

**From:** [Herring, Donn](#)  
**To:** [CONP.CONP](#)  
**Subject:** RE: St. Louis Recovery Hospital LLC/Letter of Intent  
**Date:** Monday, October 21, 2024 12:58:34 PM

---

Mackinzey,

I checked with the client.

The square footage of the building is approximately 168,000 square feet and the square footage of the 5<sup>th</sup> floor is approximately 15,250 square feet.

Thanks

Donn

**Donn Herring** Partner  
Spencer Fane LLP (He/Him)

---

1 North Brentwood Boulevard, Suite 1200 | St. Louis, MO 63105  
O 314.333.3966 / C 636.734.9637  
[dherring@spencerfane.com](mailto:dherring@spencerfane.com) | [spencerfane.com](http://spencerfane.com)

“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy.”

Dr. Martin Luther King, Jr.

---

**From:** CONP.CONP <[CONP@health.mo.gov](mailto:CONP@health.mo.gov)>  
**Sent:** Friday, October 18, 2024 2:30 PM  
**To:** Herring, Donn <[dherring@spencerfane.com](mailto:dherring@spencerfane.com)>  
**Subject:** [EXTERNAL] RE: St. Louis Recovery Hospital LLC/Letter of Intent

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Don,

After review of the non-applicability request, the following things are needed to complete it.

- What is the square-footage of this building?
- Will this be newly constructed or a renovated building? If its renovations, what was the building used for prior?

Once I have this information, we can continue the non-applicability process.

**From:** [Herring, Donn](#)  
**To:** [CONP CONP](#)  
**Subject:** RE: St. Louis Recovery Hospital LLC/Letter of Intent  
**Date:** Monday, October 21, 2024 10:09:39 AM

---

Mackinzey,

The building is the old South City Hospital f/k/a St. Alexius Hospital in south St, Louis,

The building was used as a hospital until August 4, 2023, when it was closed.

The new facility (St. Louis Recovery Hospital) will be located on the 5<sup>th</sup> floor of the building.

Per my client, the facility will be able to operate on the 5<sup>th</sup> floor using the existing configuration of the 5<sup>th</sup> floor without additional alterations.

As a result, there will be no new construction/renovations.

I will reach out to the client to obtain the square footage of the entire building and the square footage of the 5<sup>th</sup> floor itself.

Thanks

Donn

**Donn Herring** Partner  
Spencer Fane LLP (He/Him)

---

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**From:** CONP CONP <CONP@health.mo.gov>

**Sent:** Friday, October 18, 2024 2:30 PM

**To:** Herring, Donn <dherring@spencerfane.com>

**Subject:** [EXTERNAL] RE: St. Louis Recovery Hospital LLC/Letter of Intent

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Don,

After review of the non-applicability request, the following things are needed to complete it.

- What is the square-footage of this building?
- Will this be newly constructed or a renovated building? If its renovations, what was the building used for prior?

Once I have this information, we can continue the non-applicability process.

## *Mackinzey Fick*

Assistant Program Coordinator, Certificate of Need

Department of Health and Senior Services

920 Wildwood Drive, P.O. Box 570

Jefferson City, MO 65102

OFFICE: 573-751-6403

FAX: 573-751-7894

EMAIL: [mackinzey.fick@health.mo.gov](mailto:mackinzey.fick@health.mo.gov)

<http://health.mo.gov/information/boards/certificateofneed/index.php>

---

**From:** Herring, Donn <[dherring@spencerfane.com](mailto:dherring@spencerfane.com)>

**Sent:** Monday, October 14, 2024 11:54 AM

**To:** Dorge, Alison <[Alison.Dorge@health.mo.gov](mailto:Alison.Dorge@health.mo.gov)>

**Subject:** St. Louis Recovery Hospital LLC/Letter of Intent

Alison,

I am filing the following documents on behalf of my client, St. Louis Recovery Hospital LLC:

1. Letter of Intent (Form 580-1860)
2. Proposed Expenditures (Form 580-2375)
3. Certificate of Organization for Owner/Operator from Missouri Secretary of State's Office
4. Schematic Plans for Building
5. Sublease of Building
6. Excel Spreadsheet Detailing Proposed Expenditures
7. Invoices/Bids for All Major Expenditures
8. Valuation of Land

The first four (4) documents are attached to this e-mail.

The fifth document will be sent by a separate e-mail in order to avoid issues with limits on the size of incoming e-mails.

**From:** [Herring, Donn](#)  
**To:** [Dorge, Alison](#)  
**Cc:** [Fick, Mackinzey](#); [Martel, Hillary](#)  
**Subject:** RE: St. Louis Recovery Hospital, LLC/Valuation of Building  
**Date:** Wednesday, December 18, 2024 10:36:21 AM

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Alison,

The common areas on the 1<sup>st</sup> and 2<sup>nd</sup> floor are listed under the heading of Mechanical Rooms/Structures. These common areas consist of the mechanical rooms on each floor and the stairwells on each floor. The common areas (meaning areas that service the whole building, not just SLRH's part of the building) are highlighted in pink.

The areas in the building to be exclusively used by SLRH (e.g., corridors, elevators, offices, and other identified areas on the 1<sup>st</sup> and 2<sup>nd</sup> floor and all of the 5<sup>th</sup> floor) are highlighted in blue.

The mechanical building you referenced appears in the diagram of both the 1<sup>st</sup> floor and the 2<sup>nd</sup> floor. On the diagram of the 1<sup>st</sup> floor, you will see a long hallway on the right side of the page connecting to a block of rooms on the far right side of the page. On the diagram of the 2<sup>nd</sup> floor, you will see what looks like a separate building on the far right of the page. This building is the mechanical building we discussed. What we did not previously understand is that the mechanical building is not separate. In fact, the mechanical building attaches to the main building on the 1<sup>st</sup> floor (which is the basement) through the long hallway. From the surface, the mechanical building looks separate. Beneath the surface the mechanical building is connected to the main building. For allocation purposes, we allocated the space on the second (or ground floor) of the mechanical building that is used for electric, plumbing, HVAC, and steam generation (which serves the whole building, not just SLRH's parts of the building).

I hope this information is helpful. If you would like, we are happy to further clarify the information. We are also happy to discuss other approaches to allocating the space.

Thanks

Donn

**Donn Herring** Partner  
Spencer Fane LLP (He/Him)

---

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convenience, but where he stands at times of challenge and controversy.”

Dr. Martin Luther King, Jr.

---

**From:** Dorge, Alison <Alison.Dorge@health.mo.gov>  
**Sent:** Wednesday, December 18, 2024 10:04 AM  
**To:** Herring, Donn <dherring@spencerfane.com>  
**Cc:** Fick, Mackinzey <Mackinzey.Fick@health.mo.gov>; Martel, Hillary <hmartel@spencerfane.com>  
**Subject:** [EXTERNAL] RE: St. Louis Recovery Hospital, LLC/Valuation of Building

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Donn,  
Skimming through the documentation and comparing to your notes below- Mackinzey and I were wondering if the stairwells were included in the 1<sup>st</sup>, 2<sup>nd</sup> and 5<sup>th</sup> floor estimates? In looking at the excel document “Square Footage Calculation for First, Second and Fifth Floors - St. Louis Recovery Hospital(17558696.1).xlsx” stairs are included in the mechanical room structure but I was under the impression that, that was located in a separate building and the individual floor assessments do not mention stairs/stairwell. Please advise. Thanks!

---

**From:** Herring, Donn <dherring@spencerfane.com>  
**Sent:** Wednesday, December 18, 2024 8:17 AM  
**To:** Dorge, Alison <Alison.Dorge@health.mo.gov>  
**Cc:** Fick, Mackinzey <Mackinzey.Fick@health.mo.gov>; Martel, Hillary <hmartel@spencerfane.com>  
**Subject:** RE: St. Louis Recovery Hospital, LLC/Valuation of Building

Thanks Alison

I just completed uploading the documents referenced in the e-mail.

Donn

**Donn Herring** Partner  
Spencer Fane LLP (He/Him)

---

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---

**From:** Dorge, Alison <Alison.Dorge@health.mo.gov>  
**Sent:** Wednesday, December 18, 2024 8:10 AM  
**To:** Herring, Donn <dherring@spencerfane.com>  
**Cc:** Fick, Mackinzey <Mackinzey.Fick@health.mo.gov>; Martel, Hillary <hmartel@spencerfane.com>  
**Subject:** [EXTERNAL] RE: St. Louis Recovery Hospital, LLC/Valuation of Building

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Donn,

Here is the link to our Dropbox:

<https://stateofmissouri.app.box.com/f/b9819606371f456795fa9c224ddd94a0>. Let us know when you've uploaded all documents and we will begin our review. Thanks!

---

**From:** Herring, Donn <dherring@spencerfane.com>  
**Sent:** Tuesday, December 17, 2024 2:27 PM  
**To:** Dorge, Alison <Alison.Dorge@health.mo.gov>  
**Cc:** Martel, Hillary <hmartel@spencerfane.com>  
**Subject:** St. Louis Recovery Hospital, LLC/Valuation of Building

Alison,

Thanks for taking the time to speak with us on December 3. The information you provided was very helpful in our efforts to determine whether this project can be completed at a cost less than the \$1,000,000 CON cost threshold.

Based on the information you shared in our conversation; I will provide you with the following information for your consideration:

1. New Appraisal focusing on value of the 1<sup>st</sup>, 2<sup>nd</sup>, and 5<sup>th</sup> Floors of the building.
2. A diagram of the 1<sup>st</sup> and 2<sup>nd</sup> Floors of the building identifying spaces that will be exclusively used by St. Louis Recovery Hospital (SLRH) (marked in blue) and spaces that will be shared with other tenants/users of the building once the building is full renovated (marked in pink).
3. A spreadsheet listing the square footage of the spaces on the 1<sup>st</sup> Floor and 2<sup>nd</sup> Floor to be exclusively used by SLRH and spaces that to be shared with other tenants/users of the building.
4. A spreadsheet breakdown the costs of the project based on the inclusion of the value of the spaces on the 1<sup>st</sup> and 2<sup>nd</sup> Floors.

Given the limits on the size of e-mails you can receive, I would appreciate it if you can provide me with a DropBox or ShareFile site where I can share these documents with you.

Based on these documents, I wanted to provide you with our current conceptualization of the

project from the standpoint of valuing the building:

1. The appraisal concludes that the value of the 1<sup>st</sup>, 2<sup>nd</sup>, and 5<sup>th</sup> Floors of the building at \$1,490,000.
2. Per the appraisal, the square footage of the 1<sup>st</sup>, 2<sup>nd</sup>, and 5<sup>th</sup> Floors is 106,478 square feet.
3. On a per square foot basis, the value of the 1<sup>st</sup>, 2<sup>nd</sup>, and 5<sup>th</sup> floors is \$13.99 per square foot.
4. Based on its plans, SLRH will exclusively use 6,151 square feet of space on the 1<sup>st</sup> Floor, 5,312 square feet on the 2<sup>nd</sup> Floor and all 15,150 square feet on the 5<sup>th</sup> Floor.
5. Based on a value of \$13.99 per square foot, that places the value for the space on each of these floors as follows: (a) 1<sup>st</sup> Floor - \$86,052; (b) 2<sup>nd</sup> Floor - \$74,315; and (c) 5<sup>th</sup> Floor - \$211,949 or an aggregate of \$372,316.
6. In order to value the shared spaces, we multiplied the square footage of the shared spaces (8,930) by \$13.99 for a gross value of \$124,931. We then divided that amount by three (3) (recognizing that SLRH is only utilizing about 1/3<sup>rd</sup> of building, resulting in a net value of \$41,644.
7. In reality, many of the exclusively used spaces on the 1<sup>st</sup> and 2<sup>nd</sup> Floors are actually shared space once other tenants/users begin to use the building, e.g., corridors, elevators, etc. Nonetheless, we included them in the calculation of exclusive spaces in deference to the current realities.

Please review this information at your convenience. If you are comfortable with this approach to this issue, please let me know and we will update the Letter of Intent accordingly and resubmit it.

If you have any questions, please contact me.

Thanks

Donn

**Donn Herring** Partner  
Spencer Fane LLP (He/Him)

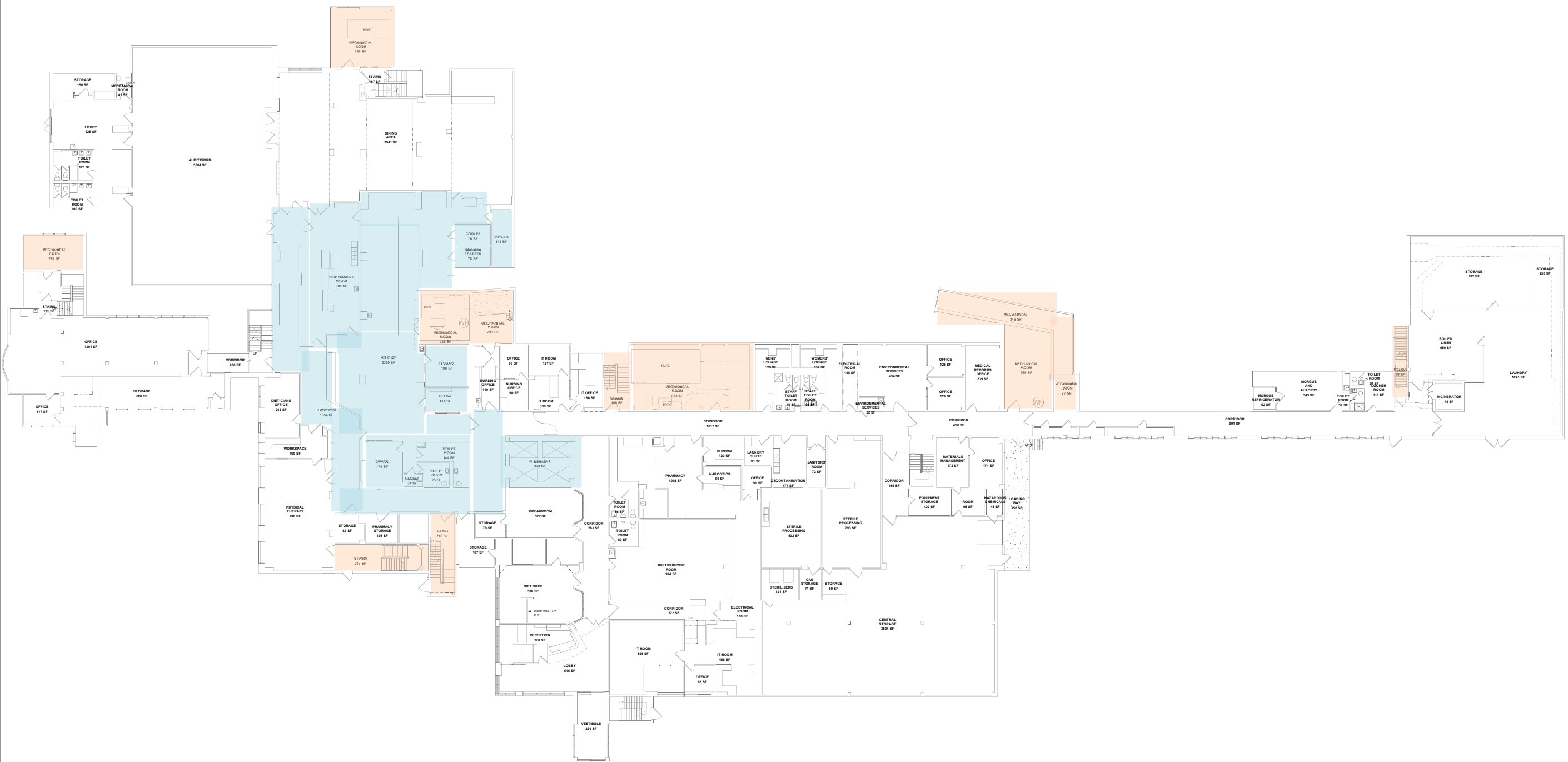
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12/4/2024 5:02:00 PM



1 FIRST FLOOR PLAN  
1/16" = 1'-0"


REVISIONS

**GUT&VANN**  
ARCHITECTURE + CONSULTING

NJ C.O.A.#: Z1AC00125800  
1777 AVENUE OF THE STATES  
SUITE 108  
LAKEWOOD, NJ 08701  
732-806-0073 | office@gutvann.com

SIGNATURE & SEAL



NAFTOLI GUT, R.A.  
MO LICENSE #: A-2024024773

CONSULTANTS:

PROJECT  
FEASIBILITY SET

**ST. LOUIS  
RECOVERY  
HOSPITAL**  
3933 S BROADWAY  
ST. LOUIS, MO 63118

DRAWING  
FIRST FLOOR

DATE: 06/13/2024

SCALE: 1/16" = 1'-0"

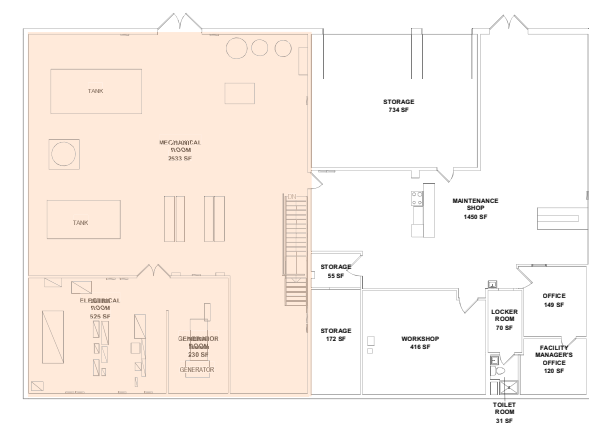
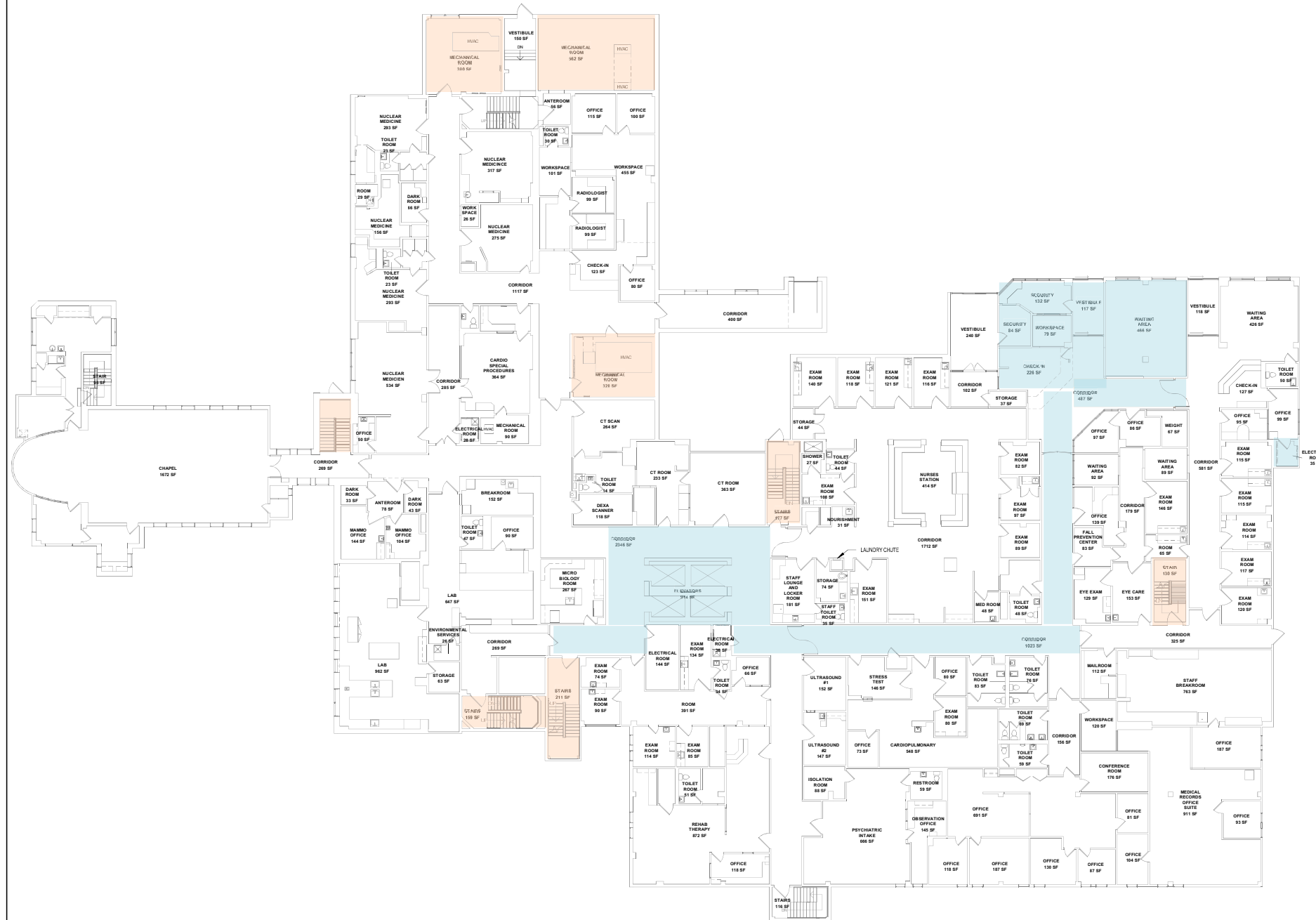
JOB NUMBER: 24-288

DRAWN: SL	CHECKED: NG
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A1



12/4/2024 5:02:01 PM



1 SECOND FLOOR PLAN  
1/16" = 1'-0"


REVISIONS



NJ C.O.A. #: 21AC00125800  
1777 AVENUE OF THE STATES  
SUITE 108  
LAKEWOOD, NJ 08701  
732-806-0073 | office@gutvann.com

SIGNATURE & SEAL



CONSULTANTS:

PROJECT  
FEASIBILITY SET

ST. LOUIS  
RECOVERY  
HOSPITAL  
3933 S BROADWAY  
ST. LOUIS, MO 63118

DRAWING  
SECOND FLOOR

DATE: 06/13/2024

SCALE: 1/16" = 1'-0"

JOB NUMBER: 24-288

DRAWN: SL CHECKED: NG

A2

# Value and Risk Advisory

Client: Lion Health System  
Property Name: South City Hospital (1st, 2nd & 5th Floor)  
Property Address: 3927 South Broadway, St. Louis, MO 63118  
Report Date: December 10, 2024  
JLL File #: VRA-24-5834200



South City Hospital (1st, 2nd & 5th Floor)  
3927 South Broadway  
St. Louis, MO 63118

December 10, 2024

Mr. Ben Levin  
President  
Lion Health System  
85 Towbin Ave  
Lakewood, NJ 08701

Re: Appraisal

South City Hospital (1st, 2nd & 5th Floor)  
3927 South Broadway  
St. Louis, Saint Louis City County, MO 63118

File Number: VRA-24-5834200

Dear Mr. Levin:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is an existing, vacant, 6-story former hospital that contains 168,000 SF of rentable area. Only floors 1, 2 and 5 are under appraisalment which contains 106,478 SF of rentable area. The improvements were constructed in 1927 and are 0.0% leased as of the effective appraisal date. The site area is 4.260 acres or 185,566 square feet. The fee simple bundle of rights is under appraisalment.

The subject consists of three floors totaling 106,478 SF. The floors have not been condominiumized and cannot be sold separate from the building as a whole, as of the effective appraisal date. For this reason, our market value conclusion is considered hypothetical, as if the floors are condominium units that have a proportionate interest in the common areas.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

<b>Value Conclusions</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
Hypothetical Market Value As Is	Fee Simple	August 2, 2024	\$1,490,000

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

### Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. A property condition assessment was requested but not provided. This report assumes the mechanical systems are in working order.

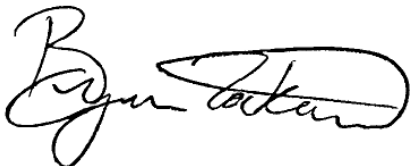
The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The subject consists of three floors (1st, 2nd & 5th) totaling 106,478 SF. The floors have not been condominiumized and cannot be sold separate from the building as a whole, as of the effective appraisal date. For this reason, our market value conclusion is considered hypothetical, as if the floors are condominium units that have a proportionate interest in the common areas.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC



Bryan J. Lockard, MRICS  
Executive Managing Director  
Certified General Appraiser  
Missouri Certificate #: 2017030299  
Telephone: (813) 387-1301  
Email: bryan.lockard@jll.com



Whitney Panneton  
Senior Director  
Certified General Appraiser  
MO Certificate #: 2019047215  
Telephone: (314) 678-7808  
Email: whitney.panneton@jll.com

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- A. Appraiser Qualifications
- B. Definitions
- C. Financials and Property Information
- D. Comparable Data
- E. Engagement Letter

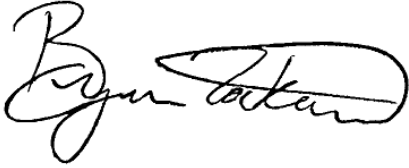
## Certification Statement

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
12. Bryan J. Lockard, MRICS, has not made an inspection of the subject property. Whitney Panneton has made a personal inspection of the property on August 2, 2024.
13. Significant real property appraisal assistance was provided by Laurence Arroyo who has not signed this certification.



