties hereto hold Escrow Agent liable for, any loss occurring which arises from the fact that the amount of the above account may cause the aggregate amount of any individual depositor's accounts to exceed $250,000 and that the excess amount is not insured by the Federal Deposit Insurance Corporation or that FDIC insurance is not available on certain types of bank instruments.

(F) The parties hereto acknowledge that the maintenance of escrow accounts with some depository institutions may result in Escrow Agent being provided with an array of bank services, accommodations or other benefits by the depository institution. Escrow Agent or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Agent, and Escrow Agent shall have no obligation to account to the parties hereto for the value of such services, accommodations or other benefits.

(G) Escrow Agent may resign at any time upon at least ten (10) Business Days prior written notice to Seller and Buyer. If, prior to the effective date of such resignation, Seller and Buyer shall have approved, in writing, a successor escrow agent, then upon the resignation of Escrow Agent, Escrow

Agent shall deliver the Deposit to such successor escrow agent. From and after such resignation and the delivery of the Deposit to such successor escrow agent, Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement, all of which duties, responsibilities and obligations shall be performed by the appointed successor escrow agent. If for any reason Seller and Buyer shall not approve a successor escrow agent within such period, Escrow Agent may bring any appropriate action or proceeding for leave to deposit the Deposit with a court of competent jurisdiction, pending the approval of a successor escrow agent, and upon such deposit Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement. Escrow Agent shall not have any liability or obligation for loss of all or any portion of the Deposit by reason of the insolvency or failure of the institution of depository with whom the escrow account is maintained.

(H) Seller and Buyer hereby agree to, jointly and severally, indemnify, defend and hold harmless Escrow Agent from and against any liabilities, damages, losses, costs or expenses incurred by, or claims or charges made against, Escrow Agent (including reasonable attorneys' fees and disbursements) by reason of Escrow Agent performing its obligations pursuant to, and in accordance with, the terms of this Agreement, but in no event shall Escrow Agent be indemnified for its negligence, willful misconduct or breach of the terms of this Agreement.

(I) Subject to the terms of subsection (B) above, in the event that a dispute shall arise in connection with this Section 12, or as to the rights of Seller and Buyer in and to, or the disposition of, the Deposit, Escrow Agent shall have the right to (i) hold and retain all or any part of the Deposit until such dispute is settled or finally determined by litigation, arbitration or otherwise, or (ii) deposit the Deposit in an appropriate court of law, following which Escrow Agent shall thereby and thereafter be relieved and released from any liability or obligation under this Agreement, or (iii) institute an action in interpleader or other similar action permitted by stakeholders in the State and Federal courts of Bethesda Maryland, or (iv) interplead Seller or Buyer in any action or proceeding which may be brought to determine the rights of Seller and Buyer to all or any part of the Deposit.

The terms and provisions of this Section 12 shall survive the Closing or earlier termination of this Agreement.

13.Miscellaneous.

(A) Brokerage Issues. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that no broker or finder has been engaged by it, respectively, in connection with any of the transactions contemplated by this Agreement or to its knowledge is in any way connected with any of such transactions other than Newmark, whose commission shall be paid by Seller at Closing pursuant to a separate written agreement. In the event of a claim for broker's or finder's fee or commissions by any broker claiming through Seller in connection herewith, then Seller shall indemnify, protect, defend and hold Buyer harmless from and against the same. In the event of a claim for broker's or finder's fee or commissions in connection herewith by any broker claiming through Buyer in connection with this transaction, then Buyer shall indemnify, protect, defend and hold Seller harmless from and against the same. The provisions of this Section 13(A) shall survive the Closing or any termination of this Agreement (as applicable).

(B) Successors and Assigns. This Agreement shall not be assigned by Buyer to any person or entity without the express prior written consent of Seller except as provided in this Section. Notwithstanding the preceding sentence, at any time prior to the Closing, without the prior written consent of Seller, Buyer may assign or partially assign its right, title and interest herein to any one or more corporations, partnerships, limited liability companies, or other entities Controlled by or under common Control with Buyer; and provided further that Seller receives written notice of such assignment and a copy

of the agreement that legally effectuates such assignment at least five (5) Business Days prior to the Closing Date. Notwithstanding any provision in this Agreement to the contrary, no assignment or delegation of its rights and duties under this Agreement by Buyer shall relieve Buyer of any of its obligations and liabilities hereunder. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and shall be binding upon the successors and assigns of the parties.