14. As of the date of this report, Bryan J. Lockard, MRICS, and Whitney Panneton have completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Bryan J. Lockard, MRICS  
Executive Managing Director  
Certified General Appraiser  
Missouri Certificate #: 2017030299  
Telephone: (813) 387-1301  
Email: bryan.lockard@jll.com



Whitney Panneton  
Senior Director  
Certified General Appraiser  
MO Certificate #: 2019047215  
Telephone: (314) 678-7808  
Email: whitney.panneton@jll.com

## Summary of Salient Facts and Conclusions

Property Name	South City Hospital (1st, 2nd & 5th Floor)
Address	3927 South Broadway St. Louis, Saint Louis City County, Missouri 63118
Property Type	Vacant Hospital
Owner of Record	SA Hospital Real Estate Holding LLC
Tax ID	2564-9-141.002
Land Area	4.26 acres; 185,566 SF
Gross Building Area (SF)	168,000 SF
Floors 1, 2 & 5 Rentable Area (SF)	106,478 SF
Percent Occupied	100% (Owner Occupied)
Year Built	1927
Year Renovated	Various
Zoning Designation	B, Two-Family Dwelling District; F, Neighborhood Commercial District
Highest & Best Use - As If Vacant	Healthcare Use
Highest & Best Use - As Improved	Continued Healthcare Use
Exposure Time; Marketing Period	6-9 months; 6-9 months
Date of Report	December 10, 2024

### Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Hypothetical Market Value As Is	Fee Simple	August 2, 2024	\$1,490,000

The values reported above are subject to definitions, assumptions and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the client and intended users may use or rely on the information, opinions and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions and limiting conditions contained therein.

### Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. A property condition assessment was requested but not provided. This report assumes the mechanical systems are in working order.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The subject consists of three floors (1st, 2nd & 5th) totaling 106,478 SF. The floors have not been condominiumized and cannot be sold separate from the building as a whole, as of the effective appraisal date. For this reason, our market value conclusion is considered hypothetical, as if the floors are condominium units that have a proportionate interest in the common areas.

## Introduction

The subject is an existing, vacant, 6-story former hospital that contains 168,000 SF of rentable area. Only floors 1, 2 and 5 are under appraisal which contains 106,478 SF of rentable area. The improvements were constructed in 1927 and are 0.0% leased as of the effective appraisal date. The site area is 4.260 acres or 185,566 square feet. The fee simple bundle of rights is under appraisal.

### Subject Identification

Name	South City Hospital (1st, 2nd & 5th Floor)
Address	3927 South Broadway, St. Louis, Saint Louis City County, MO 63118
Tax ID	2564-9-141.002
Owner of Record	SA Hospital Real Estate Holding LLC
Legal Description	CB 2564 BROADWAY, 4.260 ACS, BAYS ADDN, BD S-OSAGE ST, IMPROVEMENTS ONLY

### Ownership and Transaction History

The most recent closed sale of the subject is summarized as follows:

#### Most Recent Sale (Closed)

Grantor:	N/A
Grantee:	SA Hospital Real Estate Holding LLC
Sale Date:	December 1, 2021
Sale Price:	N/A
Document Number:	N/A

It should be noted that information regarding the most recent sale was not provided and could not be found via public records.

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date. Additionally, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

## Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s).

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report.

### Summary

#### Research

- We have inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

#### Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

## Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

## Client, Intended Use, and User(s)

Client: Lion Health System

Intended Use: The intended use of the appraisal is to establish a hypothetical market value as is for purpose of certificate of need application.

Intended User(s): The intended user(s) of the appraisal are Lion Health System; Missouri Department of Health and Senior Service. The appraisal is not intended for any other use or user. No party or parties other than Lion Health System; Missouri Department of Health and Senior Service may use or rely on the information, opinions, and conclusions contained in this report.

## Purpose of the Appraisal

The purpose of the appraisal is to estimate the Subject's:

Appraisal Premise	Interest Appraised	Date of Value
Hypothetical Market Value As Is	Fee Simple	August 2, 2024

The date of the report is December 10, 2024. The appraisal is valid only as of the stated effective date or dates.

## Approaches to Value

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

The Cost Approach is not considered applicable based on the age of the subject property. For properties older than 2-3 years of age, the estimates of depreciation are highly subjective and reduce the credibility of this approach. Additionally, market participants do not rely on this approach for making decisions for properties like the subject. As a result, this approach is not developed.

## Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

- We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

## Report Option

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used, as defined below.

Appraisal Report	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
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## Definition of Values

**Market Value**                    The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

**As Is Market Value**            The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471

## Definition of Property Rights Appraised

**Fee simple estate**              Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

## Inspection

Bryan J. Lockard, MRICS, has not performed an inspection. Whitney Panneton performed an inspection on August 2, 2024.

## Significant Appraisal Assistance

It is acknowledged that Laurence Arroyo made a significant professional contribution to this appraisal, consisting of conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

## Area Demographics and Market Analysis

### St. Louis MSA Area Demographics

The subject is located in the St. Louis, MO-IL Metropolitan Statistical Area, hereinafter called the St. Louis MSA, as defined by the U.S. Office of Management and Budget. The St. Louis MSA ranks #22 in population out of the nation's 382 metropolitan areas.

#### Population

The St. Louis MSA has an estimated 2024 population of 2,824,501, which represents about the same population compared to the 2010 census amount of 2,820,253 over the 2020 - 2024 period, and its annual growth rate is less than that of the State of Missouri.

Area	Population				Compound Ann. % Chng	
	2010 Census	2020 Census	2024 Est.	2029 Est.	2020 - 2024	2024 - 2029
1 mi. radius	22,208	20,722	19,840	19,034	-1.1%	-0.8%
3 mi. radius	130,139	125,566	122,123	118,042	-0.7%	-0.7%
5 mi. radius	271,354	267,825	263,723	257,913	-0.4%	-0.4%
St. Louis City	319,293	301,578	296,881	289,598	-0.4%	-0.5%
St. Louis MSA	2,787,699	2,820,253	2,824,501	2,820,111	0.0%	0.0%
Missouri	5,988,890	6,154,913	6,232,540	6,285,716	0.3%	0.2%
United States	308,745,538	331,449,281	338,440,954	344,873,411	0.5%	0.4%

Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the St. Louis MSA's population will remain essentially the same from 2024 - 2029 without any appreciable growth or decline. The St. Louis MSA growth rate is expected to lag that of Missouri, which is projected to be 0.2%.

#### Employment

The current estimate of total employment in the St. Louis MSA is 1,428,992 jobs. Since 2014, employment grew by 98,967 jobs, equivalent to a 7.4% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

The St. Louis MSA's rate of change in employment underperformed the State of Missouri, which experienced an increase in employment of 8.1% or 223,558 over this period.

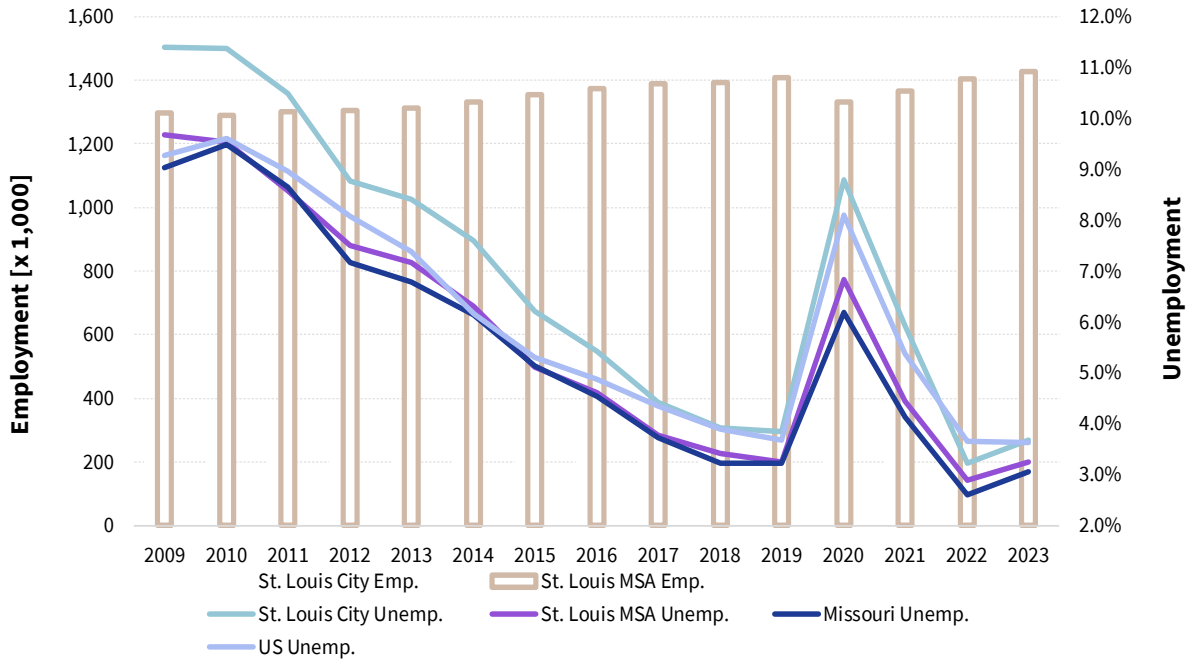


Employment Trends

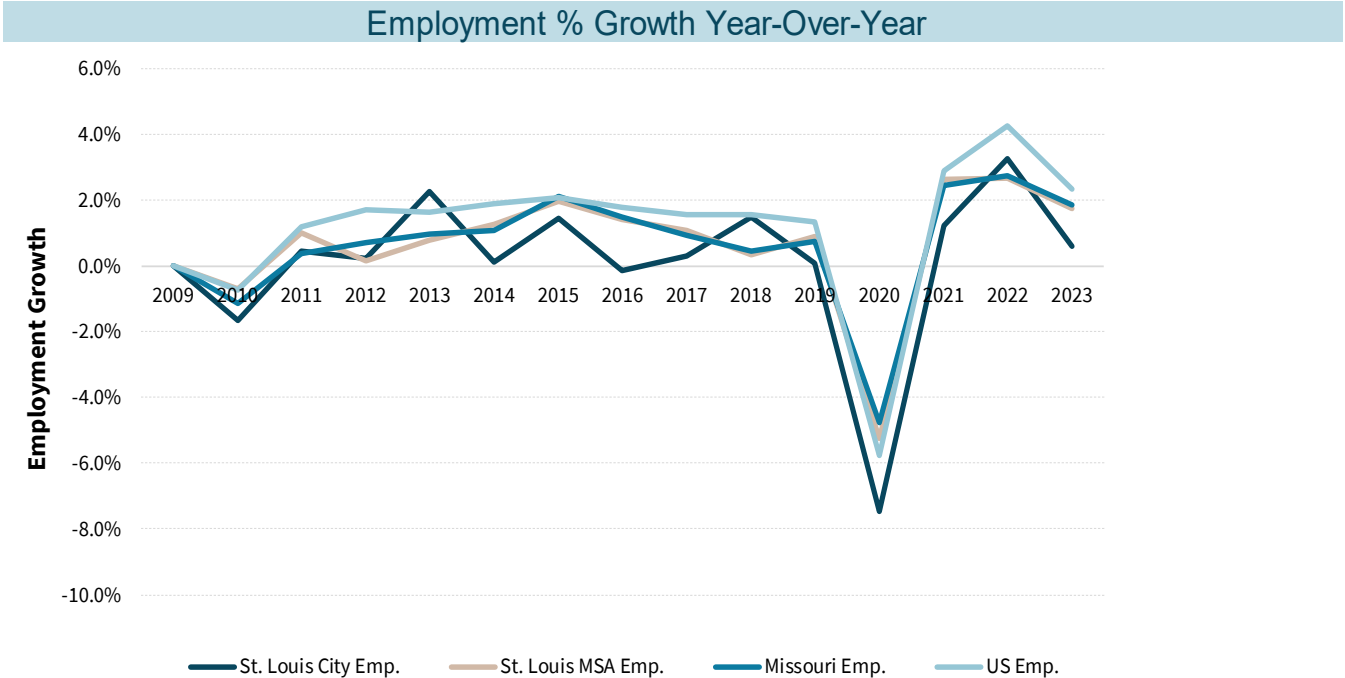
Year	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
	St. Louis City	Change	St. Louis MSA	Change	Missouri	Change	United States	Change	St. Louis City	St. Louis MSA	Missouri	United States
2009	219,748	-	1,297,383	-	2,700,175	-	131,295,833	-	11.4%	9.7%	9.0%	9.3%
2010	216,137	-1.6%	1,288,125	-0.7%	2,668,900	-1.2%	130,344,500	-0.7%	11.4%	9.5%	9.5%	9.6%
2011	217,074	0.4%	1,301,008	1.0%	2,678,683	0.4%	131,914,333	1.2%	10.5%	8.6%	8.6%	9.0%
2012	217,561	0.2%	1,302,958	0.1%	2,697,783	0.7%	134,157,333	1.7%	8.8%	7.5%	7.2%	8.1%
2013	222,481	2.3%	1,313,342	0.8%	2,724,000	1.0%	136,363,250	1.6%	8.4%	7.2%	6.8%	7.4%
2014	222,716	0.1%	1,330,025	1.3%	2,753,125	1.1%	138,939,250	1.9%	7.6%	6.3%	6.2%	6.2%
2015	225,947	1.5%	1,355,967	2.0%	2,811,325	2.1%	141,824,250	2.1%	6.2%	5.1%	5.1%	5.3%
2016	225,643	-0.1%	1,374,817	1.4%	2,853,508	1.5%	144,335,333	1.8%	5.4%	4.6%	4.5%	4.9%
2017	226,325	0.3%	1,389,442	1.1%	2,879,525	0.9%	146,606,917	1.6%	4.4%	3.8%	3.7%	4.4%
2018	229,646	1.5%	1,394,342	0.4%	2,892,650	0.5%	148,908,333	1.6%	3.9%	3.4%	3.2%	3.9%
2019	229,800	0.1%	1,406,683	0.9%	2,914,558	0.8%	150,904,333	1.3%	3.8%	3.3%	3.2%	3.7%
2020	212,636	-7.5%	1,332,625	-5.3%	2,776,125	-4.7%	142,185,833	-5.8%	8.8%	6.8%	6.2%	8.1%
2021	215,222	1.2%	1,367,708	2.6%	2,844,300	2.5%	146,284,500	2.9%	5.9%	4.5%	4.1%	5.4%
2022	222,214	3.2%	1,404,325	2.7%	2,922,658	2.8%	152,519,917	4.3%	3.2%	2.9%	2.6%	3.7%
2023	223,538	0.6%	1,428,992	1.8%	2,976,683	1.8%	156,050,667	2.3%	3.7%	3.2%	3.1%	3.6%
10 Yr Change	822	0.4%	98,967	7.4%	223,558	8.1%	17,111,417	12.3%				
Avg Unemp. Rate 2014-2023									5.3%	4.4%	4.2%	4.9%
Unemployment Rate - Jun 2024									4.9%	4.3%	4.2%	4.3%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



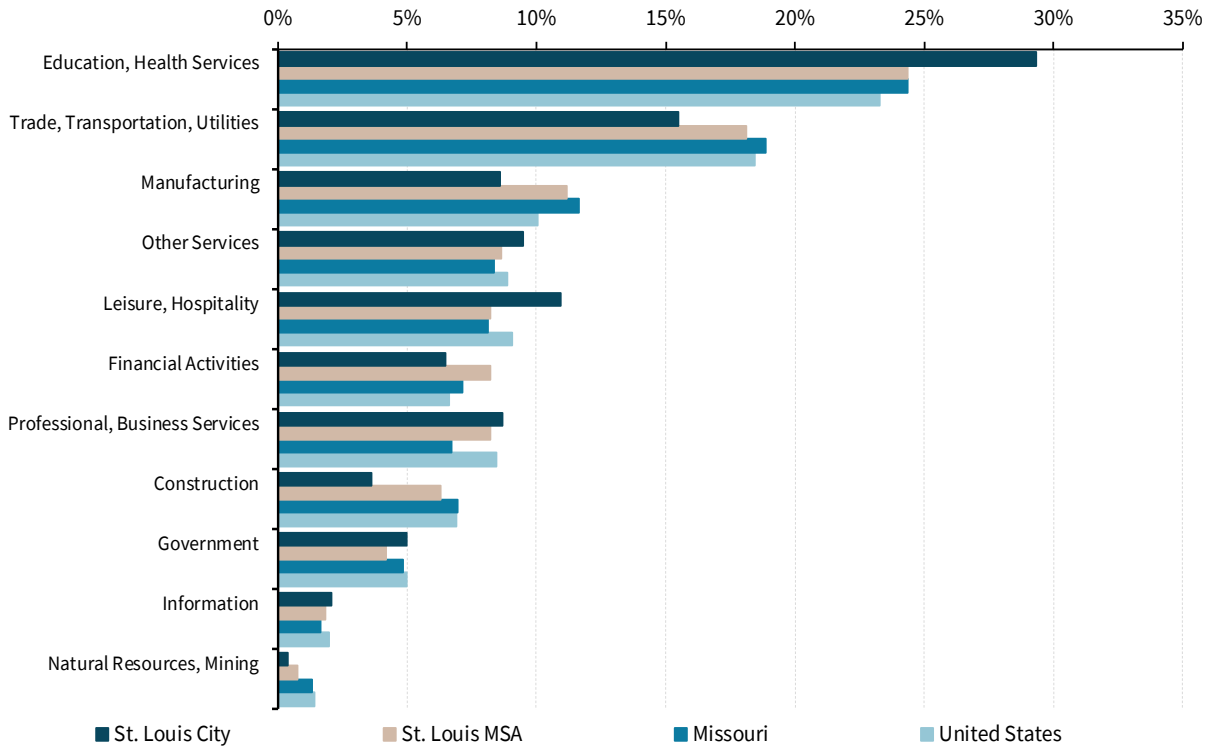
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area’s economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the St. Louis MSA unemployment rate of 4.4% has been higher than the Missouri rate of 4.2%. In the latter half of the decade that trend has continued, as the St. Louis MSA has consistently underperformed Missouri. Recent data shows that the St. Louis MSA unemployment rate is 4.3%, which was a comparable rate to Missouri. This similarity is further supported by the fact that the St. Louis MSA and Missouri sustained a similar pace of job growth over the past two years.

### Employment Sectors

The composition of the St. Louis MSA job market is illustrated in the chart below, paired with that of Missouri. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of St. Louis MSA jobs in each sector.

### Employment Sectors - 2024



Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

The St. Louis MSA has a greater percentage of employment than Missouri in the following categories:

1. Other Services - which accounts for 8.6% of St. Louis MSA payroll employment compared to 8.4% for Missouri as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
2. Financial Activities - which accounts for 8.2% of St. Louis MSA payroll employment compared to 7.1% for Missouri as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Financial Activities - which accounts for 8.2% of St. Louis MSA payroll employment compared to 7.1% for Missouri as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Professional, Business Services - which accounts for 8.2% of St. Louis MSA payroll employment compared to 6.7% for Missouri as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

The St. Louis MSA is underrepresented in the following categories:

Trade, Transportation, Utilities - which accounts for 18.1% of St. Louis MSA payroll employment compared to 18.9% for Missouri as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.

5. Construction - which accounts for 6.3% of St. Louis MSA payroll employment compared to 6.9% for Missouri as a whole. This sector includes construction of buildings, roads, and utility systems.
6. Government - which accounts for 4.2% of St. Louis MSA payroll employment compared to 4.8% for Missouri as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.
7. Natural Resources, Mining - which accounts for 0.8% of St. Louis MSA payroll employment compared to 1.3% for Missouri as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

## Major Employers

The table below contains major employers in the St. Louis MSA.

Major Employers - St. Louis MSA	
Name	Employees
1 Mhm Support Services	44,000
2 Bjc Health System	22,816
3 Walmart Inc.	20,617
4 Government of The United States	19,056
5 Ascension Health Alliance	15,997
6 Schnuck Markets, Inc.	11,647
7 Essence Group Holdings Corporation	10,873
8 Ssm Health Care Corporation	10,063
9 The Boeing Company	9,352
10 The Washington University	8,115
11 Centene Corporation	8,105
12 Charter Communications, Inc.	7,669
13 Hilton Worldwide Holdings Inc.	7,236
14 Mercy Hospitals East Communities	6,948
15 Penn Entertainment, Inc.	6,416
16 State of Missouri	6,399
17 Saint Louis University	6,323
18 Firestone Holdings LLC	6,022
19 United States Postal Service	5,815
20 Bayer AG	5,751

Sources(s): Dun & Bradstreet "Top Employer MSA" 2024

\*Note: Some employers may have employees working in other market areas

## Gross Domestic Product

Based on Gross Domestic Product (GDP), the St. Louis MSA ranks 24 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the St. Louis MSA than Missouri overall during the past five years. The St. Louis MSA has expanded at a 1.7% average annual rate while the State of Missouri has grown at a 1.6% rate. As the national economy improves, the St. Louis MSA continues to outperform Missouri. GDP for the St. Louis MSA rose by 2.1% in 2022 while Missouri's grew by 2.0%.

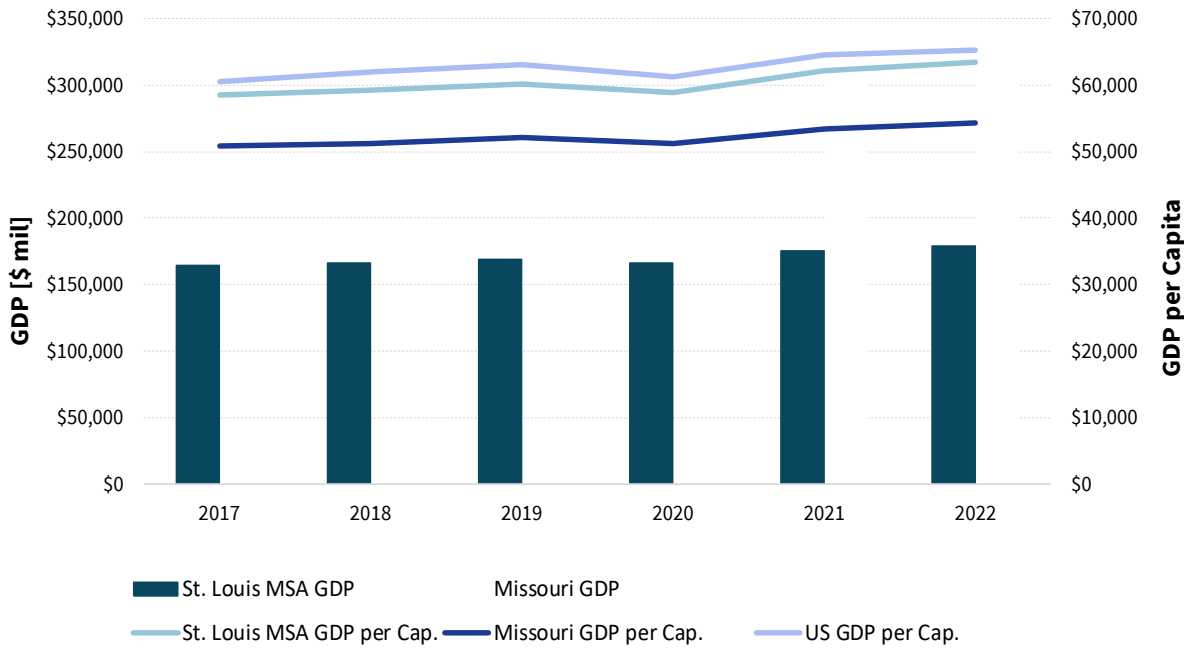
The St. Louis MSA has a per capita GDP of \$63,370, which is 17.0% greater than Missouri's GDP of \$54,314. This means that the St. Louis MSA industries and employers are adding relatively much more value to the economy than their peers in Missouri.