(C) Notices. Unless otherwise agreed to by the parties or set forth herein, all notices required or permitted to be given hereunder shall be in writing. Such notices shall be effective only upon receipt or documented refusal of receipt following deposit into the United States mail, registered or certified, return receipt requested, postage prepaid, or if hand delivered or if sent by nationally recognized overnight courier providing evidence of delivery or when sent via electronic mail (*e.g.*, e-mail), addressed as follows:

To Buyer:

c/o American Healthcare REIT, Inc.
18191 Von Karman Avenue, Suite 300
Irvine, California 92612
Attn: Stefan Oh, Chief Investment Officer
E-mail: [***]

And to:

Arnall Golden Gregory LLP
171 17th Street, NW, Suite 2100
Atlanta, GA 30363
Attention: Steven A. Kaye, Esq.
E-mail: [***]

To Seller:

Kensington Senior Living, LLC
11921 Freedom Drive, Suite 950
Reston, VA 20190
Attention: Michael Rafeedie
E-mail: [***]

With Copies To:

Tatusko Kennedy, PC
3016 Williams Drive, Suite 200
Fairfax, Virginia 22130
Attention: Wayne G. Tatusko, Esq.
E-mail: [***]

To Title Company/Escrow Agent:

Chicago Title Insurance Company
2699 Howell Street, Suite 200
Dallas, Texas 75204
Attn: Shannon Bright

Email: [***]

or at such other place as a party may designate in a written notice given in accordance herewith. E-mail transmissions received during business hours during a Business Day at the receiving location shall be deemed made on such Business Day if received prior to 6:00 p.m. Eastern Time and e-mail transmissions received at any other time shall be deemed received on the next Business Day. The attorneys for any party hereto shall be entitled to provide any notice that a party desires to give or is required to give hereunder.

(D) Legal Costs. In the event any action is instituted by Seller or Buyer to enforce this Agreement, the prevailing party in such action (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall be entitled to all fees and costs, including reasonable attorneys' fees incurred in defending or prosecuting the action, as well as all fees and costs, including reasonable attorneys' fees, incurred in connection with obtaining and recovering any and all fees and costs provided for herein. Prejudgment interest on such fees and costs shall start to accrue thirty (30) days after invoices are received. The foregoing includes reasonable attorneys' fees, expenses and costs of investigation incurred in (1) appellate proceedings; (2) in any post-judgment proceedings to collect or enforce the judgment; (3) establishing the right to indemnification; and (4) any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. This provision is separate and several and shall survive the consummation of the transaction contemplated by this Agreement or the earlier termination of this Agreement.

(E) Confidentiality. Seller, Manager and Buyer shall maintain the confidentiality of this Agreement and the transactions contemplated hereby and shall not, except as required by law, court order, legal process, or rule or regulation of a regulatory authority having jurisdiction such as the SEC or the NYSE (collectively, "**Law**"), disclose the terms of this Agreement, the parties thereto, or of such sale and purchase to any third parties whomsoever other than (i) Seller may disclose the terms of this Agreement to its employees, auditors and/or lenders, and its direct and indirect investors, members and partners, officers, directors, agents, legal counsel, accountants, other professional advisors, derivative counterparties, and affiliates, and Seller shall advise and direct each of the confidential nature and its obligations under this Section, and (ii) Buyer may disclose the terms of this Agreement to its partners, investors, potential investors, joint venturers, potential joint venturers, syndicate participants, potential syndicate participants, lenders, and potential lenders, and the attorneys, other advisors, accountants, employees, officers, derivative counterparties, agents and affiliates of each of the foregoing (each, a "**Buyer Permitted Party**") who are actively and directly participating in, or solicited by another Buyer Permitted Party to participate in, the negotiation of this Agreement, or evaluation, the appraisal, investigation or financing of the purchase or acquisition of the Property, or the prospective leasing of the Property (including, as it relates to such prospective leasing, the evaluation of the scope and cost of any anticipated tenant or landlord improvements following Buyer's acquisition of the Property), and Buyer shall advise each of the confidential nature and its obligations under this Section, or as required by law or any regulatory requirements to which Buyer is subject. In addition, Buyer may communicate with and disclose the existence (but not the terms) of this Agreement to current and prospective contractors that have been or may be retained in connection with the Property, and Buyer may communicate with any of the foregoing and any Buyer Permitted Party with respect to the planned use, ownership, maintenance and financing of the Property, provided that Buyer shall advise each of the confidential nature and its obligations under this Section. Neither Seller nor Buyer shall at any time, prior to Closing, issue a press release or otherwise communicate with media representatives regarding the sale and purchase contemplated by this Agreement without the prior written approval of the other party hereto as to such disclosure and the contents thereof. Nothing herein shall restrict either party from disclosing information that is required to be disclosed by applicable Law. Prior to any disclosure required by Law and, to the extent permitted under applicable Law, the disclosing party shall notify the non-disclosing party in writing of such required disclosure and the contents thereof and provide the non-