### Gross Domestic Product

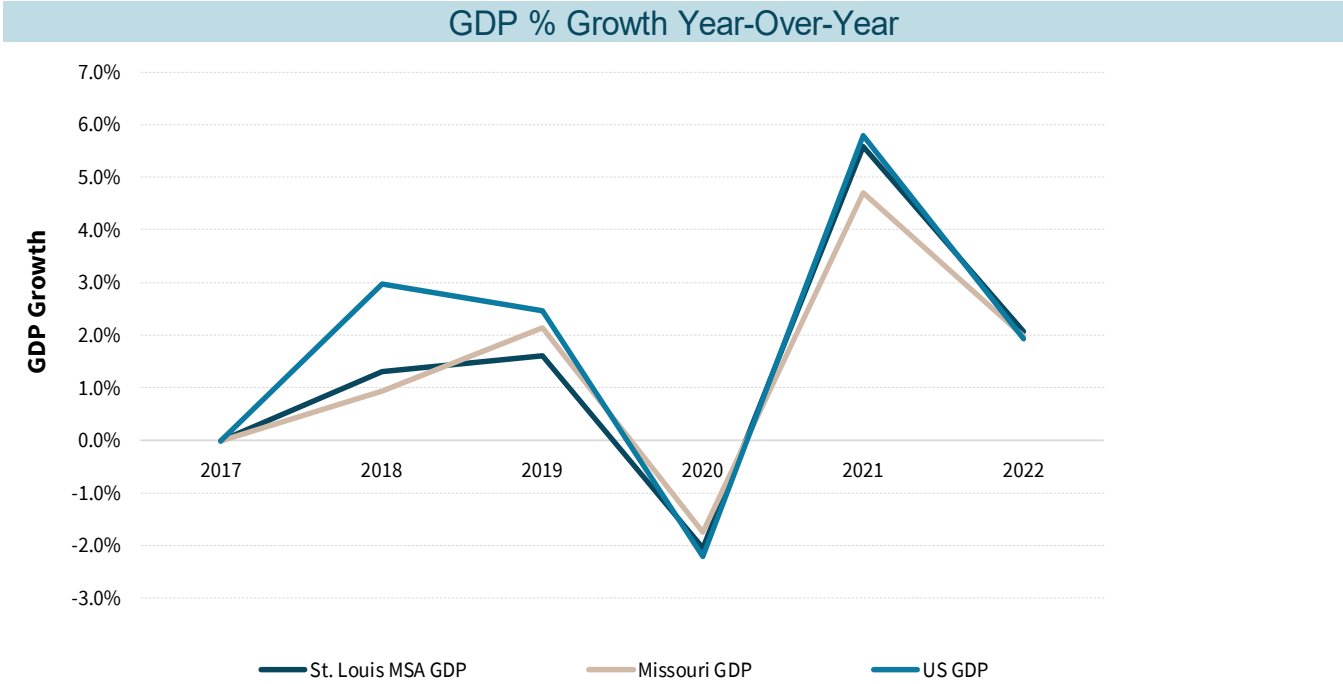
Year	St. Louis MSA	Change	Missouri	Change	United States	Change	St. Louis MSA	Missouri	United States
2017	\$164,415	-	\$311,274	-	\$19,612,102	-	\$58,592	\$50,939	\$60,607
2018	\$166,574	1.3%	\$314,182	0.9%	\$20,193,896	3.0%	\$59,306	\$51,269	\$61,999
2019	\$169,262	1.6%	\$320,881	2.1%	\$20,692,087	2.5%	\$60,207	\$52,214	\$63,117
2020	\$165,804	-2.0%	\$315,276	-1.7%	\$20,234,074	-2.2%	\$58,922	\$51,157	\$61,323
2021	\$175,042	5.6%	\$330,117	4.7%	\$21,407,692	5.8%	\$62,146	\$53,414	\$64,466
2022	\$178,657	2.1%	\$336,626	2.0%	\$21,822,037	1.9%	\$63,370	\$54,314	\$65,297
6 Yr Change	\$14,241	1.7%	\$25,352	1.6%	\$2,209,935	2.2%	\$4,778	\$3,375	\$4,689

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2017 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

### Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted “real” GDP stated in 2017 dollars.

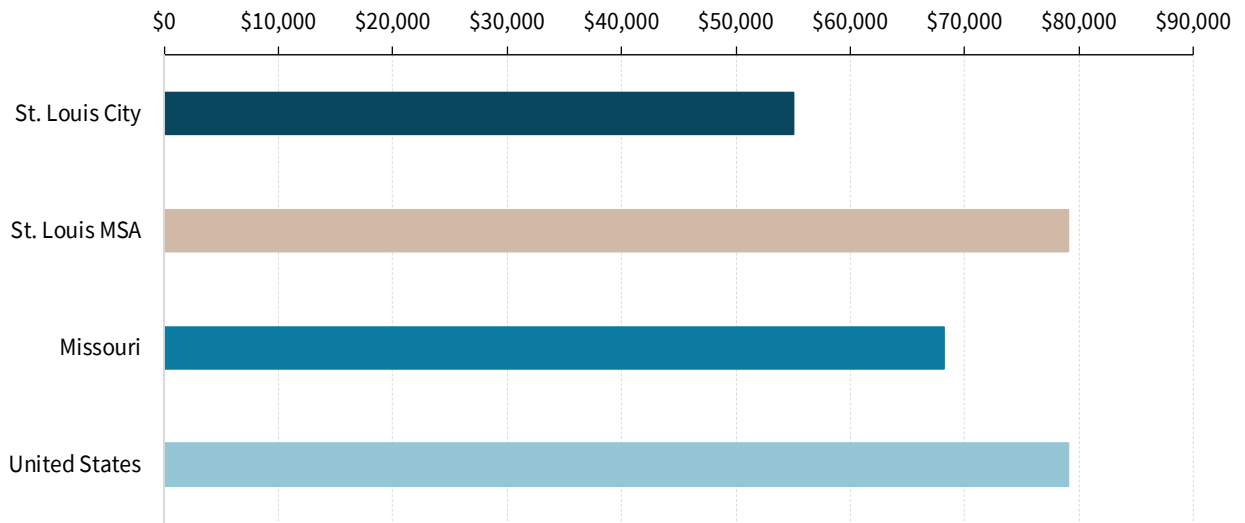
### Household Income

The St. Louis MSA has a much higher level of household income than Missouri. Median household income for the St. Louis MSA is \$79,002, which is 15.9% higher than Missouri.

Area	Med. Household Income		Compound Ann. % Chng
	2024 Est.	2029 Est.	2024 - 2029
St. Louis City	\$55,037	\$64,263	3.1%
St. Louis MSA	\$79,002	\$92,073	3.1%
Missouri	\$68,138	\$78,919	3.0%
United States	\$79,068	\$91,442	3.0%

Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

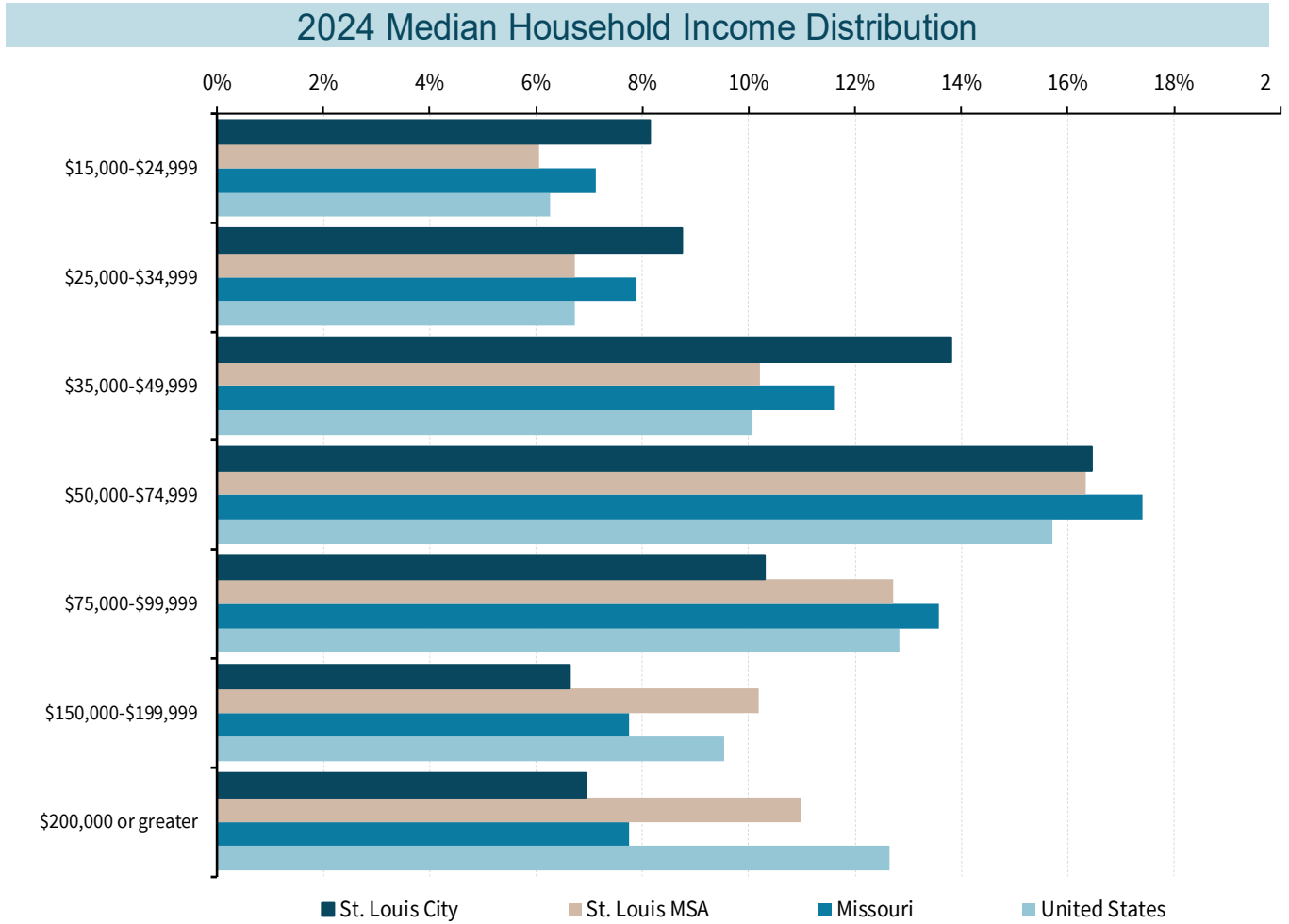
### 2024 Median Household Income Area Comparison



Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

The St. Louis MSA has a smaller concentration of households in the lower income levels than Missouri. Specifically, 21% of the St. Louis MSA households are below the \$35,000 level in household income as compared to 25% of Missouri households. A greater concentration of households exists in the higher income levels, as 53% of the St. Louis MSA households are at the \$75,000 or greater levels in household income versus 46% of Missouri households.

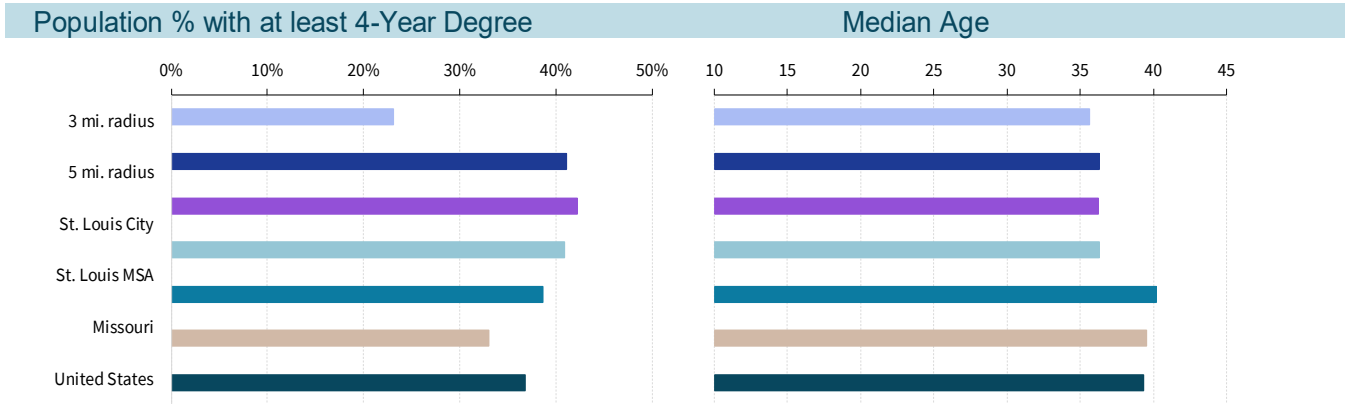




Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

### Education and Age

Residents of the St. Louis MSA have a higher level of educational attainment than those in Missouri. An estimated 38.7% of the St. Louis MSA residents are college graduates with four-year degrees or higher, while Missouri residents have an estimated 33.0% with at least a four-year degree. People in the St. Louis MSA are similar in age to their peers in Missouri. The median age of both the St. Louis MSA and Missouri is 40 years.

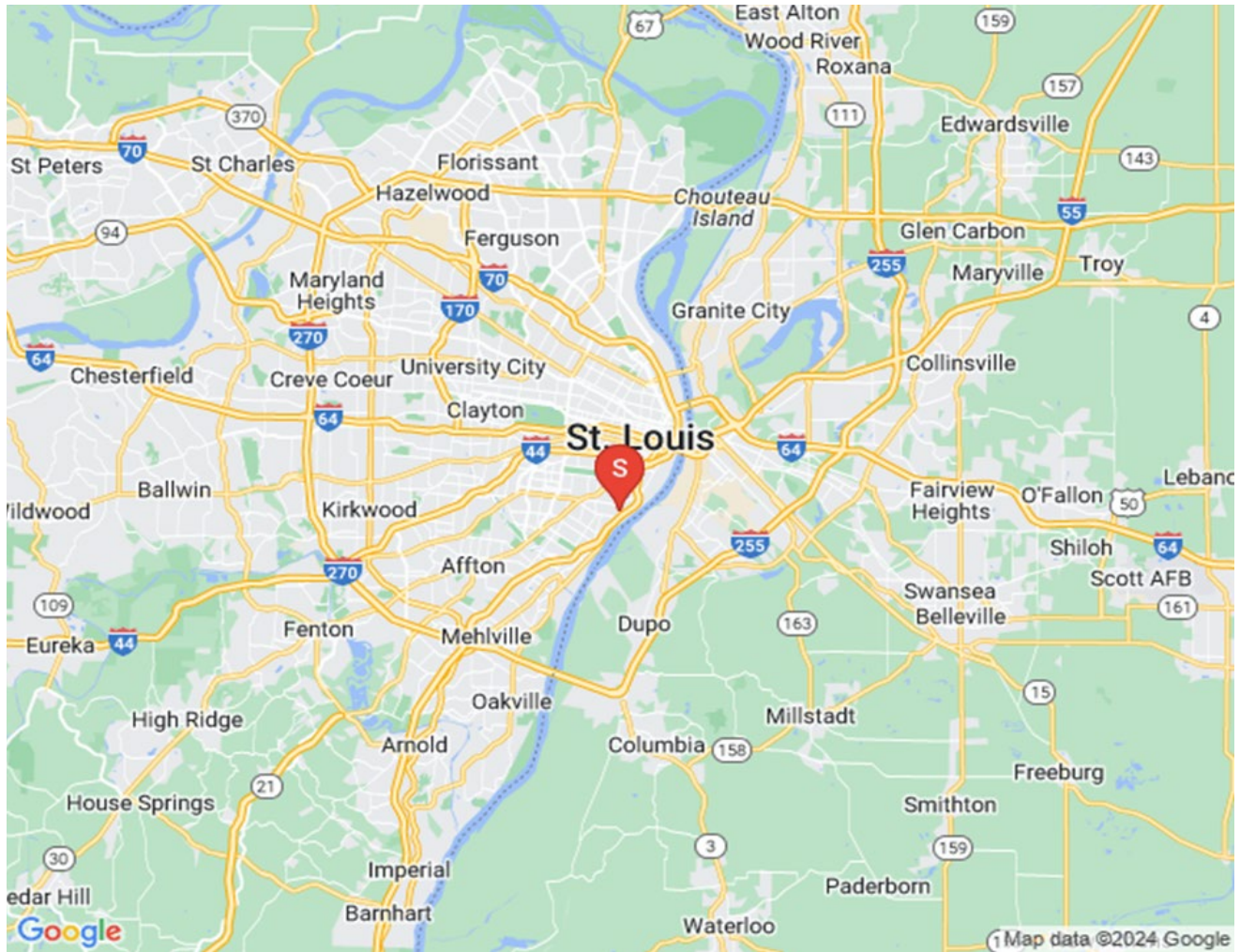


Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

### Conclusion

The St. Louis MSA's economy will benefit from a stable to slightly growing population base, and higher income and education levels. The St. Louis MSA saw an increase in the number of jobs in the past 10 years, and it can be anticipated that employment growth will continue in the future. Furthermore, the St. Louis MSA is influenced positively from having both a higher rate of GDP growth in the past five years and a higher level of GDP per capita than Missouri overall. We project that the St. Louis MSA's economy will improve and employment will grow, strengthening the demand for real estate overall.

## Area Map



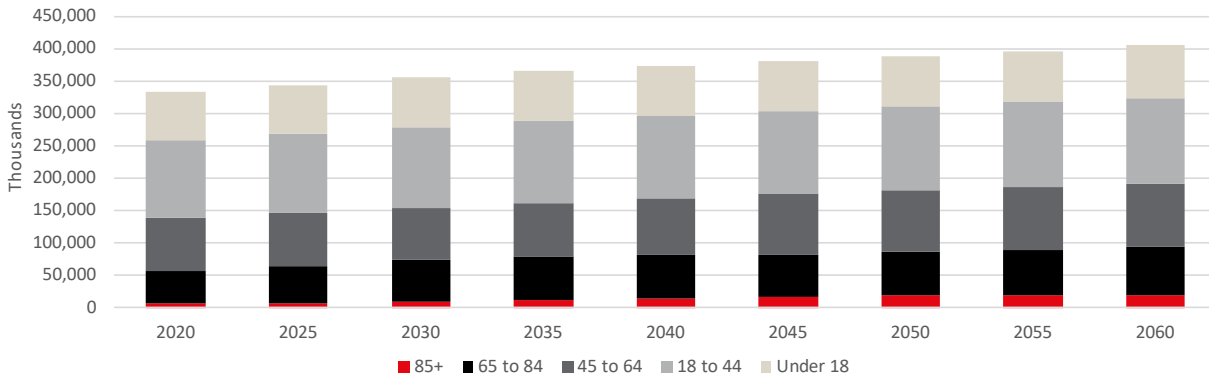
# Healthcare Real Estate Market Overview

## Market Fundamentals

### Demographics

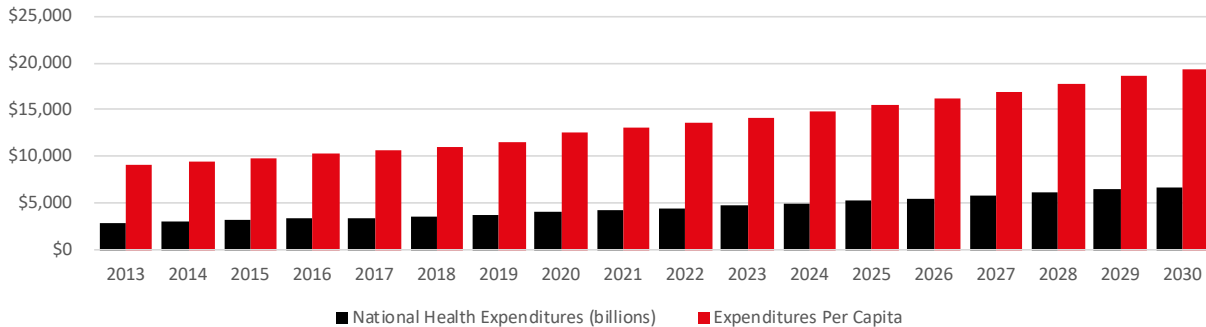
Demand for healthcare real estate is driven by population growth and the respective population healthcare needs. With the aging U.S. population, largely driven by the baby boomer generation, demand for healthcare real estate continues to increase. Much of the forecast growth will occur through 2030, when the "Baby Boom" generation enter their elderly years. From 2010 to 2030, the overall US population is forecast to grow at an annual pace of 0.7%. Growth in the 65+ population is much stronger at 3.0% per year for the 65+ population and 2.5% per year for the 85+ population. These growth rates will lead to increased demand for healthcare services and medical related real estate.

U.S. Population Growth Forecast



Source: U.S. Census Bureau

The most current CMS report was published in April 2022, with data from 2020. Annual healthcare services expenditures totalled over \$4.1 trillion in 2020. According to the Centers for Medicare & Medicaid Services, healthcare spending is estimated to grow at an average rate of 5.5% per year from 2020 through 2030, an estimated 1.0% faster growth than GDP. Furthermore, per capita healthcare spending is expected to increase from \$12,530 in 2020 to \$19,294 in 2030, a nearly 54% increase, again pointing to the increasing healthcare needs of the aging U.S. population.



Source: Centers for Medicare & Medicaid Services, actuals published as of April 2022

U.S.

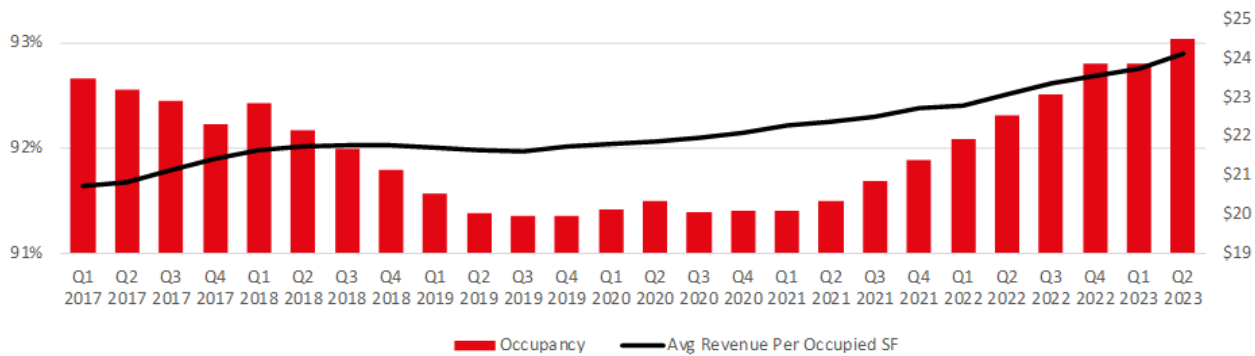
## Healthcare Spending

### Occupancy and Rental Rates

Medical office occupancy has increased each quarter since a low in 4Q2020. Occupancy rates have held above 90% for the past ten years, ranging from 90.4% to 92.8% over this period, with the decline coming after a period of increased construction trends. Occupancy rates are expected to remain strong through the remainder of the year and into next year. Despite the COVID-19 pandemic and the current state of the U.S. economy, the medical office sector continues to see increased demand.

The average revenue per occupied square-foot has trended upward over the past 10 years. The average U.S. medical office rent increased slightly from \$22.24 per square foot in the first quarter of 2021 to \$24.11 per square foot in the 2<sup>nd</sup> quarter of 2023. Since 1Q2022, rental rates have increased 5.79% and an average of nearly 1% per quarter. This growth is expected to continue as inflation persists and healthcare services continue to see increased demand.

Occupancy vs. Average Rent



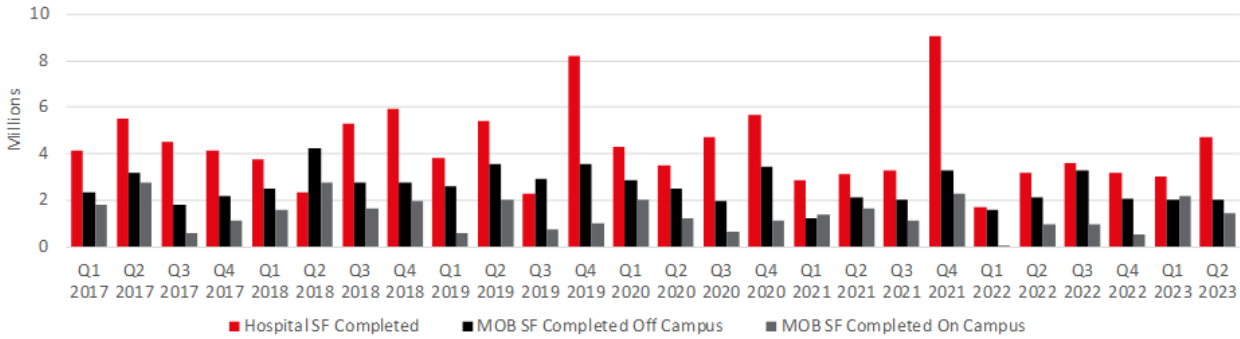
Source: *Revista Medical Real Estate*

### Construction Trends

Construction trends for healthcare real estate remain strong. In 2021, nearly 18.4 million square feet of hospital space and 15 million square feet of medical office space was added. Construction remained strong through 2022 with hospital construction of approximately 14.5 million square feet completed and a similar 14.5 million square feet of medical office.

Medical office construction has been stable over the past decade. Further, considering some of the supply becomes functionally obsolete every year, and demand for new supply is increasing with the growing and aging population, the percentage of completed square feet vs. the current supply remains relatively low.

### Healthcare Real Estate Construction Trends



Source: Revista Medical Real Estate

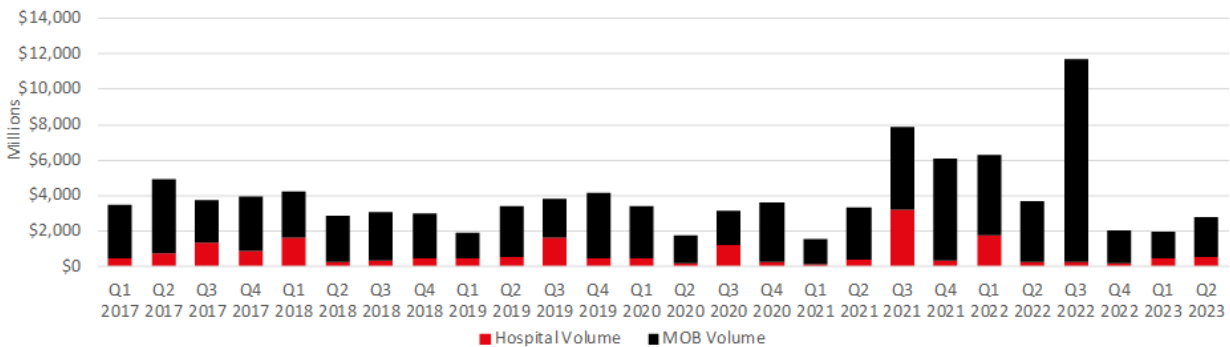
As the healthcare industry moves toward a convenience-oriented and patient-centered model, the layout of doctors’ offices is changing. Modern amenities and spaces promoting data sharing and a team-based approach to care are replacing older facilities. Buildings that promote these objectives will remain in high demand. The evolution of the healthcare sector is encouraging off-campus development, which comprises a large share of projects underway.

### Capital Markets

#### Total Transaction Volume

The recent increases in the Fed Funds Rate has had a significant impact on the capital market. In anticipation of the increase in interest rates, many investors elected to put property under contract in 2Q22 with closings happening in 3Q22, resulting in a historic volume of transaction in 3Q22. As expected, transaction volumes since 3Q22 have been significantly lower. We anticipate transactions to start increasing through the end of 2023 and into 2024 as investors believe the Fed will stop interest rate hikes.

#### Rolling Four-quarter Transaction Volume



Source: Revista Medical Real Estate

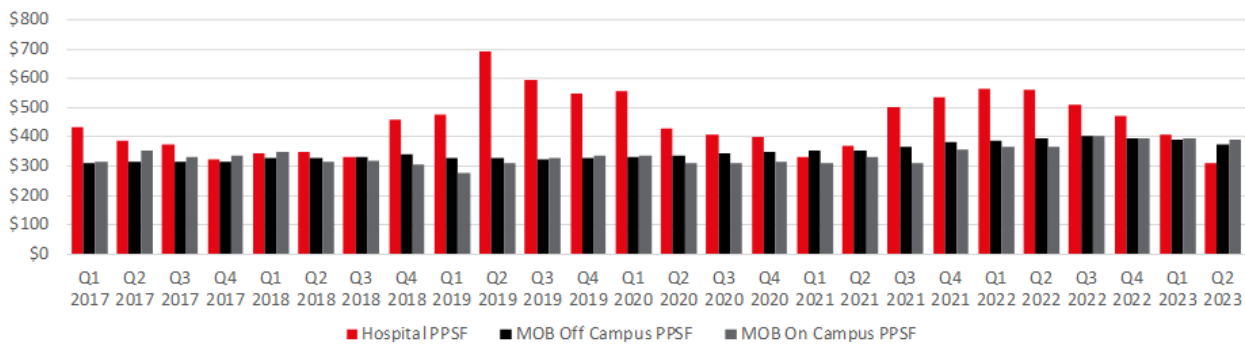
#### Transaction Price

Over the last year, pricing for healthcare real estate can vary depending on asset quality, location and tenant credit. The average price per square foot was reported at \$310 for hospitals, \$374 for off-campus medical office, and \$390 for on-campus medical office. The average year-over-year price per

square foot showed a 80.64% decrease for hospitals, a 5.67% decrease for off-campus medical office and a 5.93% increase for on-campus medical office.

The table below shows the average price per square foot for medical office properties both off-campus and on-campus, depicting a slight shift in investor demand away from hospital properties to medical office buildings. These trends summarize a shift towards a more patient-centric delivery model as major medical providers are expanding their services into communities, placing ambulatory surgery centers, stand-alone emergency departments and large multitenant medical office buildings closer to residential and retail developments.

### Rolling Four-quarter Price per Square-foot



Source: Revista Medical Real Estate

### Capitalization Rates

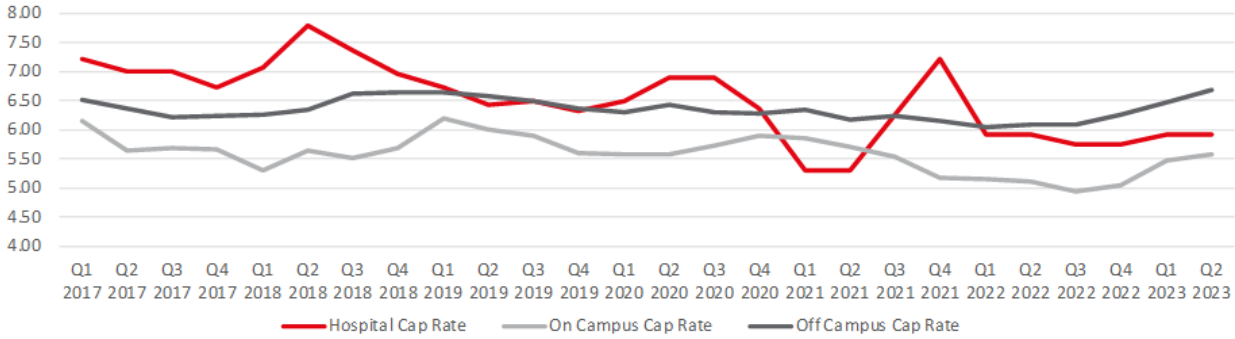
Capitalization rates appeared to have bottomed in Q3 2022 and have increased through Q2 2023. As of Q2 2023, the average capitalization rates were reported at 5.92% for hospitals, 5.58% for on-campus medical office, and 6.69% for off-campus medical office.

Capitalization rates for on-campus medical office buildings have increased by 47 basis points year-over-year, while off-campus buildings have increased by 59 basis points year-over-year. The increase in rates is widely attributable to the recent increases in the Fed Funds Rate and the associated increase in cost of capital for investors.

Capitalization rates for medical office in the 25<sup>th</sup> percentile (typically Class B & C properties) have also increased 56 basis points year-over-year, whereas cap rates in the 75<sup>th</sup> percentile (typically Class A properties) have increased a lesser 47 basis points over the same period. Currently the cap rate spread between the 25<sup>th</sup> percentile and the 75<sup>th</sup> percentile is approximately 129 basis points. For all medical office sold since 2020, Revista notes a low cap rate of 3.36% with a median of 4.00%.

The current spread between on and off-campus medical office is 111 basis points in favor of on-campus properties which tend to have a higher percentage of hospital tenancy and “sticky” uses such as surgery centers, imaging, and other specialized services. The average spread between on & off-campus MOB’s has decreased 12 basis points over the past twelve months, further indicating investor interest in both on-campus and off-campus properties.

### Rolling Four-quarter Capitalization Rates



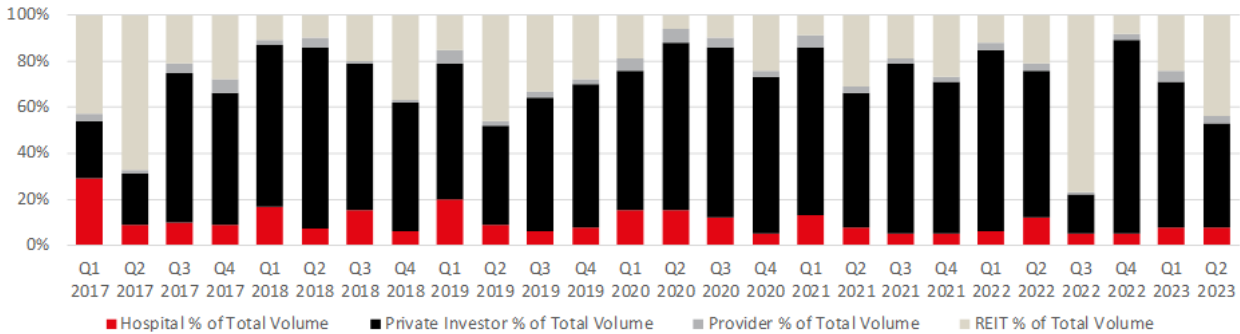
Source: *Revista Medical Real Estate*

### Buyer Composition

The buyer composition for healthcare real estate has fluctuated over time with private investors and REITs continuing to play a large role in the greater investment landscape, representing nearly 89% of total investment volume combined in the 2<sup>nd</sup> Quarter of 2023. It’s noted REITs had a record low transaction volume of 8% in 4<sup>th</sup> Quarter 2022, and have steadily increased in each subsequent quarter. Hospital systems and healthcare providers have remained fairly stable over the past year and have a Q2 2023 activity of 8% and 3%, respectively.

The stability and resilience of the medical office sector during this downturn should keep buyer-seller expectations better aligned than for more impacted asset classes. Assumptions surrounding operating expenses, rental rate increases, and tenant turnover are proving more durable due to strong demand for medical services, bolstering net operating income.

### Buyer Composition



Source: *Revista Medical Real Estate*



### Impact of COVID-19

The medical office sector is being tested as operators navigate new challenges created by COVID-19. Medical office was once perceived to be a more resilient asset class during a downturn, but the unique uphill battle faced by healthcare providers due to the pandemic has choked revenue streams and considerably shrunk margins.

Despite the short-term costs, the healthcare industry has been one of the quickest to bounce back from the pandemic since the care needs of a growing and aging population continue to increase. As of 2Q23, medical services around the country have return to pre-pandemic levels, indicating a positive outlook for the healthcare industry.

### Impact of the Federal Reserve

The Federal Reserve (Fed) actions to curb inflation have had an impact on the cost of capital, greatly impacting lending rates. Healthcare capitalization rates continued to increase through the 2<sup>nd</sup> quarter of 2023, according to Revista, and most healthcare market participants believe the inflationary fighting actions taken by the Fed have impacted market pricing and expected investor returns. According to market participants, capitalization rates have increased 25 to 125 basis points on market rate deals. The impact of these increases is somewhat offset by significant rent growth and increased demand for healthcare assets.

### Green Street CPPI

On a national basis, across all asset classes, real property markets are in flux given that the Federal Reserve actions to reduce inflation have made borrowing costs more expensive and lenders are now taking a much closer look at underwriting. This has had a direct impact on capitalization rates for real property markets. Deal flow has slowed from the peak and valuing real estate is now difficult at best.

Green Street's Commercial Property Price Index® is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector. Based on the recent publication as of May 4, 2023, all property sectors including industrial have seen valuation declines from peak pricing which we believe was mid-2022 for healthcare.

As it relates to healthcare; Green Street data suggests values are down 12% from peak. Only industrial, lodging, and self-storage have performed better, a good indicator of the resiliency in the healthcare real estate market.

## Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	Recent Peak
All Property	130.4	-0.8%	-12%	-16%
Core Sector	129.7	-1.0%	-13%	-19%
Apartment	150.7	0.0%	-16%	-21%
Industrial	232.4	2.0%	-2%	-8%
Mall	80.5	0.0%	-9%	-18%
Office	78.0	-6.0%	-27%	-31%
Strip Retail	113.8	0.0%	-6%	-14%
<b>Health Care</b>	<b>132.7</b>	<b>0.0%</b>	<b>-10%</b>	<b>-12%</b>
Lodging	109.8	0.0%	0%	-3%
Manufactured Home Park	283.8	0.0%	-11%	-12%
Net Lease	97.6	0.0%	-7%	-16%
Self-Storage	278.8	0.0%	-5%	-11%

### Medical Office Market Conclusion

The impact of COVID-19 was felt the greatest in the fourth quarter of 2020 and first quarter of 2021 as sales activity was cut nearly in half as it was harder to obtain financing and bring deals to the finish line and new deal sourcing was curbed alongside other asset classes. Strong transaction velocity in the quarters leading up to the health crisis held the yearlong total nearly in line with the prior four-quarter stretch, with fourth-quarter transaction volume and pricing indicating that the healthcare and medical office market are already showing signs of recovery.

Strong demand drivers provide a bright outlook for the sector as the effects of an aging population is already impacting demand for medical office property. New construction continues to add inventory to the market; however, the current pipeline represents only a small percentage of the overall inventory. Market rents and occupancy nationally continue to show an overall steady trend.

Cap rates in both the on-campus and off-campus property types nationally reached historic lows in mid-2022; however, have seen expansion in the subsequent quarters. Recent and anticipated regulatory changes will continue to push providers to seek the best and least expensive care for their patients, continuing the trend of moving more services to outpatient locations.

Despite the pandemic and the recent volatility in the capital markets, investor demand for healthcare properties continues to be strong. Both nationally and locally, there is adequate demand for medical services over the foreseeable future.

## Surrounding Area Analysis

### Boundaries

The subject is located in the St Louis City submarket, which is generally bound as follows:



### Surrounding Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics							
	1 mi. radius	3 mi. radius	5 mi. radius	St. Louis City	St. Louis MSA	Missouri	United States
<b>Population</b>							
2010	22,208	130,139	271,354	319,293	2,787,699	5,988,890	308,745,538
2020	20,722	125,566	267,825	301,578	2,820,253	6,154,913	331,449,281
2024	19,840	122,123	263,723	296,881	2,824,501	6,232,540	338,440,954
2029	19,034	118,042	257,913	289,598	2,820,111	6,285,716	344,873,411
Compound Chg 2020 - 2024	-1.08%	-0.69%	-0.39%	-0.39%	0.04%	0.31%	0.52%
Compound Chg 2024 - 2029	-0.83%	-0.68%	-0.44%	-0.50%	-0.03%	0.17%	0.38%
Density	6,320	4,320	3,358	4,810	359	91	96
<b>Households</b>							
2010	8,765	56,985	122,129	142,081	1,109,663	2,375,595	116,716,292
2020	8,861	58,490	127,949	144,870	1,149,824	2,479,146	126,817,580
2024	8,732	58,159	128,439	145,601	1,163,231	2,530,072	130,716,571
2029	8,629	57,927	129,437	146,639	1,180,018	2,579,681	134,930,577
Compound Chg 2020 - 2024	-0.37%	-0.14%	0.10%	0.13%	0.29%	0.51%	0.76%
Compound Chg 2024 - 2029	-0.24%	-0.08%	0.15%	0.14%	0.29%	0.39%	0.64%
<b>Other Demographics</b>							
Med. Household Income	\$42,712	\$57,066	\$58,478	\$55,037	\$79,002	\$68,138	\$79,068
Avg. Household Size	2.2	2.1	2.0	2.0	2.4	2.4	2.5
College Graduate %	23.1%	41.0%	42.2%	40.9%	38.7%	33.0%	36.8%
Median Age	36	36	36	36	40	40	39
Owner Occupied %	31%	43%	44%	41%	69%	66%	64%
Renter Occupied %	69%	57%	56%	59%	31%	34%	36%
Med. Home Value	\$153,867	\$218,720	\$218,136	\$217,118	\$264,189	\$246,312	\$355,577

Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 122,123, and the average household size is 2.1. Population in the area has declined since the 2020 census, and this trend is expected to continue in the ensuing five years. Despite the contracting population within a three-mile radius, it is estimated that the St. Louis MSA overall will remain steady.

Median household income is \$57,066, which is considerably lower than the household income for the St. Louis MSA as a whole. The populace within a three-mile radius has more formal college education than residents in the St. Louis MSA, while median home values in the area are substantially lower.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property, as well as its accessibility to public transportation.

### Walk, Bike, and Transit Information

Metric	Rating (0-100)	Description
Walk Score	78	Very Walkable
Bike Score	59	Bikeable
Transit Score	39	Some Transit
Mass Transit	Mi. from Subj.	Location
Nearest Bus Stop	0.1	Broadway @ Keokuk Sb
Summary: 3 nearby routes: 3 bus, no rail/other		

Source: Walkscore.com, updated 02/17/2024. Compiled by JLL Valuation & Advisory Services, LLC.

### Demand Generators

Major employers in the area include BJC Health System, East Region (BJC HealthCare), Washington University in St. Louis, Prairie Farms Dairy Inc., Bunge, and CEdge Inc. The closest major commercial corridors to the subject are Interstate 55 and S Broadway; providing average supporting retail and entertainment services. Development activity in the immediate area has been predominantly of retail, office and residential uses. In addition, development has been decreasing in the last three years. Finally, the subject has above average area linkages providing access to local job centers and surrounding commercial districts.

### Access and Linkages

S Tucker Blvd and I-55 S provide access to the subject from the greater St. Louis MSA metro area. Additionally, the subject has a walk score of 70 indicating an above average walkability factor. The subject is most commonly accessed via car, bus and on foot.

The nearest commercial airport is St. Louis Lambert International Airport and is located within 18.9 miles of the subject property.

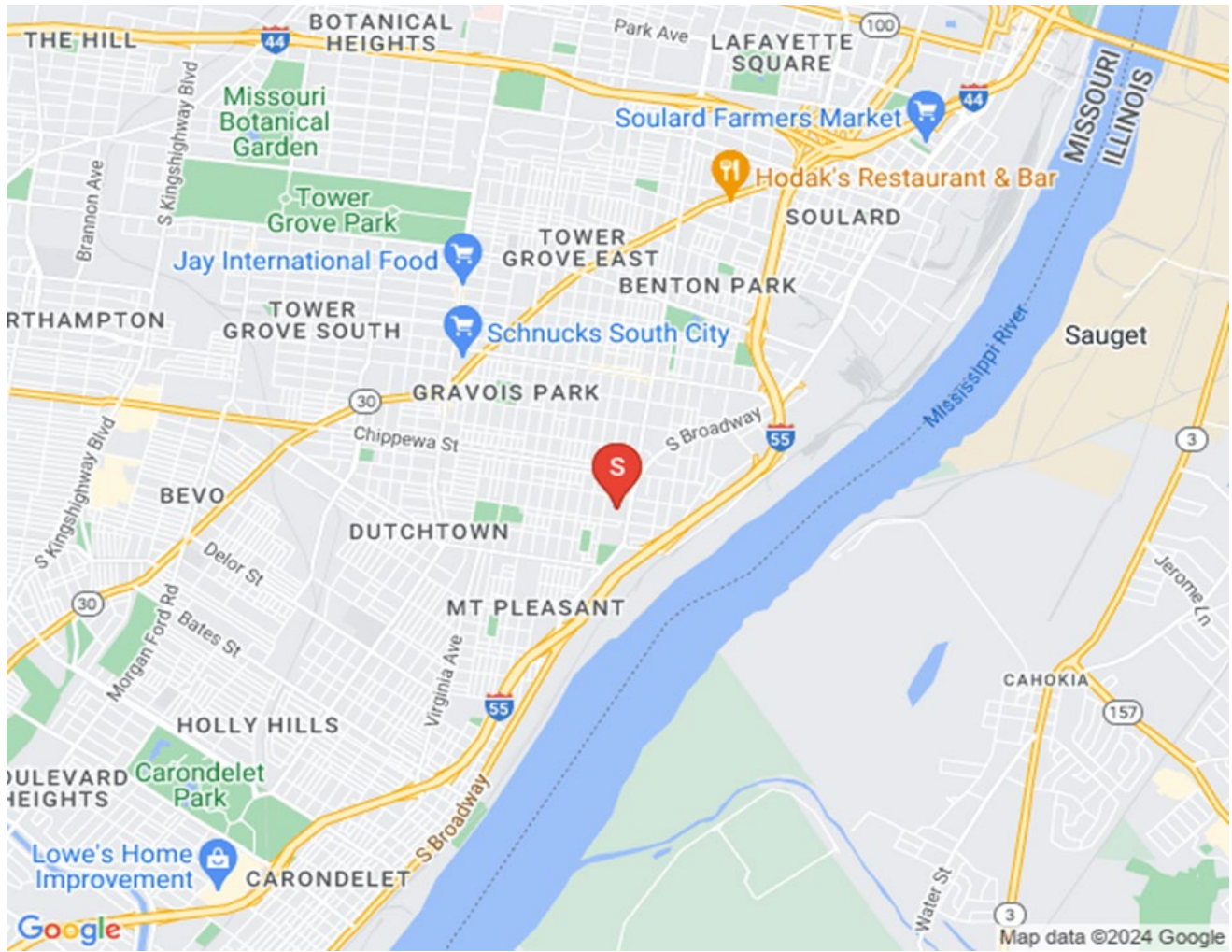
### Safety and Support Services

Safety and support services are provided by the City of St. Louis.

### Outlook and Conclusion

The subject's area has experienced recent employment growth and construction activity has been moderate contributing to our conclusion that the subject's area is in the stable stage of its life cycle.

### Surrounding Area Map



# Property Description

## Site Description

### Aerial Map



The subject property is outlined in red in the aerial above.

### Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Topography	Shape
2564-9-141.002	4.26	185,566	Level	Irregular
<b>Totals</b>	<b>4.26</b>	<b>185,566</b>		

Source: Public Records

## Land Description

Shape	Irregular
Average Depth (Feet)	341
Average Width (Feet)	420
Corner Location	Yes
Primary Street Frontage	S Broadway
Traffic Volume	10,267
Access Rating	Good
Visibility Rating	Good
Functional Utility	Average
Topography	Level
Landscaping	Typical landscaping
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	Adequate for development
Wetlands/Watershed	No wetlands were observed during our site inspection.
Flood Zone Designation	X
Flood Zone	The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
FEMA Map Number	2903850103C
FEMA Map Date	5/24/2011
Utilities	All public utilities are available to the site including public water and sewer, gas, electric, and telephone
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

## Environmental Hazards

An environmental assessment was not provided for review. No environmental hazards were apparent from inspection and it is assumed the Subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.



## Zoning Summary

Zoning Jurisdiction	City of St. Louis
Zoning Code	B
Zoning Description	Two-Family Dwelling District
Permitted Uses	Two-family dwellings; conversion town houses; temporary buildings for use incident to construction work, which buildings shall be removed upon the completion or abandonment of the construction; and small wireless facility unless prohibited by federal law, federal regulation or a federal agency
Zoning Density/FAR	None stated
Actual Density of Use	0.91
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Zoning Change Description	N/A
Maximum Building Height	No building hereafter erected shall exceed 2½ stories or 35 feet in height unless two side yards of not less than 10 feet in width are provided, in which case a building may not exceed 3 stories or 45 feet in height
Maximum Site Coverage	None stated
Set Back Distance (Feet)	Not less than 25 feet
Side Yard Distance (Feet)	There shall be provided a side yard of not less than four (4) feet in width on each side of a building, and the total width of both side yards shall be not less than ten (10) feet; provided, however, that lots of record prior to the effective date of this Zoning Code having a width of less than (40) feet, may reduce the total side yard width by an amount equal to one-half (½) the difference between the width of such lot and forty (40) feet, but in no case shall either side yard be less than three (3) feet in width
Rear Yard Distance (Feet)	Not less than 25 feet in depth
Parking Requirement	Parking space within 500 feet of the main building sufficient to accommodate 1 parking space for every 2 beds, plus 1 space for every doctor on the maximum shift
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	City of St. Louis, MO - Code of Ordinances

## Zoning Summary

Zoning Jurisdiction	City of St. Louis
Zoning Code	F
Zoning Description	Neighborhood Commercial District
Permitted Uses	General offices; professional offices; art galleries and studios; drug stores; and mixed uses which include any of the permitted residential and commercial uses
Zoning Density/FAR	None stated
Actual Density of Use	0.91
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Zoning Change Description	N/A
Maximum Building Height	No building shall exceed 3 stories or 50 feet in height. Churches, schools, public buildings, hospitals and institutions may be erected to a height exceeding 85 feet
Maximum Site Coverage	None stated
Set Back Distance (Feet)	None stated
Side Yard Distance (Feet)	None stated
Rear Yard Distance (Feet)	None stated
Parking Requirement	Parking space within 500 feet of the main building sufficient to accommodate 1 parking space for every 2 beds, plus 1 space for every doctor on the maximum shift
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	City of St. Louis, MO - Code of Ordinances

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

### Encumbrance/Easements/Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

### Overall Site Utility

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning.