disclosing party with a reasonable opportunity to obtain a restraining order or take other protective action, except to the extent such disclosure is a part of a routine regulatory audit process. Notwithstanding the foregoing, Seller acknowledges that Buyer's ultimate parent company is a publicly traded company, and that as such it and its representatives may make disclosures of confidential information in the ordinary course of business to The New York Stock Exchange, financial analysts, investors (including on earnings calls), rating agencies, banks and other similar persons or institutions, which information is of the same general nature as that disclosed to such persons or institutions in its ordinary course of business and that such disclosure shall not constitute a breach of the terms of this Section 13(E). The terms of this Section 13(E) are intended to supersede any prior confidentiality agreement entered into by Buyer (or its affiliate) in connection with the sale of the Property. This Section 13(E) shall survive the Closing or earlier termination of this Agreement.

(F) Further Instruments. Each party will, whenever and as often as it shall be requested so to do by the other, cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Agreement, provided that such instruments and documents do not limit or impair the rights of, nor increase the liabilities or obligations of the party being asked to execute same.

(G) Matters of Construction.

(1) Incorporation of Exhibits and Schedules. All exhibits and schedules attached and referred to in this Agreement are hereby incorporated herein as if fully set forth in (and shall be deemed to be a part of) this Agreement. In the event that any exhibit or schedule intended to be attached to this Agreement is not attached hereto as of the Effective Date, the parties shall, after such execution and prior to Closing, complete and attach all remaining exhibits and schedules.

(2) Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

(3) Non-Business Days. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time (or by a particular date) that ends (or occurs) on a non-Business Day, then such period (or date) shall be extended until the immediately following Business Day. As used herein, "**Business Day**" means any day other than a Saturday, Sunday, federal holiday or holiday in the State where the Facility is located.

(4) Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(5) Interpretation. Words used in the singular shall include the plural, and vice-versa, and any gender shall be deemed to include the other. Whenever the words "including", "include" or "includes" are used in this Agreement, they should be interpreted in a non-exclusive manner. The captions and headings of the Sections of this Agreement are for convenience of reference only and shall not be deemed to define or limit the provisions hereof. Except as otherwise indicated, all Exhibit, Schedule and Section references in this Agreement shall be deemed to refer to the Exhibits, Schedules and Sections in or attached to, as applicable, this Agreement. Each party acknowledges that it has had counsel of its own choosing in connection with the negotiation of this Agreement and further acknowledges and agrees that

this Agreement (a) has been reviewed by it and its counsel; (b) is the product of negotiations between the parties, and (c) shall not be deemed prepared or drafted by any one party.

(6) No Waiver. Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Agreement, nor shall it be deemed to be a waiver by such party of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature). No failure or delay by one party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by such party while the other party continues to be so in default.

(7) Consents and Approvals. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder may be given or withheld in the absolute discretion of such party.

(8) Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MARYLAND. THE STATE AND FEDERAL COURTS OF BETHESDA MARYLAND SHALL HAVE SOLE AND EXCLUSIVE JURISDICTION.

(9) Third-party Beneficiaries. Seller, Manager and Buyer do not intend by any provision of this Agreement to confer any right, remedy or benefit upon any third-party (express or implied) other than, with respect to the applicable indemnification, defense and hold harmless obligations under this Agreement, the Seller Indemnified Parties and the Buyer Indemnified Parties, as applicable, and no third-party shall be entitled to enforce or otherwise shall acquire any right, remedy or benefit by reason of any provision of this Agreement.

(10) Amendments. This Agreement may be amended by written agreement of amendment executed by all parties hereto, but not otherwise. An amendment not affecting the rights and obligations of Escrow Agent shall be effective without being executed by Escrow Agent.

(11) Time of Essence. Time is of the essence with respect to all of the obligations contained in this Agreement.

(12) Joint and Several Obligations. The obligations of the Seller and Manager under this Agreement are joint and several.