## Improvements Description

The subject is an existing, vacant, 6-story former hospital that contains 168,000 SF of rentable area. Only floors 1, 2 and 5 are under appraisalment which contains 106,478 SF of rentable area. The improvements were constructed in 1927 and are 0.0% leased as of the effective appraisal date. The site area is 4.260 acres or 185,566 square feet. The fee simple bundle of rights is under appraisalment.

### Improvements Description

#### South City Hospital (1st, 2nd & 5th Floor)

##### General Description

Building Name / Type	South City Hospital (1st, 2nd & 5th Floor)
General Property Type	Health Care
Property Type	Medical Office
Competitive Property Class	C
Occupancy Type	Owner-Occupied
Occupancy	100%
Number of Buildings	1
Stories	6
Year Built	1927
Year Renovated	Various
Construction Class	Class C
Construction Type	Masonry
Construction Quality	Average
Condition	Below Average

##### Building Areas and Ratios

Gross Building Area (SF)	168,000
Floors 1, 2 & 5 Rentable Area (SF)	106,478
Land Area (SF)	185,566
Floor Area Ratio (RA/Land SF)	0.57
Building Area Source	Public Records

## Building Features

- The subject is a 6-story, 168,000 SF former hospital that is un-licensed as of the effective appraisal date. Only floors 1, 2 & 5 are under appraisalment, which contains 106,478 SF of rentable area.

## Construction Description

Building Name / Type	South City Hospital (1st, 2nd & 5th Floor)
<b>Foundation, Frame, and Exterior</b>	
Foundation	Poured concrete slab
Structural Frame	Masonry Frame
Exterior	Brick curtain wall
Windows	Fixed Casement
Roof/Cover	Flat/Membrane
<b>Interior Features</b>	
Interior Layout	Average
Lobby/Common Area	Average
Floor Cover	Carpet, Linoleum, Tile
Walls	Painted drywall
Ceilings	Acoustic ceiling panels
Lighting	A mix of fluorescent and incandescent lighting
Restrooms	Men's and women's on each floor
Finish Out Condition	Average
<b>Mechanical Systems</b>	
Heating	Central
Cooling	Central
Electrical	Assumed adequate and up to code
Plumbing	Assumed adequate and up to code
Sprinklers	Wet Water

## Parking

Building Name / Type	South City Hospital (1st, 2nd & 5th Floor)
Total Parking Spaces	190
Surface Spaces	190
Parking Type	Surface
Source of Parking Count	Aerial
Parking Spaces/1,000 SF RA	1.8
Parking Condition	Below Average
Parking Adequacy	Average

## Effective Age and Economic Life

Building Name / Type	South City Hospital (1st, 2nd & 5th Floor)
Year Built	1927
Actual Age (Yrs.)	97
Estimated Effective Age (Yrs.)	53
Estimated Economic Life (Yrs.)	55
Remaining Economic Life (Yrs.)	2

As noted above, the subject has been vacant for an extended period and the improvements are judged to be nearly fully depreciated.

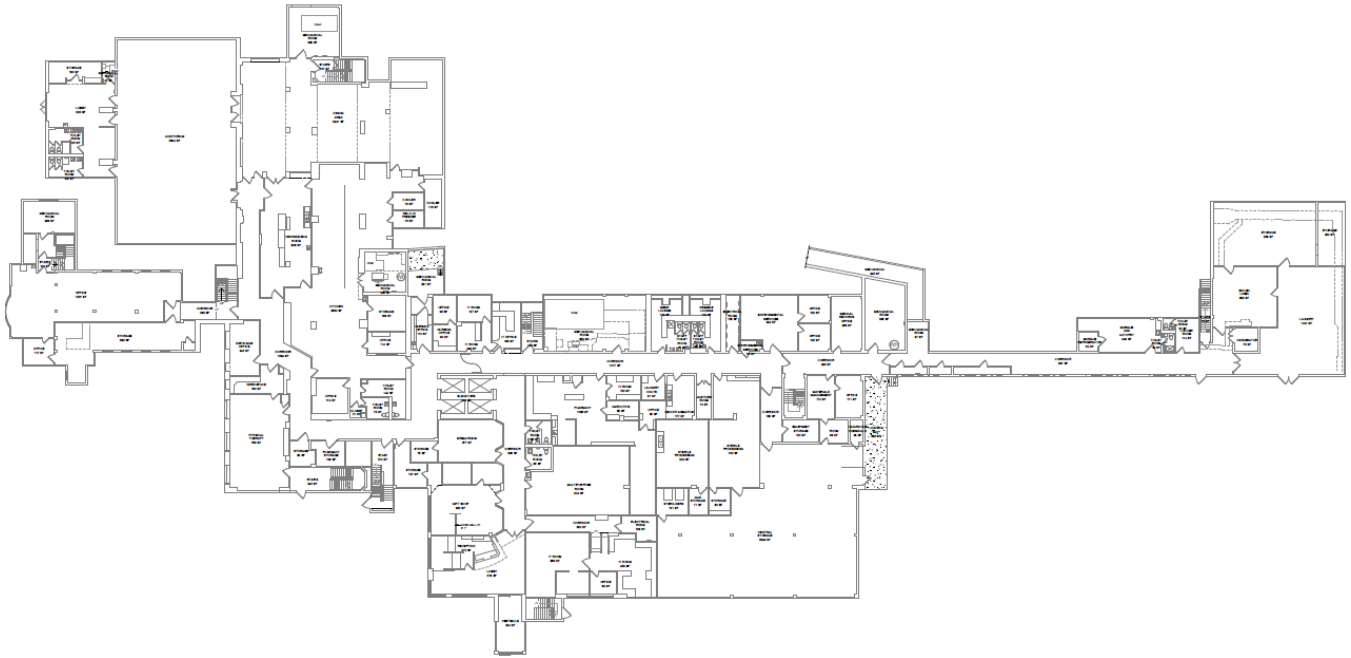
## Improvements Analysis

Design & Functional Utility	Below Average
Appeal & Appearance	Consistent with competitive properties
Deferred Maintenance	We did not identify any major items of deferred maintenance during our inspection and ownership indicated there were none.
Capital Improvements	Based on discussions with management, there are no planned capital expenditures.
Personal Property	Our appraisal considers only the real property, personal property is not included.
Furniture, Fixtures & Equipment (FF&E)	None
Americans With Disabilities Act	Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not experts in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

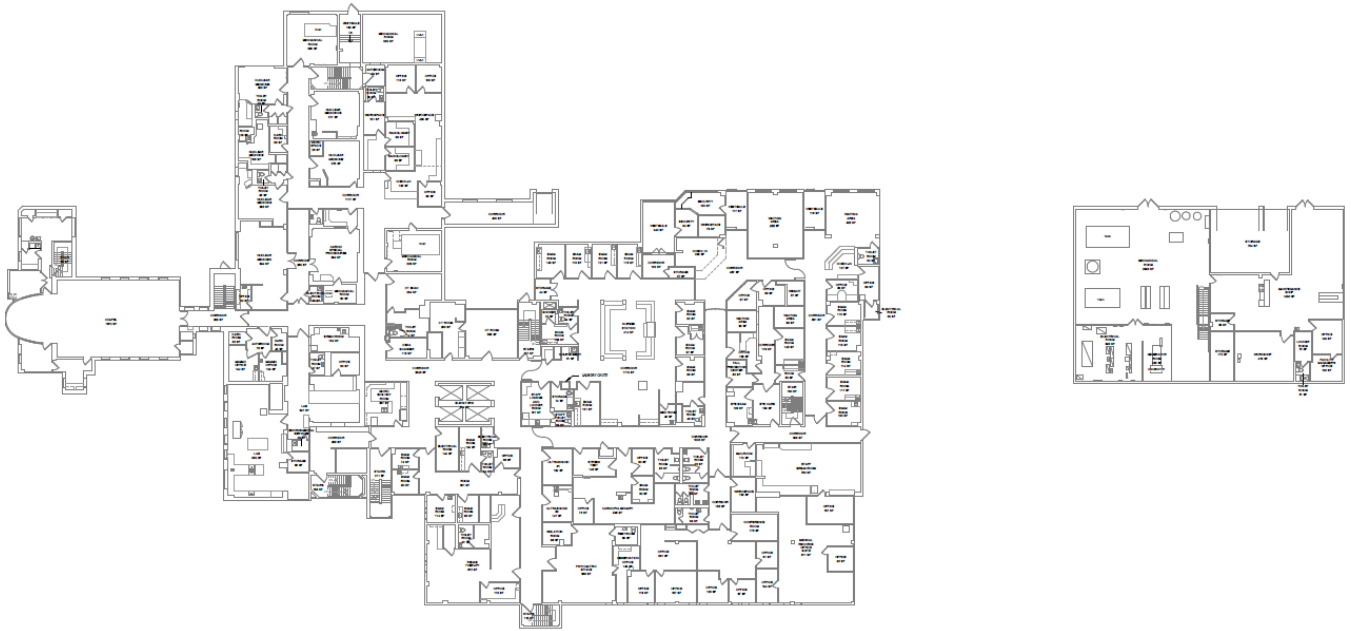
## Improvements Conclusion

On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.

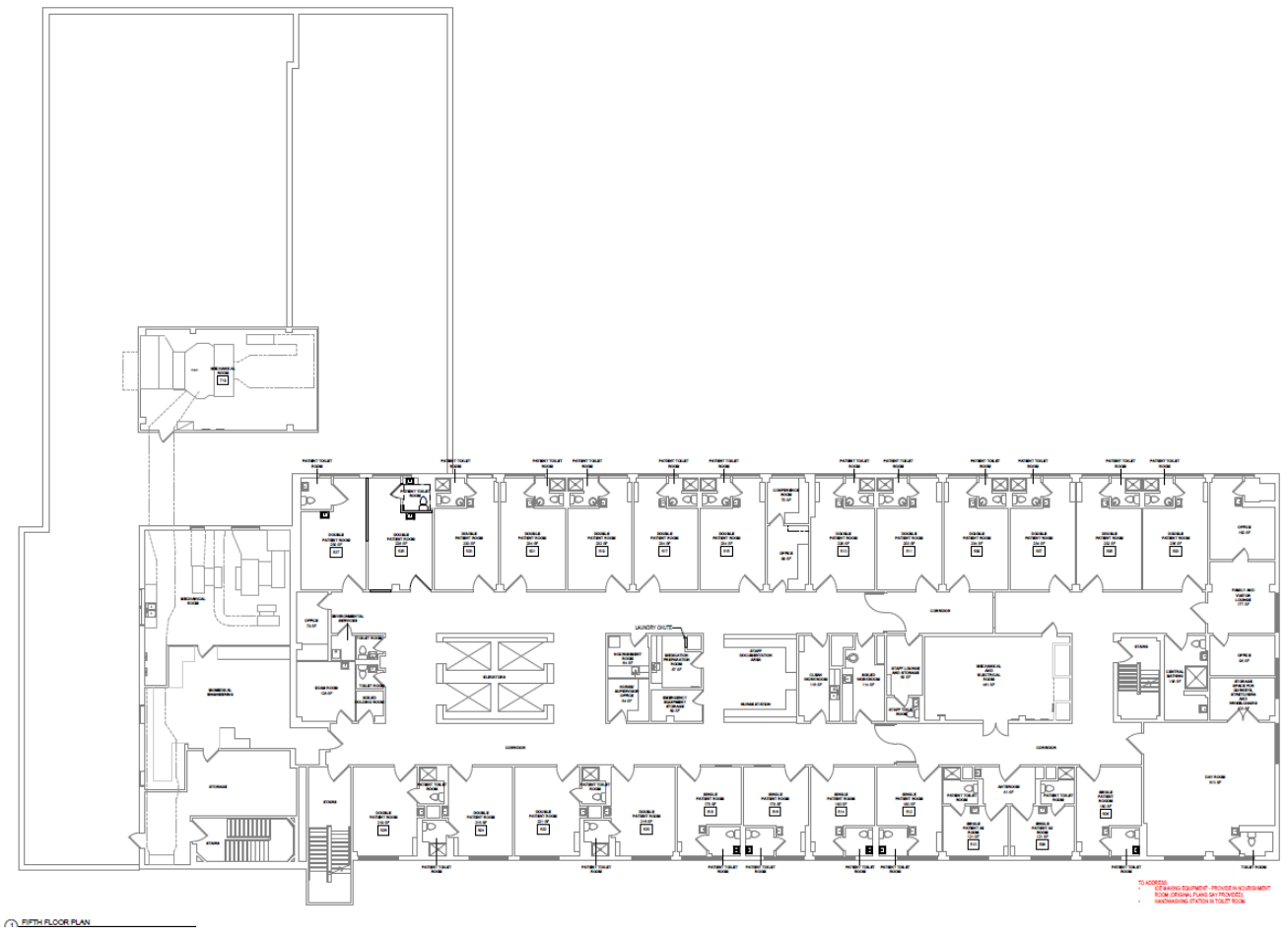
Floor Plan – 1st Floor



Floor Plan – 2nd Floor



Floor Plan – 5th Floor



Subject Photographs



Keokuk Looking West  
(Photo Taken on August 2, 2024)



Looking Southeast at Main Building  
(Photo Taken on August 2, 2024)



Looking West Along Broadway  
(Photo Taken on August 2, 2024)



Keokuk Looking East  
(Photo Taken on August 2, 2024)



Looking Southeast at Subject  
(Photo Taken on August 2, 2024)



Broadway Looking South  
(Photo Taken on August 2, 2024)





Interior View  
(Photo Taken on August 2, 2024)



Interior View  
(Photo Taken on August 2, 2024)



Interior View  
(Photo Taken on August 2, 2024)



Interior View  
(Photo Taken on August 2, 2024)



Interior View  
(Photo Taken on August 2, 2024)



Interior View  
(Photo Taken on August 2, 2024)

## Assessment and Taxes

Real estate tax assessments are administered by St. Louis City and are estimated by jurisdiction on a county basis in Missouri. Real estate taxes in this state and jurisdiction represent ad valorem taxes, meaning a tax is applied in proportion to value and potential a direct assessment. The real estate taxes for an individual property may be determined by multiplying the assessed value estimate by the composite tax rate. The composite rate is based on a consistent tax rate throughout the county, in addition to one or more local taxing district rates. Real estate tax rates change every year while reassessment occurs every odd year (ex. 2023, 2025, etc.), and purchase prices must be disclosed if a property is transferred in St. Louis City, however, disclosure requirements are not mandated state-wide.

Market values are estimated by mass appraisal utilizing the Cost and Income Approaches. Verified sales are utilized to improve model assumptions but are not directly considered in the appraised value of any particular property. If the assessment is appealed, the actual sale price would be given more consideration and all three approaches to value would be utilized. An assessment ratio is then applied to the concluded market value based on the property's use. The commercial assessment ratio to market value is 32% and the residential assessment ratio to market value is 19%. The following is a summary of the real estate deadlines and dates for each tax year:

- January 1 – Tax cycle begins with assessed values based as of January 1 of the tax year.
- May 1- 15 – Preliminary assessment determined and notices mailed. Informal appeal may commence.
- June 23 – Informal appeals end
- First Monday of July – Board of Equalization convenes to hear appeals
- Fourth Saturday in August – Board of Equalization adjourns and assessed values finalized
- Month of September – Tax districts set tax rates
- October – Tax bills are generated
- December 31 – Deadline to pay all taxes

Real estate taxes are paid in one installment by December 31 of the respective tax year.

### Real Estate Taxes

Taxing Authority                      Saint Louis City  
 Assessment Year                      2023

Real estate taxes and assessments for the current tax year are shown in the following table.

<b>Real Estate Assessment and Taxes - 2023</b>				
<b>Tax ID</b>	<b>Assessed Value</b>		<b>Taxes and Assessments</b>	
	<b>Total Assessment</b>	<b>Tax Rate</b>	<b>Ad Valorem Taxes</b>	<b>Total Taxes</b>
2564-9-141.002	\$230,600	11.33%	\$26,120.71	\$26,120.71
<b>Totals</b>	<b>\$230,600</b>	<b>11.33%</b>	<b>\$26,120.71</b>	<b>\$26,120.71</b>

Depicted in the ensuing table is the subject property's tax history. It should be noted that prior year tax rates were not provided to us and could not be located via public records.

## Tax History

Assessment Year	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes
2023	\$230,600	\$0.11	\$26,121	\$26,121

## Assessment Analysis

We have analyzed the assessment and corresponding taxation of competitive properties in the marketplace as a test of reasonableness compared to the subject's current assessment and taxation.

## Tax Comparables

No.	Name	Property Type	City	Rentable Area	Year Built	Total Assessment	Assessment per SF	Taxes	Taxes/Rentable Area
Subject	South City Hospital (1st, 2nd & 5th Floor)	Medical Office	St. Louis	106,478	1927	\$230,600	\$2.17	\$26,121	0.25
1	909 N 14th St	Medical Office	St. Louis	6,500	2001	\$166,600	\$25.63	\$15,922	2.45
2	2315 Pine St	Medical Office	St. Louis	8,653	1964	\$179,400	\$20.73	\$17,221	1.99
3	5201-5205 Chippewa St	Medical Office	St. Louis	18,000	1933	\$244,800	\$13.60	\$23,499	1.31
<b>JLL Tax Projection:</b>								<b>\$26,121</b>	<b>\$0.25</b>

Taxes for comparable properties range from \$1.31 to \$2.45 per square foot, as compared with the subject at 1.72 per square foot. On balance, the subject's taxes appear reasonable.

## Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

- **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
- **Physically Possible:** To what use is the site physically adaptable?
- **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

### Highest and Best Use of the Site

#### Legally Permissible

The site is zoned B, Two-Family Dwelling District. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only healthcare use is given further consideration in determining highest and best use of the site, as though vacant.

#### Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

#### Financially Feasible

Based on our analysis of the market, there is currently adequate demand for healthcare use in the subject's area. It appears that a newly developed healthcare use on the site would have a value commensurate with its cost. Therefore, healthcare use is considered to be financially feasible.

#### Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than healthcare use. Accordingly, it is our opinion that healthcare use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

#### Conclusion

Development of the site for healthcare use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

### Highest and Best Use as Improved

The subject site is developed with a vacant building, which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently leased and produce a significant positive cash flow that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued healthcare use is concluded to be maximally productive and the highest and best use of the property as improved.

Accordingly, the highest and best use is to redevelop the site for healthcare use.

### Most Probable Buyer

Taking into account the size and characteristics of the property and its owner occupancy, the likely buyer is an investor or an owner-user.

## Valuation Methodology

Three basic approaches may be applicable and utilized, then reconciled to arrive at an estimate of market value. An approach to value is included or eliminated based on its applicability to the property type being valued and the information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers. Applicable approaches and whether or not they were utilized are summarized below:

### Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciation from physical, functional and external causes. The land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in indication of value.

### Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. A gross income multiplier and / or effective gross income multiplier may also be analyzed. By process of correlation and analysis, a final indicated value is derived.

### Income Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using a discount rate or an internal rate of return.

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

### Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

### Analyses Applied

Applicability and utilization of the approaches in this assignment is described as follows.

<b>Approach</b>	<b>Description</b>	<b>Applicability</b>	<b>Utilization</b>
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

## Land Valuation

The subject's land value has been developed via the sales comparison approach.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. This approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

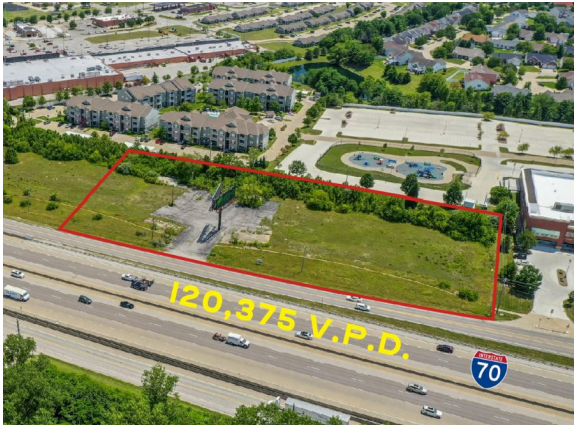
We have researched comparables for this analysis, which are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

<b>Land Sales Summary</b>					
No.	Name; Address	Sale Date; Status; Prop. Rights	Square Feet; Acres	Sale Price;	\$/SF; \$/Acre
1	7870 Veterans Memorial Pky 7870 Veterans Memorial Pky O'Fallon, MO 63376	12/18/2023 Closed Sale Fee Simple	263,974 6.06	\$2,000,000	\$7.58 \$330,033
Sale Comments: Sale of a 6.06 acre parcel of commercial land for \$2,000,000 or \$7.58/sf.					
2	670-690 S Highway Drive 670-690 S Highway Drive Fenton, MO 63026	11/9/2023 Closed Sale Fee Simple	54,450 1.25	\$710,000	\$13.04 \$568,000
Sale Comments: Sale of a 1.25 acre parcel of commercial land for \$710,000 or \$13.04/sf.					
3	345-349 Marshall Ave 345-349 Marshall Ave Webster Groves, MO 63119	9/1/2022 Closed Sale Fee Simple	207,781 4.77	\$1,430,000	\$6.88 \$299,790
Sale Comments: Sale of a 4.77 acre lot for \$1,430,000 or \$6.87/sf.					
4	2002 3rd Street 2002 3rd Street Saint Louis, MO 63104	8/13/2024 Listing Fee Simple	114,998 2.64	\$825,000	\$7.17 \$312,500
Sale Comments: Listing for a 2.64 acre parcel of commercial land for \$825,000 or \$7.17/sf.					
<b>S</b>	<b>South City Hospital (1st, 2nd &amp; 5th Floor) 3927 S Broadway St. Louis, MO 63118 Saint Louis City</b>		<b>185,566 4.26</b>		

\*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.



Land Sale Comparable Photographs



Land Sale #1  
7870 Veterans Memorial Pky



Land Sale #2  
670-690 S Highway Drive

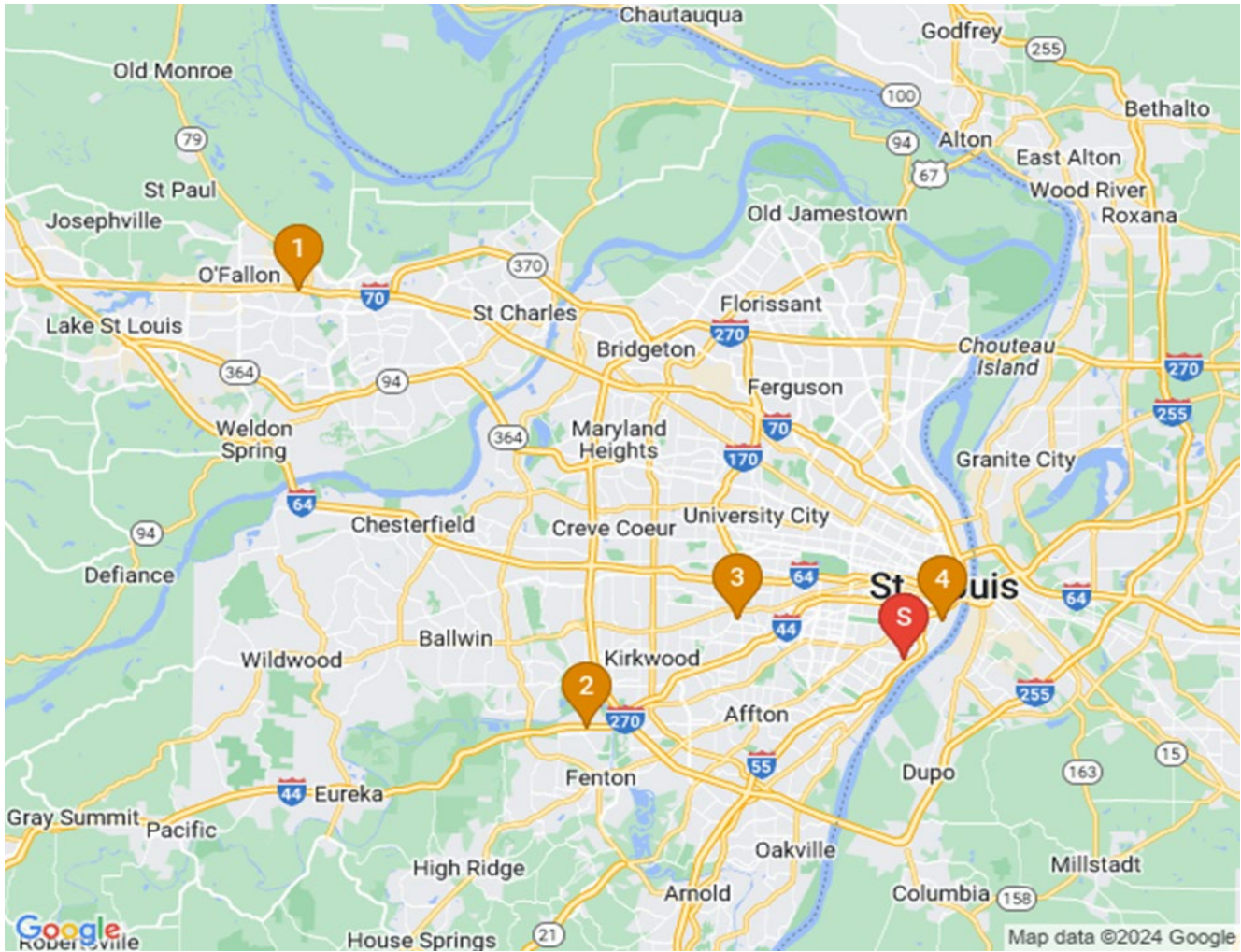


Land Sale #3  
345-349 Marshall Ave



Land Sale #4  
2002 3rd Street

Land Sales Map



No.	Name	Location	SF	Price/SF
1	7870 Veterans Memorial Pky	O'Fallon, MO	263,974	\$7.58
2	670-690 S Highway Drive	Fenton, MO	54,450	\$13.04
3	345-349 Marshall Ave	Webster Groves, MO	207,781	\$6.88
4	2002 3rd Street	Saint Louis, MO	114,998	\$7.17
S	South City Hospital (1st, 2nd & 5th Floor)	St. Louis, MO	185,566	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Grid					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Name	South City Hospital (1st, 2nd & 5th Floor)	7870 Veterans Memorial Pky	670-690 S Highway Drive	345-349 Marshall Ave	2002 3rd Street
Address	3927 S Broadway	7870 Veterans Memorial Pky	670-690 S Highway Drive	345-349 Marshall Ave	2002 3rd Street
City	St. Louis	O'Fallon	Fenton	Webster Groves	Saint Louis
County	Saint Louis City	St. Charles	St. Louis	St. Louis	Saint Louis
State	MO	MO	MO	MO	MO
Date	Aug-2024	Dec-2023	Nov-2023	Sep-2022	Aug-2024
Price		\$2,000,000	\$710,000	\$1,430,000	\$825,000
Acres	4.26	6.06	1.25	4.77	2.64
Land SF	185,566	263,974	54,450	207,781	114,998
Land SF Unit Price		\$7.58	\$13.04	\$6.88	\$7.17
Median Home Value	\$150,674	\$194,864	\$339,834	\$275,363	\$234,981
Median Household Income	\$37,753	\$75,051	\$99,323	\$80,303	\$67,893
Traffic Count	10,267	5,369	47,705	6,393	10,297
Zoning	B	C-3	C-1	E	K
Shape	Irregular	Rectangular	Square	Irregular	Irregular
Topography	Level	Level	Level	Level	Level
Utilities	The Site is Served	All Utilities Available	All Utilities	All Utilities	All Utilities
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		All Cash	All Cash	Conventional	All Cash
Conditions of Sale		Normal	Normal	Normal	Listing
% Adjustment		-	-	-	-10%
Market Trends Through	Aug-24	-3.0%	-2%	-2%	-6%
Adjusted Land SF Unit Price		\$7.43	\$12.75	\$6.49	\$6.46
Location		-10%	-10%	-10%	-10%
Access/Exposure		-	-20%	-	-
Size		-	-10%	-	-5%
Shape/Topography		-	-	-	-
Zoning		-	-	-	-
Entitlements		-	-	-	-
Adjusted Land SF Unit Price		\$6.69	\$7.65	\$5.84	\$5.49
Net Adjustments		-12%	-41%	-15%	-24%
Gross Adjustments		12%	42%	16%	25%
Summary Indicators					
		Range	Average	Median	
Comparables - Unadjusted		\$6.88 - \$13.04	\$8.67	\$7.38	
Comparables - Adjusted		\$5.49 - \$7.65	\$6.42	\$6.27	
<b>Reconciled Unit Value:</b>			<b>\$6.50</b>		

### Comparable Land Sale Adjustments

#### Property Rights

No adjustments for real property rights were required.

#### Financing

No adjustments for financing terms were required.

### Conditions of Sale

Comparable 3 has been adjusted downward to account for buyer/seller negotiations. Comparables 1 and 2 have not been adjusted.

### Expenditures After Sale

No adjustments for expenditures after sale were required.

### Economic Trends

The land sales took place from September 2022 to August 2024. Market conditions generally have been weakening over this period through the effective date of value. As a result, we apply downward adjustments of 3.0% per year to account for this trend.

### Location

All four comparables have been adjusted downward due to their superior location when compared to the subject property.

### Access/Exposure

Comparable 2 has been adjusted downward due to its superior access/exposure when compared to the subject property. The remaining three comparables have not been adjusted.

### Size

Comparables 2 and 4 have been adjusted downward due to their smaller size when compared to the subject property. Comparables 1 and 3 have not been adjusted.

### Shape/Topography

No adjustments for shape/topography were required.

### Zoning

No adjustments for zoning were required.

### Entitlements

No adjustments for entitlements were required.

Land Valuation Conclusion

All of the value indications have been considered, and in the final analysis, all comparables have been given consideration in arriving at our final reconciled value.

<b>Land Value Reconciliation</b>	
<b>Premise</b>	<b>Value</b>
As Is	August 2, 2024
Indicated Value per Land SF	\$6.50
Subject Land SF	185,566
Indicated As Is Value	\$1,206,176
<b>Rounded As Is Value</b>	<b>\$1,210,000</b>

It should be noted that we allocated approximately 53% of the total land value to the cost approach conclusion above, since 53% of the subject’s total building area is under appraisalment (floors 1, 2 & 5). This is based on the proportionate share of the subject's rentable area to the gross building area, applied to the hypothetical common areas as if the subject were condominiumized. We multiply 53% \* \$1,210,000 = \$641,300.

## Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

1. Estimate the land value according to its Highest and Best Use.
2. Estimate the replacement cost of the building and site improvements.
3. Estimate the physical, functional and/or external depreciation accrued to the improvements.
4. Sum the depreciated value of the improvements with the value of the land for an indication of value.

## Replacement Cost

Replacement cost is the current cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit.

## Direct Costs

In order to estimate the direct replacement cost, we will utilize the Marshall & Swift.

1. Marshall & Swift

Marshall Valuation Service (MVS), a nationally recognized source for cost data, is utilized to estimate direct costs for the subject, which includes expenditures for labor, materials, supervision, contractors' profit and overhead, architects' plans and specifications, sales taxes and insurance. MVS' *Square Foot Commercial Methodology* determines the property's base costs, which are then adjusted, if applicable, for differences in heating/cooling costs, and the presence of sprinklers and elevators. The adjusted base costs are then further adjusted, if applicable, to account for building height, interior wall height, building perimeter, current costs, location variations, and prospective value multipliers. Beyond the base building costs, specialty components or site improvements are provided by the segregated cost sections of the MVS *Commercial Cost Explorer*. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction. Our direct cost estimate using MVS is shown below.

Unit Costs							
Name	MVS Sec./Page or Source	MVS Building Type	Construction Class	MVS Quality	Base Cost	Sprinkler	Adjusted Base Cost
<b>Building Improvements</b>							
South City Hospital (1st, 2nd & 5th Floor)	15/22	Medical Office Building	Class C	Average	\$198.00	\$3.75	\$201.75
<b>Site Improvements</b>							
Parking	66/3	Parking	N/A	Below Average	\$2,070.00	N/A	\$2,070.00

Source: MVS

### Direct Cost Estimate

Name	Adjusted Base Cost	Current Multiplier	Local Multiplier	Story Ht. Multiplier	Perimeter Multiplier	Quantity	Units	Direct Cost Estimate
Building Improvements								
South City Hospital (1st, 2nd & 5th Floor)	\$201.75	0.990	1.080	0.880	1.000	106,478	SF	\$20,212,268
Site Improvements								
Parking	\$2,070.00	0.990	1.080	1.000	1.000	190	Space	\$420,516
<b>Subtotal- Site Improvements</b>								<b>\$420,516</b>
<b>Total</b>								<b>\$20,632,784</b>

### MVS Direct Cost Summary

Type	Cost Estimate
Building Improvements	\$20,212,268
Site Improvements	\$420,516
<b>Total MVS Direct Costs</b>	<b>\$20,632,784</b>
<b>Total MVS Direct Costs per SF</b>	<b>\$122.81</b>

### Indirect Costs

MVS does not include all of the indirect costs (soft costs) that are appropriate in a replacement cost estimate. Therefore, we add an allowance for the following indirect costs that are not contained within our direct cost estimate: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization.

### Entrepreneurial Profit

The final component of the replacement cost estimate is entrepreneurial profit, the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project.

### Replacement Cost New

The following tables show our replacement cost estimates for the subject building improvements and site improvements.

### Replacement Cost New Estimate

Name	Direct Cost Estimate	Indirect Costs (%)	Indirect Costs (\$)	Replacement Cost + Indirect Cost	Replacement Cost Estimate
Building Improvements					
South City Hospital (1st, 2nd & 5th Floor)	\$20,212,268	10.00%	\$2,021,227	\$22,233,495	\$22,233,495
Site Improvements					
Parking	\$420,516	10.00%	\$42,052	\$462,568	\$462,568
<b>Subtotal- Site Improvements</b>					<b>\$462,568</b>
<b>Total</b>					<b>\$22,696,063</b>

### Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. It is the difference between the market value of a structural improvement or piece of equipment and its reproduction or replacement cost as of the date of valuation. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test

being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

### Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

The cost to cure the subject’s deferred maintenance, as discussed in the improvement analysis, is deducted from the replacement cost new of the subject.

After deducting deferred maintenance, if any, we use the age-life method to estimate depreciation applicable to the remaining replacement costs. This method indicates the loss in value due to physical deterioration and some functional obsolescence based on the age and condition of the improvements. The age-life method is applied on a straight-line basis, by dividing the subject’s effective age by its economic life. Age-life depreciation for the site improvements is estimated separately from the building improvements, based on their shorter economic lives.

### Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable. Functional obsolescence is a loss in value due to changes in market tastes and standards. In the case of the subject, it is not necessary to make a deduction for additional functional obsolescence over and above that accounted for in the age-life method.

### External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. A deduction for external obsolescence is not considered necessary for the subject.

### Final Estimate of Depreciation

Our estimate of depreciation and calculation of depreciated replacement cost is shown in the following table.

Depreciation Estimate								
Name	Replacement Cost Estimate	Effective Age	Economic Life	Age-Life Depreciation (%)	Total Depreciation (%)	Depreciated Replacement Cost	Depreciated Unit Cost	
Building Improvements								
South City Hospital (1st, 2nd & 5th Floor)	\$22,233,495	53	55	96.4%	96.4%	\$808,491	\$7.59	
Site Improvements								
Parking	\$462,568	20	20	100.0%	100.0%	-	\$0.00	
<b>Subtotal- Site Improvements</b>	<b>\$462,568</b>			<b>100.0%</b>	<b>100.0%</b>	-		
<b>Total</b>	<b>\$22,696,063</b>			<b>96.4%</b>	<b>96.4%</b>	<b>\$808,491</b>		



### Cost Approach Conclusion

By combining our land value conclusion with the depreciated replacement cost of the subject, we arrive at a value indication by the cost approach as shown in the following table.

<b>Cost Approach Valuation</b>	
<b>As Is</b>	<b>Projection</b>
Concluded Land Value	\$641,300
Depreciated Cost of Improvements	\$808,491
Indicated As Is Value	\$1,449,791
<b>Rounded As Is Value</b>	<b>\$1,400,000</b>

It should be noted that we allocated approximately 53% of the total land value to the cost approach conclusion above, since 53% of the subject's total building area is under appraisal (floors 1, 2 & 5). This is based on the proportionate share of the subject's rentable area to the gross building area, applied to the hypothetical common areas as if the subject were condominiumized. We multiply 53% \* \$1,210,000 = \$641,300.

## Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

We have researched comparables for this analysis, which are documented on the following pages, followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

The subject has been vacant for an extended period of time and would need extensive renovations to achieve a condition/quality that is typical for this type of property. We selected comparables that were purchased as vacant buildings.

### Improved Sales Summary - Office

No.	Name; Address	Sale Date; Status; Prop. Rights	Year Blt.; Yr. Renov.	Rentable GBA	Sale Price	\$/RA; \$/GBA
1	5100 Ararat Drive 5100 Ararat Drive Kansas City, MO 64129	5/15/2024 Closed Sale Fee Simple	1974 Various	57,583	\$2,050,000	\$35.60
Sale Comments: Sale of a vacant 57,583 sf building for \$2,005,000 million or \$35.6/sf						
2	2801 Gravois Ave 2801 Gravois Ave Saint Louis, MO 63118	9/27/2023 Closed Sale Fee Simple	1950 Various	31,712	\$700,000	\$22.07
Sale Comments: Sale of a vacant, 2-story 31,712 sf building for \$700,000 or \$22.07/sf.						
3	1005-1029 Convention Plz 1005-1029 Convention Plz Saint Louis, MO 63101	7/9/2023 Closed Sale Fee Simple	1988 Various	250,000	\$2,000,000	\$8.00
Sale Comments: Sale of a 250,000 sf building for \$2,000,000 or \$8/sf. The building was vacant at the time of purchase.						
4	Stray Rescue Of St Louis 4084 Bingham Ave Saint Louis, MO 63116	3/14/2022 Closed Sale Fee Simple	1919 Various	64,846	\$1,400,000	\$21.59
Sale Comments: Sale of a vacant 64,846 sf building for \$1,400,000 or \$21.51/sf.						
<b>S</b>	<b>South City Hospital (1st, 2nd &amp; 5th Floor)</b> <b>3927 S Broadway</b> <b>St. Louis, MO 63118</b> <b>Saint Louis City</b>		<b>1927</b> <b>Various</b>	<b>15,150</b> <b>168,000</b> <b>St. Louis</b>		

\*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.

Improved Sale Comparable Photographs



Improved Sale #1  
5100 Ararat Drive



Improved Sale #2  
2801 Gravois Ave

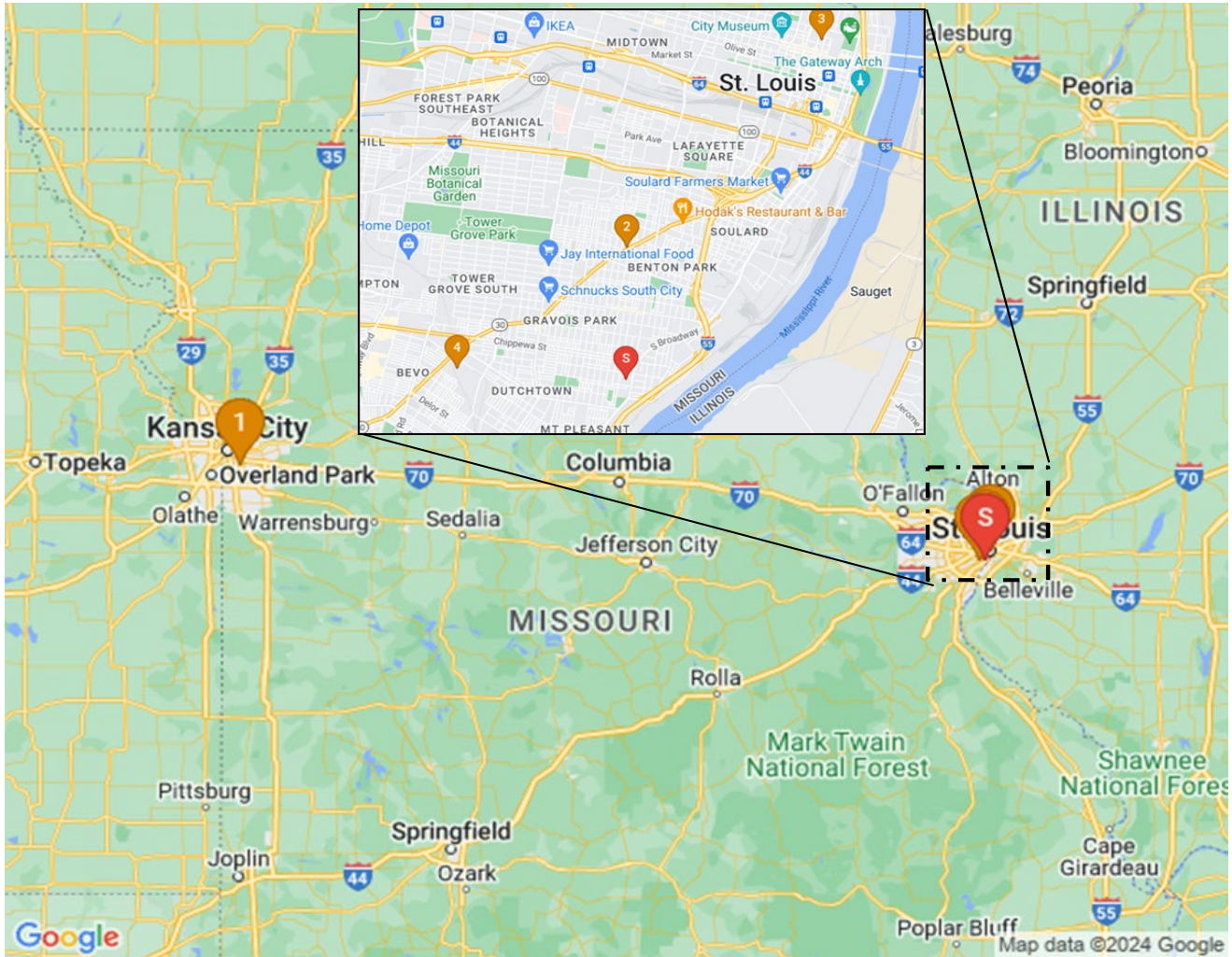


Improved Sale #3  
1005-1029 Convention Plz



Improved Sale #4  
Stray Rescue Of St Louis

Improved Sales Map



No.	Name	Location	Rentable Area	Price/Rentable Area
1	5100 Ararat Drive	Kansas City, MO	57,583	\$35.60
2	2801 Gravois Ave	Saint Louis, MO	31,712	\$22.07
3	1005-1029 Convention Plz	Saint Louis, MO	250,000	\$8.00
4	Stray Rescue Of St Louis	Saint Louis, MO	64,846	\$21.59
S	South City Hospital (1st, 2nd & 5th Floor)	St. Louis, MO	106,478	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Sales Grid					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Name	South City Hospital (1st, 2nd & 5th Floor)	5100 Ararat Drive	2801 Gravois Ave	1005-1029 Convention Plz	Stray Rescue Of St Louis
Address	3927 S Broadway	5100 Ararat Drive	2801 Gravois Ave	1005-1029 Convention Plz	4084 Bingham Ave
City	St. Louis	Kansas City	Saint Louis	Saint Louis	Saint Louis
County	Saint Louis City	Jackson	Saint Louis	St. Louis	St. Louis
State	MO	MO	MO	MO	MO
Date	Aug-2024	May-2024	Sep-2023	Jul-2023	Mar-2022
Price		\$2,050,000	\$700,000	\$2,000,000	\$1,400,000
Rentable Area	106,478	57,583	31,712	250,000	64,846
Rentable Area Unit Price		\$35.60	\$22.07	\$8.00	\$21.59
Year Built	1927	1974	1950	1988	1919
Renovations	Various	Various	Various	Various	Various
TOS Occupancy Rate		0.00%	0.00%	0.00%	0.00%
TOS Cap Rate		N/A	N/A	N/A	N/A
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Conventional	Conventional	Conventional	Conventional
Conditions of Sale		Normal	Normal	Normal	Normal
Market Trends Through	Aug-24	-3.0%	-1%	-3%	-7%
Adjusted Rentable Area Unit Price		\$35.37	\$21.51	\$7.74	\$20.07
Location		-10%	-20%	-	-
Access/Exposure		-	-	-	-
Size		-10%	-15%	10%	-10%
Building Quality		-	-	-10%	-5%
Age/Condition		-15%	-15%	-15%	-
Economic Characteristics		-	-	-	-
Adjusted Rentable Area Unit Price		\$22.99	\$10.75	\$6.58	\$17.06
Net Adjustments		-35%	-51%	-18%	-21%
Gross Adjustments		36%	53%	38%	22%
Summary Indicators					
		Range	Average	Median	
Comparables - Unadjusted		\$8.00 - \$35.60	\$21.82	\$21.83	
Comparables - Adjusted		\$6.58 - \$22.99	\$14.35	\$13.91	
<b>Reconciled Unit Value</b>			<b>\$14.00</b>		

### Comparable Sale Adjustments

#### Property Rights

No adjustments for real property rights were required.

#### Financing

No adjustments for financing terms were required.

### Conditions of Sale

No adjustments for conditions of sale were required.

### Expenditures After Sale

No adjustments for expenditures after sale were required.

### Economic Trends

Market trends for healthcare properties have shown modest depreciation – a trend that has been noted over the past several years. Despite the uncertainty of the COVID-19 impact, the healthcare sector has not been widely affected; therefore, a market condition adjustment of -3.0% is warranted.

### Location

Location adjustments are made using appraiser's judgement based on the comparables' proximity to area with a higher density. Areas of higher density typically have a higher healthcare spending potential index and thus are considered locationally superior when compared to less dense areas with a lower healthcare spending potential index.

Comparables 1 and 2 have been adjusted downward due to their superior location when compared to the subject property. Comparables 3 and 4 have not been adjusted.

### Access/Exposure

No adjustments for access/exposure were required.

### Size

Comparables 1, 2 and 4 have been adjusted downward due to their smaller size when compared to the subject property. Comparable 3 has been adjusted upward due to its larger size when compared to the subject property.

### Building Quality

Comparables 3 and 4 have been adjusted downward due to their superior building quality when compared to the subject property. Comparables 1 and 2 have not been adjusted.

### Age/Condition

Comparables 1, 2 and 3 have been adjusted downward due to their superior age/condition when compared to the subject property. Comparable 4 has not been adjusted.

### Economic Characteristics

The Federal Reserve (Fed) actions to curb inflation have had an impact on the cost of capital, greatly impacting lending rates. Most healthcare market participants believe the inflationary fighting actions taken by the Fed have impacted market pricing and expected investor returns. The table below actions from each meeting, rate changes, target rates and the corresponding SOFR rates.

Federal Reserve Meetings - 2022, 2023, & 2024			
Date	Rate Change (bps)	Fed Funds Rate	SOFR (30-day)
Mar-22	+25 bps	0.25% - 0.50%	0.05%
May-22	+50 bps	0.75% - 1.00%	0.29%
Jun-22	+75 bps	1.50% - 1.75%	0.78%
Jul-22	+75 bps	2.25% - 2.50%	1.53%
Sep-22	+75 bps	3.00% - 3.25%	2.28%
Nov-22	+75 bps	3.75% - 4.00%	3.04%
Dec-23	+50 bps	4.25% - 4.50%	3.83%
Jan/Feb-23	+25 bps	4.50% - 5.00%	4.31%
Mar-23	+25 bps	4.75% - 5.25%	4.87%
May-23	+25 bps	5.00% - 5.25%	4.81%
Jun-23	+0 bps	5.00% - 5.25%	5.07%
Jul-23	+25 bps	5.25% - 5.50%	5.30%
Sep-23	+0 bps	5.25% - 5.50%	5.30%
Oct/Nov-23	+0 bps	5.25% - 5.50%	5.33%
Dec-23	+0 bps	5.25% - 5.50%	5.34%
Jan-24	+0 bps	5.25% - 5.50%	5.34%
Mar-24	+0 bps	5.25% - 5.50%	5.32%
Apr/May-24	+0 bps	5.25% - 5.50%	5.32%
Jun-24	+0 bps	5.25% - 5.50%	5.32%
Jul-24	+0 bps	5.25% - 5.50%	5.32%
Sep-24	-50 bps	4.75% - 5.00%	5.16%
Nov-24	-25 bps	4.50% - 4.75%	4.76%

Based on the preceding, in our view higher interest rates put upward pressure on capitalization rates, which directly impacts values. According to market participants, capitalization rates have increased 25 to 125 basis points on market rate deals. The impact of these increases is somewhat offset by significant rent growth and increased demand for healthcare assets. The following table illustrates the impact of market rent increases and increased capitalization rates.