(H) Counterparts/Facsimiles. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this Agreement had executed the same counterpart. Signatures to this Agreement delivered by facsimile or electronic mail in portable document format ("**PDF**") or via Docusign shall be valid and effective to bind the party so signing, provided that each party agrees to promptly deliver an executed original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own facsimile or PDF or Docusign signature and shall accept the facsimile or PDF or Docusign signature of the other party to this Agreement.

(I) Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF SELLER, MANAGER AND BUYER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED

HEREUNDER, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER DOCUMENT DELIVERED BY A PARTY TO ANOTHER PARTY, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF THE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO THIS AGREEMENT. THIS SECTION 13(I) SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

[REST OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURES APPEAR ON THE FOLLOWING PAGES]

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

MANAGER:

KENSINGTON SENIOR LIVING, LLC, a
Virginia limited liability company

By: /s/ David W. Faeder
David W. Faeder, Manager

SELLER:

REGENCY KENSINGTON BETHESDA OWNER, LLC,
a Maryland limited liability company

By: /s/ David W. Faeder
David W. Faeder, Manager

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

BUYER:

AMERICAN HEALTHCARE REIT HOLDINGS, LP
a Delaware limited partnership

By: /s/ Stefan Oh
Name: Stefan Oh
Title: Authorized Signatory

JOINDER OF ESCROW AGENT:

The undersigned Escrow Agent has executed this Agreement in order to confirm that the Escrow Agent shall notify the parties upon receipt of the Deposit and shall hold the Deposit and the interest earned thereon, if any, in escrow in accordance with the terms of this Agreement, and shall disburse the Deposit, and the interest earned thereon, pursuant to the provisions of this Agreement.

Chicago Title Insurance Company

By: /s/ Shannon Bright
Name: Shannon Bright
Title: Escrow Officer

LIST OF EXHIBITS AND SCHEDULES

(Bethesda PSA)

Exhibit	-	List of Defined Terms
Exhibit A	-	Legal Description of the Land
Exhibit B	-	Form of Deed
Exhibit C	-	Form of Title Affidavit
Exhibit D-1	-	Form of Bill of Sale
Exhibit D-2	-	Form of Assignment of Intangible Property
Exhibit D-3	-	Form of Assignment and Assumption of Resident Agreements
Exhibit D-4	-	Form of Assignment and Assumption of Lease Agreements
Exhibit E	-	Form of Certificate of "Non-Foreign" Status
Exhibit F	-	Form of Seller and Manager Closing Certificate
Exhibit G	-	Form of Buyer Closing Certificate
Exhibit H	-	List of Resident Agreements/Rent Roll
Exhibit H-1	-	List of Commercial Leases/Rent Roll
Exhibit H-2	-	List of Leasing and Commission Agreements
Exhibit I	-	List of Contracts
Exhibit J	-	Form of Holdback Escrow Agreement
Exhibit K-1	-	Form of Interim Sublease
Exhibit K-2	-	Form of Interim Management Agreement
Exhibit L	-	Form of Representation Letter

Schedule 1(F)	-	List of Seller Trade Names
Schedule 2(B)	-	Price Allocation
Schedule 4(C)	-	Required Removal Items - UCCs
Schedule 6(A)	-	Required Regulatory Approvals
Schedule 7(B)(2)	-	Allocation of Certain Closing Costs
Schedule 9A(9)	-	Leased Vehicles and Equipment
Schedule 9A(10)	-	Litigation
Schedule 9A(12)	-	Affiliate Agreements
Schedule 9A(13-1)	-	Largest Number of Employees in a Single Shift
Schedule 9A(13-2)	-	Employee Complaints
Schedule 9A(16)	-	Licenses
Schedule 9A(18)	-	Environmental Reports
Schedule 9(A)(25)	-	Outstanding Capital Improvement Projects
Schedule 9(J)	-	Recorded Agreements Requiring Title Estoppel or Seller Title Estoppel

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey T. Hanson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Healthcare REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 6, 2026	By:	/s/ JEFFREY T. HANSON
Date		Jeffrey T. Hanson Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Aric Chang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Healthcare REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 6, 2026	By:	/s/ ARIC CHANG
Date		Aric Chang Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of American Healthcare REIT, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2026	By:	/s/ JEFFREY T. HANSON
Date		Jeffrey T. Hanson Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of American Healthcare REIT, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2026	By:	/s/ ARIC CHANG
Date		Aric Chang Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)