### Cap Rate Impact on Value

3% Rent Growth							
Cap Rate Scenario	Market Rent	V&C	NOI	Cap Rate Expansion	Cap Rate	Implied Value/SF	Change in Value
Peak Pricing	\$23.00	5%	\$21.85	-	4.50%	\$485.56	-
+25 bps	\$23.69	5%	\$22.51	25	4.75%	\$473.80	-2.42%
+50 bps	\$23.69	5%	\$22.51	50	5.00%	\$450.11	-7.30%
+75 bps	\$23.69	5%	\$22.51	75	5.25%	\$428.68	-11.71%
+100 bps	\$23.69	5%	\$22.51	100	5.50%	\$409.19	-15.73%
+125 bps	\$23.69	5%	\$22.51	125	5.75%	\$391.40	-19.39%
+150 bps	\$23.69	5%	\$22.51	150	6.00%	\$375.09	-22.75%

The previous table suggests a decrease in value ranging from 2.42% (25 bps with 3% market rent increase) to 22.75 percent (150 bps with 3% market rent increase). Most brokers believe that pricing is now 10 to 25 percent lower, based on the asset class and economic characteristics. With a lack of closed sales in the market since August 2022, participants are still waiting for market transactions to pinpoint the actual decline in values. However, this exercise is the typical methodology for assessing adjustments for economic conditions in the absence of plentiful sales.



**Sales Comparison Approach Conclusion**

In the state of Missouri, there is a listing for a vacant 25,000 sf office building for \$375,000 or \$14.96/sf & a 76,500 sf building for \$1,600,000 or \$20.92/sf. All of the value indications have been considered, and in the final analysis, all have been given consideration in arriving at our final reconciled value, as depicted below.

<b>Sales Approach Valuation</b>	
<b>Premise</b>	<b>Value</b>
As Is	August 2, 2024
Indicated Value per Rentable Area	\$14.00
Subject Rentable Area	106,478
Indicated As Is Value	\$1,490,692
<b>Rounded As Is Value</b>	<b>\$1,490,000</b>

## Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied and the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

### Value Indications

<b>Summary of Value Indications</b>	
	<b>Hypothetical Market Value As Is</b>
Cost Approach	\$1,400,000
Sales Comparison Approach	\$1,490,000
Income Capitalization Approach	Not Utilized
<b>Reconciled</b>	<b>\$1,490,000</b>

### Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation.

Due to the age of the subject improvements, estimates of depreciation are subjective, limiting the reliability of this approach. Additionally, the cost approach is not typically used by market participants, except for new properties. Further, there is a limited market for sites similar to the subject, which would limit the reliability of a land value estimate. Accordingly, the cost approach is not relied upon in this analysis. It does, however, provide general support for the indications developed in the other approaches.

### Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing.

There is a reasonably active market for comparable properties, and this approach most closely reflects buyer behavior. Accordingly, the sales comparison approach is given greatest weight in the value conclusion.

### Income Approach

The income capitalization is not utilized in this analysis.

### Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Hypothetical Market Value As Is	Fee Simple	August 2, 2024	\$1,490,000

### Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local medical office market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6-9 months.

### Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. *Given the market uncertainty and volatility, marketing times are currently difficult to predict.* It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 6-9 months.

Our estimate is supported by the following national investor survey data.

### PwC Investor Survey

Investor Survey 2024 Q3 Medical Office Bldg. Marketing Time		
Property Type	Marketing Time	
US		
	Range	1.0 – 12.0
MOB Overall	Average	5.4

Source: PwC Real Estate Investor Survey.

## Limiting Conditions and Assumptions

1. All reports and work product we deliver to you (collectively called “report”) represent an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies are correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.

11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.

19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

# *Appendix A*

## Appraiser Qualifications





### **Bryan J. Lockard, MRICS**

Executive Managing Director  
Head of Healthcare & Alternative Real Estate  
Value and Risk Advisory – Americas  
+1 813 387 1301  
bryan.lockard@jll.com

#### **Current responsibilities**

Bryan J. Lockard serves as Executive Managing Director in JLL's Valuation and Risk Services, specializing in the national seniors housing and healthcare sectors. As Head of Healthcare & Alternative Real Estate, Bryan also helps support multiple sectors with over 40 professionals with offices in 10 U.S. metro markets. Mr. Lockard also serves on the Executive Committee overseeing all commercial property sectors.

Mr. Lockard has experience in valuation, market studies, and feasibility analyses of single-asset to large portfolio transactions throughout the United States. Clients served include a broad base of local and national investment firms, property owners, development and operating companies, commercial and investment banks, insurance companies and REITs.

#### **Experience**

Prior to joining JLL, Mr. Lockard was with CBRE in the Seniors Housing and Healthcare Group where he was practice leader for the central US and focused on continuing care retirement communities nationally. Bryan began his career in commercial real estate as an Associate at HealthTrust in the Sarasota, Florida and Boston, Massachusetts offices. Bryan graduated from the University of Florida with a major in Finance and a minor in Leadership.

#### **Education**

- University of Florida, B.S.
  - Major: Business Administration - Finance
  - Minor: Leadership

#### **Affiliations**

- Member of American Seniors Housing Association (ASHA) Young Leaders
- Appraisal Institute
- Multiple Advanced Level Courses

#### **Clients Represented**

- AIG
- Altitude Healthcare
- Bank Leumi
- BBVA Compass
- BOK Financial
- Bremer Bank
- Brookdale
- Capital One
- CBRE Capital Markets
- CNL Healthcare REIT
- Fannie Mae
- Freddie Mac
- Harrison Street
- Kayne Anderson
- KeyBank
- Lument
- M&T Bank
- Newmark Knight Frank
- Omega Healthcare Investors
- PGIM Investors
- PNC Bank
- ReNew REIT
- Strawberry Fields REIT
- SunTrust
- Wells Fargo

#### **Certified General Real Estate Appraiser:**

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- District of Columbia
- Florida
- Georgia
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Nebraska
- New Hampshire
- New Jersey
- New York
- North Carolina
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Virginia
- Washington
- Wisconsin

# State of Missouri

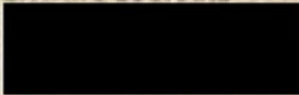
Missouri Department of Commerce and Insurance  
Division of Professional Registration  
Real Estate Appraisers Commission

## State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2026  
ORIGINAL CERTIFICATE/LICENSE NO. 2017030299

BRYAN J LOCKARD



*Vivian Bruckner*  
EXECUTIVE DIRECTOR

*Sheila Salen*  
DIVISION DIRECTOR



### Whitney Panneton

Senior Director, Value and Risk Advisory – Americas  
National Leader of Multi-Housing – HUD MAP Subsector  
+1 314 678 7808  
whitney.panneton@jll.com

#### Current responsibilities

Whitney Panneton serves as the national leader for JLL's multi-housing HUD MAP specialty practice. He specializes in the valuation of multi-housing assets, including conventional, affordable, mixed-use, and student housing for commercial lending, financial reporting, and other consultative services. As the national leader of the multi-housing HUD MAP specialty practice, Mr. Panneton is responsible for implementation of best practices and quality assurance for all HUD MAP valuations while providing excellent client management from pre-application through firm commitment.

#### Experience

He joined JLL through the acquisition of Integra Realty Resources Chicago (IRR) in December 2016. He was previously with IRR since 2013. He has experience in valuing existing and proposed multi-housing, mixed-use, office, retail, industrial, self-storage, business parks, specialty assets, and condominium properties throughout St. Louis metropolitan area and U.S. Midwest region. He has also valued public development incentives including tax increment financing (TIF), Community Improvement District (CID), and real estate tax abatement. These assignments have been completed for refinance and acquisitions purposes on behalf of institutional investors and lenders, commercial banks, REIT's, governmental entities, individual investors and other clients.

#### Education

- University of Illinois at Chicago (UIC), Masters of Urban Planning and Policy
- University of Chicago, Biology, Bachelor of Arts

#### Affiliations

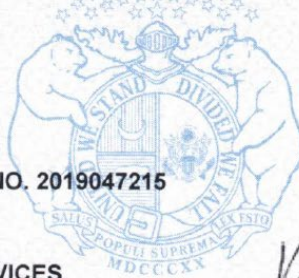
- Candidate of the Appraisal Institute

#### Certified General Real Estate Appraiser in the following States:

- Illinois
- Maryland
- Missouri
- New York
- Oklahoma
- Texas

# State of Missouri

**Missouri Department of Commerce and Insurance  
Division of Professional Registration  
Real Estate Appraisers Commission  
State Certified General Real Estate Appraiser**



VALID THROUGH JUNE 30, 2026  
ORIGINAL CERTIFICATE/LICENSE NO. 2019047215

WHITNEY M PANNETON  
JLL VALUATION & ADVISORY SERVICES  
211 NORTH BROADWAY, SUITE 2900  
SAINT LOUIS MO 63102  
USA

*Vanessa Beauchamps*  
EXECUTIVE DIRECTOR

*Sheila Solon*  
DIVISION DIRECTOR

# *Appendix B*

## Definitions

## Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

### **Amenity**

A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

### **As Is Market Value**

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

### **Class of Apartment Property**

For the purposes of comparison, apartment properties are grouped into three classes. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures.

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, architectural appeal, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Class B buildings do not compete with Class A buildings at the same price. Building finishes are fair to good for the area, and systems are adequate.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area. Class C buildings are generally older, and are lower in quality and condition.

(Adapted from “Class of Office Building” in *The Dictionary of Real Estate Appraisal*.)

### **Deferred Maintenance**

Needed repairs or replacement of items that should have taken place during the course of normal maintenance.

### **Depreciation**

A loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

### **Discounted Cash Flow (DCF) Analysis**

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

### **Disposition Value**

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
10. This definition can also be modified to provide for valuation with specified financing terms.

### **Effective Date of Appraisal**

The date to which the appraiser's analyses, opinions, and conclusions apply; also referred to as date of value.

### **Entrepreneurial Profit**

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

### **Excess Land; Surplus Land**

**Excess Land:** Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued independently.

**Surplus Land:** Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

### **Exposure Time**

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

### **Extraordinary Assumption**

An assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

### **Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

### **Floor Area Ratio (FAR)**

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

### **Gross Building Area (GBA)**

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.

### **Highest and Best Use**

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

### **Hypothetical Condition**

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

### **Lease**

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

### **Leased Fee Interest**

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

### **Leasehold Interest**

The tenant's possessory interest created by a lease.



### **Liquidation Value**

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
10. This definition can also be modified to provide for valuation with specified financing terms.

### **Marketing Time**

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

### **Market Rent**

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

### **Market Value**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

### **Multifamily Property Type**

Residential structure containing five or more dwelling units with common areas and facilities. (Source: Appraisal Institute Commercial Data Standards and Glossary of Terms, Chicago, Illinois, 2004 [Appraisal Institute])

### **Multifamily Classifications**

**Garden/Low Rise Apartments:** A multifamily development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. (Source: Appraisal Institute)

**Mid/High-Rise Apartment Building:** A multifamily building with four or more stories, typically elevator-served. (Source: Appraisal Institute)

### **Prospective Opinion of Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

### **Rentable Area**

For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

### **Replacement Cost**

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design and layout.

### **Reproduction Cost**

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

### **Stabilized Income**

Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.

# *Appendix C*

## Financials and Property Information

## Address & Property Search

Your search for **3927 S BROADWAY ST LOUIS MO 63118** | [New Search](#)

### Basic Info

Primary address	3927 S BROADWAY ST LOUIS MO 63118
Owner name	SA HOSPITAL REAL ESTATE HOLDING LLC
Parcel ID	2564-9-141.002
Collector of Revenue account	2564-91-41002
Neighborhood	16 - <a href="#">Dutchtown</a>
Ward/Precinct	<a href="#">Ward 03</a> , Precinct 13
Property Class	
Tax Abatement	This property is not abated
Property description	CB 2564 BROADWAY, 4.260 ACS, BAYS ADDN, BD S-OSAGE ST, IMPROVEMENTS ONLY
Not meant for use in recorded legal documents	

### Real Estate and Property Information

Data provided by [Assessor's Office](#)

### Property Information

Owner name:	SA HOSPITAL REAL ESTATE HOLDING LLC
Owner mailing address:	137 N LARCHMONT BLVD STE 141 LOS ANGELES, CA 90004
Property address	3927 S BROADWAY ST LOUIS MO 63118
Zip code	63118
Parcel ID	2564-9-141.002
Collector of Revenue account	2564-91-41002
Year built	N/A

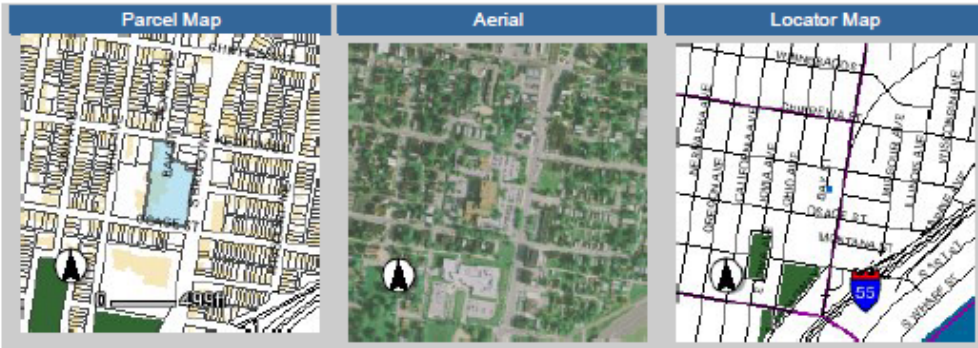
### Images

# South City Hospital (1st, 2nd & 5th Floor) Real Estate Appraisal

8/5/24, 3:49 PM

Geo St. Louis

CITY OF ST. LOUIS  
**PLANNING & URBAN  
 DESIGN AGENCY**  
 MAYOR TISHAURA D. JONES



Page 12

Displaying 2-2 of 2 records.

General Parcel Information			
Assessor Parcel Information		Parcel Geometry	
Address:	3927 S BROADWAY	Area:	170440 square feet
Zip Code:	63118	Perimeter:	1881 feet
City Block:	2564.00	Geographical Information	
Number of Units:	0	2000 Ward/Precinct:	9 / 8
Owner Information		2010 Ward:	20
Owner Name:	TWAIN GL XXV LLC	2000 Census Block:	1241.1018
Owner Address:	2200 WASHINGTON AVE ST LOUIS, MO 63004	3 / 343	
Parcel ID Information		Neighborhood:	Dutchtown (16)
9 Digit Parcel ID:	256400143	Assessor Neighborhood:	144
Tax Record No:	2564-00-0142-0	CDA District/Subdistrict:	7 / 45
Tax Record No:	2564-00-0143-0	Historic District:	None
Handle:	12564000142	Preservation Review Area:	Ord 66609
National Grid Information ?		CORTEX:	No
USNG(1 Meter):		Flood Plain:	None
Use Information		Enterprise Zone:	Yes
Assessor Use:	6513 (HOSPITAL)	Empowerment Zone:	None
Strategic Land Use Designation:	None	Housing Conservation Program:	
Zoning:	F (Neighborhood Commercial)	Assessor/Tax Information	
Zoning:	B (Two Family Residential)	Assessed Land:	\$0.00
Alternate Addresses		Assessed Improvements:	\$230,600.00
Alternate Address:	3927 S BROADWAY	Assessed Total:	\$230,600.00
Alternate Address:	3929 S BROADWAY	Legal Description	
Alternate Address:	3931 S BROADWAY	CB 2564 BROADWAY	
Alternate Address:	3933 S BROADWAY	4.260 ACS	
		BAYS ADDN	
		BD S-OSAGE ST	
		IMPROVEMENTS ONLY	

Building Information	
Building Record 1	
Building Type:	Hospital
Building Stories:	Hospital
Building Wall:	Hospital
Building Construction:	Hospital
Building Category:	Hospital
Year Built:	1927
Ground Floor Area:	76004

Permits		
Permit Record 1	Permit Record 2	Permit Record 3

<https://dynamic.stlouis-mo.gov/citydata/newdesign/report.cfm?CurrentPage=2&handle=12564000142>

1/8

8/7/24, 1:03 AM

InterFlood - List Flood Maps

# InterFlood

Instant flood maps and data

Buy

[Get Maps](#)

My Account

Questions

a la mode

[Logout](#)

## Flood Data

USPS Address:

Community Name: ST. LOUIS, CITY OF

Community #: 290385

County:

Census Tract: 1241.00

Flood Zone: X

Map Date: 2011-05-24

## Flood Map Type and Color Options

Type:

Aerial

Zone Color:

Blue



APPLY MAP OPTIONS

## Flood Map

To Save your flood map, use your **right** mouse button and **click** directly on it. Then, depending on what you want to do, select:

- **Save Picture As...** to copy the flood map to your hard drive
- **Copy** to place the flood map in Windows memory so you can paste into another program
- **Print Picture ...** to print the flood map immediately

# *Appendix D*

## Comparable Data

# Land Sale Comparables



# Land Comparable 1

## Property Information

Property Name	7870 Veterans Memorial Pky
Address	7870 Veterans Memorial Pky
City	O'Fallon
State	MO
Zip	63376
ID	479367



## Transaction Details

Price	\$2,000,000
Date	12/18/2023
Price Per Acre	\$330,033
Price Per Land SF	\$7.58
Price Per Usable Acre	N/A
Price Per Usable Land SF	N/A
Grantor	Kuhlmann Partnership LP
Grantee	WSS St Peter's LLC
Property Rights	Fee Simple
Financing	All Cash
Conditions of Sale	Normal
Transaction Type	Closed Sale

Acres	6.06
Land SF	263,974
Zoning	C-3
Topography	Level
Shape	Rectangular

## Improvement Data

GBA	0
-----	---

## Operating Data / Key Indicators

Utilities	All Utilities Available
-----------	-------------------------

## Site Data

## Comments

Sale of a 6.06 acre parcel of commercial land for \$2,000,000 or \$7.58/sf.

# Land Comparable 2

## Property Information

Property Name	670-690 S Highway Drive
Address	670-690 S Highway Drive
City	Fenton
State	MO
Zip	63026
ID	479369



## Transaction Details

Price	\$710,000
Date	11/9/2023
Price Per Acre	\$568,000
Price Per Land SF	\$13.04
Price Per Usable Acre	N/A
Price Per Usable Land SF	N/A
Grantor	South Fenton Realty LLC
Grantee	Watson Home Properties Llc
Property Rights	Fee Simple
Financing	All Cash
Conditions of Sale	Normal
Transaction Type	Closed Sale

Acres	1.25
Land SF	54,450
Zoning	C-1
Topography	Level
Shape	Square

## Improvement Data

GBA	0
-----	---

## Operating Data / Key Indicators

Utilities	All Utilities Available
-----------	-------------------------

## Site Data

## Comments

Sale of a 1.25 acre parcel of commercial land for \$710,000 or \$13.04/sf.

# Land Comparable 3

## Property Information

Property Name	345-349 Marshall Ave
Address	345-349 Marshall Ave
City	Webster Groves
State	MO
Zip	63119
ID	479356



## Transaction Details

Price	\$1,430,000
Date	9/1/2022
Price Per Acre	\$299,790
Price Per Land SF	\$6.88
Price Per Usable Acre	N/A
Price Per Usable Land SF	N/A
Grantor	Owen Development, Inc.
Grantee	Bamboo Equity Partners
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

## Site Data

Acres	4.77
Land SF	207,781
Zoning	E
Topography	Level
Shape	Irregular

## Improvement Data

GBA	0
-----	---

## Operating Data / Key Indicators

Utilities	All Utilities Available
-----------	-------------------------

## Comments

Sale of a 4.77 acre lot for \$1,430,000 or \$6.87/sf.

# Land Comparable 4

## Property Information

Property Name	2002 3rd Street
Property Type	Medical Office
Address	2002 3rd Street
City	Saint Louis
State	MO
Zip	63104
ID	479363

## Transaction Details

Price	\$825,000
Date	8/13/2024
Price Per Acre	\$312,500
Price Per Land SF	\$7.17
Price Per Usable Acre	N/A
Price Per Usable Land SF	N/A
Property Rights	Fee Simple
Financing	All Cash
Conditions of Sale	Listing
Transaction Type	Listing

## Site Data

Acres	2.64
Land SF	114,998

## Comments

Listing for a 2.64 acre parcel of commercial land for \$825,000 or \$7.17/sf.



Zoning	K
Topography	Level
Shape	Irregular

## Improvement Data

GBA	0
-----	---

## Operating Data / Key Indicators

Utilities	All Utilities Available
-----------	-------------------------

# Improved Sale Comparables

# Sales Comparable 1

## Property Information

Property Name	5100 Ararat Drive
Property Type	Medical Office
Address	5100 Ararat Drive
City	Kansas City
State	MO
Zip	64129
ID	479370



## Transaction Details

Price	\$2,050,000
Date	5/15/2024
Grantor	Ararat Event Center/Kansas City Shrine Hdqtrs
Grantee	Bellicose Church
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

## Improvement Data

GBA	0
Rentable Area	57,583
Year Built	1974
Renovations	Various
Parking Ratio	0.00/1,000 SF
FAR	0.00

## Site Data

## Comments

Sale of a vacant 57,583 sf building for \$2,005,000 million or \$35.6/sf.

# Sales Comparable 2

## Property Information

Property Name 2801 Gravois Ave  
Address 2801 Gravois Ave  
City Saint Louis  
State MO  
Zip 63118  
ID 479351



## Transaction Details

Price \$700,000  
Date 9/27/2023  
Grantor Spire Missouri Inc  
Grantee Hni Investments Llc  
Property Rights Fee Simple  
Financing Conventional  
Conditions of Sale Normal  
Transaction Type Closed Sale  
Occupancy Rate 0%

## Improvement Data

GBA 0  
Rentable Area 31,712  
Year Built 1950  
Renovations Various  
Parking Ratio 0.00/1,000 SF  
FAR 0.00

## Site Data

## Comments

Sale of a vacant, 2-story 31,712 sf building for \$700,000 or \$22.07/sf.

# Sales Comparable 3

## Property Information

Property Name	1005-1029 Convention Plz
Property Type	Medical Office
Address	1005-1029 Convention Plz
City	Saint Louis
State	MO
Zip	63101
ID	479348



## Transaction Details

Price	\$2,000,000
Date	7/9/2023
Grantor	Us Bank National Assoc
Grantee	900 N Tucker Building, LLC
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

## Site Data

### Improvement Data

GBA	0
Rentable Area	250,000
Year Built	1988
Renovations	Various
Parking Ratio	0.00/1,000 SF
FAR	0.00

## Comments

Sale of a 250,000 sf building for \$2,000,000 or \$8/sf. The building was vacant at the time of purchase.



# Sales Comparable 4

## Property Information

Property Name	Stray Rescue Of St Louis
Address	4084 Bingham Ave
City	Saint Louis
State	MO
Zip	63116
ID	479350



## Transaction Details

Price	\$1,400,000
Date	3/14/2022
Grantor	Rf Arch Llc
Grantee	Stray Rescue Of St Louis

Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale
Occupancy Rate	0%

## Improvement Data

GBA	0
Rentable Area	64,846
Year Built	1919
Renovations	Various
Parking Ratio	0.00/1,000 SF
FAR	0.00

## Site Data

## Comments

Sale of a vacant 64,846 sf building for \$1,400,000 or \$21.51/sf.

# *Appendix E*

## Engagement Letter

**JLL VALUE AND RISK ADVISORY**

**Engagement Agreement**

July 25, 2024

Mark Bursztyn

Director of Operations

**Lion Health System**

85 Towbin Ave, Lakewood, NJ 08701

[mark@lhsus.com](mailto:mark@lhsus.com)

Dear Mr. Bursztyn,

We are pleased to provide this contract for services:

Property identification	South City Hospital
Property address	3933 S Broadway, St. Louis, MO 63118 (1 <sup>st</sup> and 5 <sup>th</sup> Floors)
Property interest	Fee Simple
Interest appraised	Fee Simple
Purpose	Fair Market Value
Intended user(s)	Lion Health System; Missouri Department of Health and Senior Service
Intended use	Establish fair market value for purpose of certificate of need application
Value provided	As Is
Appraisal standards	USPAP
Property inspection	Full Inspection
Valuation approaches	All applicable approaches to value
Report option	Appraisal Report
Fee	\$3,500
Expenses	All inclusive
Retainer	Full 100% retainer required
Delivery date	2-3 weeks from receipt of executed engagement letter

A PDF of the report(s) will be delivered to the client contact identified in this engagement agreement.

Hard copies available upon request.

JLL's Value and Risk Advisory platform leverages the firm's global experience and deep knowledge of local real estate markets to provide industry-leading valuation, market analytics and advisory services to a wide range of clients. We offer the highest quality market insights and property valuations to help our clients make optimal business decisions and manage risk. JLL Value and Risk Advisory is comprised of over 2,000 valuation experts and 146 offices globally.

This engagement letter is subject to the General Terms and Conditions attached to this letter as Exhibit A, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit B.

Upon your acceptance of this Agreement, we will introduce the team completing the assignment, provide our information request and coordinate a property tour, if applicable. Per USPAP, we are required to analyze any current purchase for the subject property and request that copies of these, or a term sheet be provided with other applicable information.

06.03.24





**Invoice to (if different than client):**

_____ Name	_____ Company
_____ Street Address	_____ City, ST, Zip
_____ Email Address	_____ Phone Number

**RETAINER INSTRUCTIONS**

We appreciate your business!

Tax ID: 81-3802842

To expedite service, we prefer retainers are sent via wire:

- 1. Wire instructions:**  
Account name: JLL Valuation & Advisory Services  
BMO Harris Bank N.A. IL United States  
Account number: 304-440-1  
ABA#: 071000288  
Bank address:  
BMO Harris Bank N.A.  
PO Box 71893  
Chicago, IL 60694-1893

*If necessary, you can mail checks to:*

- 2. Mail check to:**  
BMO Harris Bank N.A.  
PO Box 71893  
Chicago, IL 60694-1893  
United States

If you plan to mail the retainer check, please make sure it is sent ONLY to the lockbox instructions above and not to any JLL office.

**Important! Please include "RETAINER CHECK" and the property/portfolio name, and/or property address so we can easily identify and match to your assignment. This will help us expedite processing. Thank you.**



**Exhibit A**

**Terms and Conditions**

**1. INTRODUCTION**

- 1.1 These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the “engagement”) between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the “agreement”.

**2. SERVICES**

- 2.1 We will provide the Services using reasonable care and skill.
- 2.2 We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, each of us must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.
- 2.3 We may use electronic communication and systems, including a digital dashboard, to provide the Services. Any necessary software not generally available will be made accessible to you while you are a client of ours under this Agreement. It is hereby agreed between us that the final signed report delivered pursuant to this Agreement shall serve as the sole, authoritative source of information, on which all reliance should be based. Any additional sharing of values or content from the report through any technology platform, including any digital platform, is intended for the sole purpose of improving our service delivery and convenience. We may implement future updates to our technology platforms and digital dashboards in order to enhance our service delivery.
- 2.4 We may use artificial intelligence, including generative artificial intelligence, when providing the Services.

**3. CLIENT OBLIGATIONS**

- 3.1 You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.
- 3.2 You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.
- 3.3 You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

**4. DELAY**

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

**5. FEES, EXPENSES AND PAYMENT**

- 5.1 Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.
- 5.2 You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.
- 5.3 If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.
- 5.4 Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.
- 5.5 If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.



- 5.6 Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

#### **6. INDEMNITY**

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys' fees) arising from a third-party action, claim or proceeding ("Loss") that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

#### **7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY**

- 7.1 **EACH OF US WAIVES ANY CLAIMS AGAINST THE OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL OUR LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO US HEREUNDER.**

#### **8. TERMINATION**

- 8.1 Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.
- 8.2 Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.
- 8.3 We may terminate the agreement immediately for any of the following reasons:
- (a) We cannot provide any of the Services due to conditions beyond our reasonable control.
  - (b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.
  - (c) A conflict of interest arises which prevents us from acting for you.
  - (d) You have asked us to provide reports or work product that we do not consider to be accurate.

#### **9. ASSUMPTIONS AND LIMITATIONS**

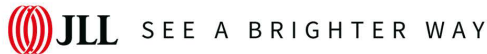
- 9.1 Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.
- 9.2 We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to property value must be considered to determine Stark or anti-kickback law compliance and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

#### **10. CONFIDENTIALITY**

- 10.1 We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.
- 10.2 Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

#### **11. INTELLECTUAL PROPERTY RIGHTS**

- 11.1 We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.
- 11.2 You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.
- 11.3 You will grant us a non-exclusive, non-transferable license to use the data you provide to us, and any intellectual property contained therein, for the purpose of anonymizing and aggregating such



data (such that it may be reverse engineered) and using such information for our legitimate business purposes.

**12. GENERAL**

- 12.1 The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2 The agreement states the entire agreement, and supersedes all prior agreements, between the parties with respect to the matters described in the agreement.
- 12.3 If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4 The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits to the exclusive jurisdiction of the courts of that State.
- 12.5 The agreement may be executed in multiple counterparts.
- 12.6 No director, officer, agent, employee, or representative of either of us has any personal liability in connection with the agreement.
- 12.7 Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8 If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9 If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10 The agreement does not establish any partnership or joint venture between us or make either of us the agent of the other.
- 12.11 A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12 Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13 Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14 If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the losing party will reimburse the prevailing party reasonable costs (including attorneys' fees), associated with such action. **THE PARTIES HEREBY WAIVE TRIAL BY JURY.**
- 12.15 Upon request by you, we will provide commercial general liability additional insured coverage to the property owner or its affiliates to the extent a loss is attributable to our negligence.
- 12.16 Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

**13. USE OF DATA AND DATA PROTECTION**

- 13.1 You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in our databases and our affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.
- 13.2 In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3 We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at [www.jll.com](http://www.jll.com). We may use both commercially available and proprietary software programs to perform the Services (web based and others).





**14. SPECIAL EXPERTS**

- 14.1 If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2 We are not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.

**15. CONFLICTS POLICY**

We adhere to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

**16. FIRREA REQUIREMENTS**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by us under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

**17. USPAP REQUIREMENTS**

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by our individual appraiser who will be performing Services for the Property. We represent that to our knowledge, that we have not provided prior services within the designated disclosure period, outside of what we have identified.

**18. USE OF WORK PRODUCT AND RELIANCE**

- 18.1 You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.
- 18.2 You will not use any such report or work product in connection with any public documents. You will not refer to us in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.
- 18.3 Notwithstanding the foregoing, we understand that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, we consent to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

**19. LITIGATION MATTERS**

- 19.1 We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.
- 19.2 If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.



**Exhibit B**

**Statement of Assumptions and Limiting Conditions**

1. All reports and work product we deliver to you (collectively called "report") represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecasts in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.



12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any



liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed, and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that we or our affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. WE ARE NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL OUR LIABILITY NOR THAT OF OUR AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO US HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The Report will be subject to those Hypothetical conditions and Extraordinary Assumptions. Each Person that is permitted to use the report agrees to bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.



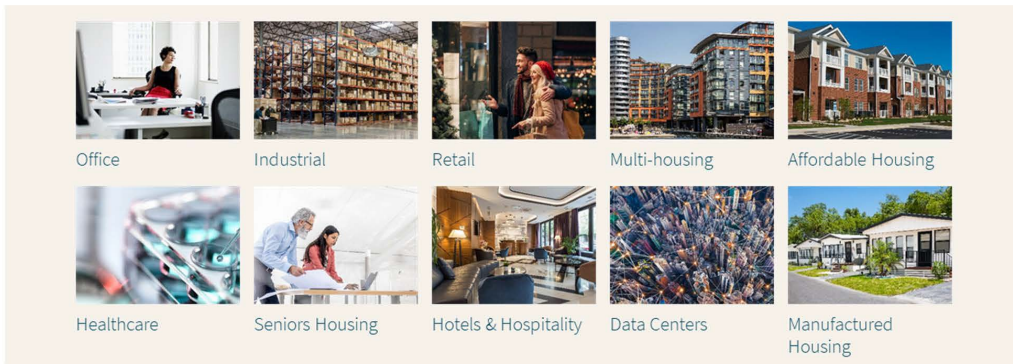
## What we do and how we do it

Combining unrivaled experience with unmatched intelligence, we deliver a panoramic view of real estate value and risk for confident, fast investment and lending decisions.

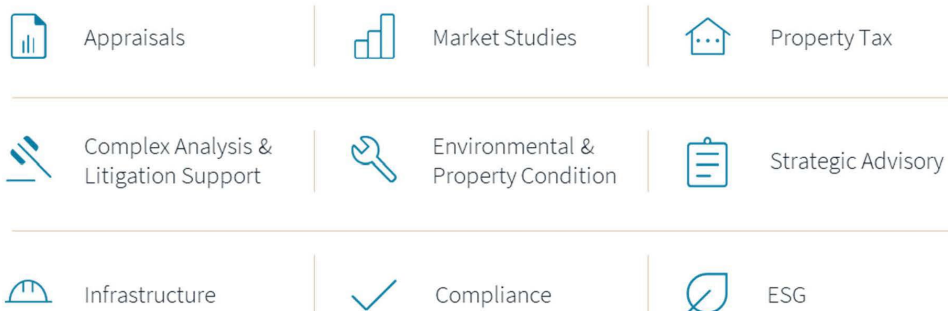
As your trusted advisor of choice, we take a sector-led approach that allows for unrivaled expertise and continuity in every real estate asset class.

Our appraisal services include 3rd-party MAI market valuations, fee simple, leased fee and going concern valuations, quarterly & annual portfolio valuations and Net Asset Valuations (NAV).

### Sectors



### Services





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# Value and Risk Advisory

**We are value and risk advisory experts supporting you through the changing world of real estate.**

JLL Value and Risk Advisory  
200 E. Randolph, 47<sup>th</sup> Floor  
Chicago, IL 60601  
+1 312 252 8930  
+1 312 252 8914

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## SUBLEASE

This Sublease (“**Sublease**”) is made and entered into as of May 1, 2024 (“**Effective Date**”) by and between SA HOSPITAL REAL ESTATE HOLDINGS, LLC, a Delaware limited liability company (“**Sublessor**”), and St Louis Recovery Hospital LLC, a Missouri limited liability company (“**Sublessee**”).

### RECITALS:

A. Sublessor is the tenant under that certain Ground Lease dated December 29, 2021 (the “**Ground Lease**”), with Twain GL XXV, LLC, a Missouri limited liability company (“**Landlord**”), pursuant to which Sublessor leases from Landlord approximately 7.148 acres of real property in the City of St. Louis, Missouri with a municipal address of 3933 South Broadway (the “**Land**”), which Land has a legal description set forth in Exhibit “A” attached hereto.

B. Pursuant to the Ground Lease, Sublessor constructed certain buildings and other improvements on the Land, including a hospital facility (the “**Improvements**” and together with the Land, the “**Premises**”).

C. Sublessor desires to sublease the Premises to Sublessee, and Sublessee desires to sublease the Premises from Sublessor, upon the terms and conditions set forth in this Sublease.

NOW, THEREFORE, the parties hereto agree as follows:

1. Defined Terms. All capitalized, defined terms used in this Sublease that are not otherwise defined herein shall have the meanings given to them in the Ground Lease (even if the provisions of the Ground Lease which contain such defined terms are Excluded Provisions (as defined herein)).

2. Sublease of Premises. Sublessor hereby subleases the Premises to Sublessee, and Sublessee hereby subleases the Premises from Sublessor, upon the terms and conditions set forth in this Sublease. The Premises shall be used solely for the Permitted Uses under the Ground Lease, operation as a short-term acute hospital, and related healthcare services thereto. Sublessee shall, starting on the Rent Commencement Date (as defined in Section 4.4 below), be responsible for (a) keeping the Improvements secured and monitored by a professional security service; and (b) complying with applicable building codes and laws, including but not limited to regulations related to the boiler in the Improvements.

3. Term.

3.1 Term. The initial term of this Sublease (together with any extension set forth in Section 3.2, if exercised, the “**Term**”) shall commence on the later of (i) [May 1, 2024] and (ii) the full execution of the Landlord Estoppel pursuant to Section 13 below (the “**Sublease Commencement Date**”), and shall expire on the last day of the 120<sup>th</sup> month thereafter (the “**Sublease Termination Date**”), unless sooner terminated or extended as provided herein. A “**Sublease Year**” shall mean the 12-month period commencing on the Sublease Commencement



Date, and each subsequent 12-month period. Possession of the Premises shall be delivered by Sublessor to Sublessee no later than the Sublease Commencement Date. If for any reason whatsoever Sublessor fails to deliver possession of the Premises to Sublessee on or before the Sublease Commencement Date, then at any time thereafter, but before possession of the Premises is delivered to Sublessee, Sublessee shall have the option to immediately terminate this Sublease by notice to Sublessor. Upon termination, the Security Deposit (as defined herein) and any prepaid Rent shall be promptly refunded to Sublessee, and neither party shall have any further liabilities or rights under this Sublease.

3.2 No Options. Except as expressly provided in this Section 3.2, Sublessee has no options to extend the Term of this Sublease. Sublessor has no obligation to exercise any options to extend the term of the Ground Lease contained therein. In the event that Sublessee has not purchased the Premises pursuant to that certain Purchase Option Agreement of even date herewith between Landlord, Sublessor and Sublessee, provided that Sublessee is not in default under this Sublease (beyond any applicable notice or cure period), Sublessee shall have the right to extend the Term for up to an additional fifty (50) years (which may be in increments of ten (10) years each) by giving Landlord and Sublessor written notice of such extension at least 180 days prior to expiration of the then-current Term.

3.3 Sublease Termination Right. Notwithstanding anything herein to the contrary, Sublessee may terminate this Sublease at any time, for any reason or no reason, during the first one hundred eighty (180) days of the Term by giving notice to Sublessor, provided that Sublessee gives such notice at least thirty (30) days prior to the termination date. For the avoidance of doubt, Sublessee can exercise its right to terminate at any time on or before the last date of such 180 day period, however, the actual termination date shall be thirty (30) days thereafter. Upon termination, the Security Deposit (as defined herein) and any prepaid Rent shall be promptly refunded to Sublessee, and neither party shall have any further liabilities or rights under this Sublease.

#### 4. Rent.

4.1 Commencing on the Sublease Commencement Date and continuing on the first day of each calendar month thereafter during the Term, Sublessee shall pay to an account designated in writing by Landlord (the “**Deposit Account**”), without deduction, setoff, prior notice, or demand, base rent in the amount of \$133,426.43 per month (as the same shall increase hereunder, “**Sublease Rent**”) for the first three Sublease Years of the Term. Sublessee and Sublessor hereby acknowledge and agree that Landlord shall have a security interest in the Sublease Rent and any other amounts to be paid under this Sublease, and all funds in the Deposit Account shall automatically become the property of Landlord, as the same shall be deemed rent payments on Sublessor’s account under the Ground Lease. Upon Landlord’s request, Sublessor and Sublessee agree to enter into a deposit account control agreement establishing Landlord’s security interest in and control over the Deposit Account, including but not limited to the right to sweep the Deposit Account as and when Landlord determines.

4.2 Commencing on May 1, 2027, and continuing thereafter on each one-year anniversary of such date, the Sublease Rent shall increase by 1%.

4.3 In addition to the annual 1% increases, on each CPI Adjustment Date (defined below), the Sublease Rent shall also increase by the percentage change in the CPI between the month in which the prior CPI Adjustment Date occurred, and the CPI in effect during the month in which the last day of the immediately preceding Sublease Year occurs, provided that no such CPI adjustment shall cause an increase in the Sublease Rent on any CPI Adjustment Date by more than 5% of the Sublease Rent for the immediately preceding Sublease Year. “CPI” means The Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, as published by the Bureau of Labor Statistics of the U.S. Department of Labor (or if the publication of such Consumer Price Index is discontinued, a comparable index selected by Landlord that is similar in nature to the discontinued index which clearly reflects that diminution (or increase) in the real value of the purchasing power of the U.S. dollar reported for the calendar year in question). “CPI Adjustment Date” means May 1, 2031 (i.e., the first day of the eighth Sublease Year after the Sublease Commencement Date), and each seventh Sublease Year thereafter throughout the term (i.e., May 1 of 2038, 2045, 2052, and so on).

4.4 Notwithstanding the provisions of Section 4.1, Sublease Rent shall be fully abated for the period from the Sublease Commencement Date through October 31, 2024 and 50% abated for the period from November 1, 2024 (“Rent Commencement Date”) through January 31, 2025 (i.e., Sublease Rent for the period from November 1, 2024 through January 31, 2025 shall be \$66,713.21 per month). Additional Rent (as defined herein) shall be handled in accordance with Section 4.7 below during these time periods.

4.5 Concurrently with Sublessee’s execution and delivery of this Sublease, Sublessee shall provide a Security Deposit (as defined within section 7.1). All amounts payable by Sublessee under this Sublease other than Sublease Rent and the Security Deposit (including without limitation the amounts set forth in Section 4.6 hereof) shall be referred to as “Additional Rent.” For purposes of this Sublease, the term “Rent” shall include Sublease Rent and all Additional Rent. All Rent payable hereunder shall be paid in lawful money of the United States of America, which shall be legal tender at the time of payment to the Deposit Account, or as Sublessor shall otherwise direct in writing with Landlord’s written consent. Sublease Rent for any period during the Term that is for less than one month shall be prorated, based upon the actual number of days in such month.

4.6 Commencing on the February 1, 2025, in addition to Sublease Rent, Sublessee shall directly pay the applicable taxing authorities all Taxes and provide Sublessor with proof of payment prior to delinquency, and shall reimburse Sublessor for any costs of insurance required to be maintained and paid-for by Sublessor under the Ground Lease and this Sublease. Sublessor shall provide Sublessee with all notices of assessment, invoices and similar correspondence received from taxing authorities to enable Sublessee to timely pay all Taxes prior to their delinquency. If Sublessee fails to pay such Taxes within 5 business days prior to delinquency, Sublessor shall have the right to pay the same and Sublessee shall reimburse Sublessor in the full amount paid by Sublessor upon presentation to Sublessee of the paid receipt for such Taxes. Notwithstanding the foregoing, Taxes for the year 2024 shall handle pursuant to all other the Expenses pursuant to Section 4.7 below.

4.7 The Rent shall be absolutely net to Sublessor so that this Sublease shall yield, net to the Sublessor, the Rent specified herein in each year during the Term and

Sublessee shall pay all costs and expenses in any manner connected with or arising from the operation, management, maintenance, repair, rebuilding, remodeling, renovation, use or occupancy of the Premises commencing on the Sublease Commencement Date (the “**Expenses**”); provided, however, Sublessee shall not be responsible for the Expenses until February 1, 2025 and such shall be the responsibility of Sublessor. From the Sublease Commencement Date until the Rent Commencement Date Sublessee shall contribute to Sublessor up to an amount not to exceed \$50,000 per month for the repayment of Expenses paid by Sublessor. From the Rent Commencement Date until the January 31, 2025 Sublessee shall contribute to Sublessor up to an amount not to exceed \$100,000 per month for the repayment of Expenses paid by Sublessor. Following January 31, 2025 Sublessee shall be responsible for the full amount of all Expenses. Notwithstanding the foregoing, operational costs expressly contracted for by Sublessee (i.e. nursing and clinical personnel, dietary and housekeeping services, hiring of c-suite executives, etc.) that are outside the scope of the Expenses that exists as of the Sublease Commencement Date shall not be included as part of Expenses.

5. Improvements; Surrender.

5.1 Sublessee shall have the right to make alterations, additions or improvements (including to any exterior signage) to the Premises (collectively, “**Sublessee’s Improvements**”) as follows: (a) aesthetic Sublessee’s Improvements that are non-structural, do not involve changes to utility service or other building systems, and do not materially affect the residual value of the Improvements (e.g., paint, signage, floor coverings, lighting and plumbing fixtures) may be performed in Sublessee’s discretion; and (b) any other Sublessee’s Improvements shall be subject to Sublessor’s prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided that Sublessor obtains the requisite consent from the Landlord as required under the Ground Lease (if any). All Sublessee’s Improvements shall be subject to all of the terms, provisions and requirements set forth in the Ground Lease. When performing Sublessee’s Improvements, Sublessee shall, at a minimum (i) comply and cause all Sublessee’s Improvements to comply with applicable building codes, laws and the Ground Lease; (ii) follow all applicable insurance requirements to prevent coverage loss or gaps; and (iii) maintain or cause its contractors to maintain builder’s risk insurance covering the costs of damage done to Sublessee’s Improvements and the Improvements during construction.

5.2 Sublessor shall have no obligation to make any alterations, additions or improvements to the Premises, including any of the work or improvement which Sublessor was previously obligated to perform under Article V of the Ground Lease (which for clarification is an Excluded Provision).

5.3 Upon the expiration or earlier termination of this Sublease, Sublessee shall surrender the Premises to Sublessor in at least the same condition that exists on the Sublease Commencement Date, reasonable wear and tear and casualty and condemnation events excepted. Upon the expiration or earlier termination of this Sublease, all of the Sublessee Improvements shall remain and become part of the Premises. Upon the expiration or earlier termination of this Sublease, Sublessee will remove all of its trade fixtures, furniture, equipment and other personal property from the Premises (and shall repair any damage caused by their removal). Sublessee shall not be required to remove any alterations, additions or improvements which Sublessor installed following the Sublease Commencement Date if either (i) Sublessor’s

consent was obtained for such Sublessee Improvements prior to their installation, (ii) Sublessor later consents to allow such Sublessee's Improvements to remain, which consent shall not be unreasonably withheld, or (iii) Sublessor's consent is not required pursuant to this Section 5.3. Sublessee acknowledges that Sublessor may have restoration obligations under the Ground Lease that will need to be performed prior to the expiration or termination of the Ground Lease (the "**Sublessor Restoration Obligations**"). Accordingly, in the event that Sublessor gives notice to Sublessee, not later than sixty (60) days prior to the Sublease Termination Date, that it has Sublessor Restoration Obligations, then Sublessor shall have the right to perform the Sublessor Restoration Obligations within the 60-day period prior to the Sublease Termination Date, and Sublessee will reasonably accommodate Sublessor's efforts to do so except to the extent the same materially disrupts Sublessee's business operations.

5.4 Upon the expiration or any earlier termination of the Ground Lease or in case of the surrender of the Premises by Sublessor to Landlord, the Sublease and the estate thereby granted, shall terminate as of the effective date of such expiration, termination or surrender, and Sublessee shall vacate the Premises on such date. If Sublessee does not vacate the Premises on or before such date, then, without limiting Landlord's rights and remedies as against Sublessor or Sublessee on account of such failure to vacate as provided in the Ground Lease, such failure shall be deemed a holding over by Sublessee, and Sublessee shall indemnify, defend and hold harmless Landlord and Sublessor from and against all claims, damages, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from any such holding over.

6. Insurance. Commencing on February 1, 2025, Sublessee acknowledges and agrees that Sublessee shall be responsible to maintain and pay for the insurance policies required to be maintained by the Sublessor under the Ground Lease. All liability insurance policies carried by Sublessee shall name both Sublessor and Landlord, Landlord's mortgagee(s), and any other parties required under the Ground Lease as additional insureds. Sublessee further agrees to waive subrogation in favor of Landlord to the same extent required of Sublessor under the Ground Lease. Sublessee further agrees to provide to Landlord and Sublessor certificates of all insurance prior to the date on which Sublessee occupies all or any part of the Premises. From the Sublease Commencement Date through January 31, 2025, Sublessee shall be included on the insurance policies required to be maintained by the Sublessor under the Ground Lease with such costs being handled as part of Expenses under Section 4.7.

7. Security Deposit.

7.1 Upon execution of this Sublease, Sublessee shall deposit in an account established in Sublessee's name a "**Security Deposit**" in the amount of \$500,000.00. The Security Deposit shall be held as security for the faithful performance by Sublessee of all terms, covenants and conditions of this Sublease to be performed or observed by Sublessee. Sublessee hereby grants Landlord a security interest and lien on the Security Deposit to secure the faithful performance of its obligations under this Sublease. The Security Deposit shall be held by Sublessee in a deposit account in Sublessee's name for the benefit of Landlord at a financial institution acceptable to Landlord. Sublessee shall pledge the account (and hereby grants Landlord a security interest in such account) and enter into a deposit account control agreement with Landlord in form reasonably acceptable to Landlord. If Sublessee fails to pay any Rent or other charges due

hereunder, or otherwise defaults with respect to any provision of this Sublease, Landlord may, without prejudice to any other remedy, apply or retain all or any portion of the Security Deposit for the payment of any Rent or other charge in default, or for the payment of any other sum which Landlord may become obligated to spend by reason of Sublessee's default, or to compensate Landlord for any loss or damage which they may suffer by reason of Sublessee's default. The Security Deposit shall bear interest and any interest earned shall be the sole property of Sublessee. The cash Security Deposit, or so much thereof as has not theretofore been applied under the terms of this Lease, including all interest earned thereon, shall be returned to Sublessee (or, at Landlord's option, to the last assignee, if any, of Sublessee's interest hereunder) upon the expiration of the Term hereof, and within ninety (90) days after Sublessee has surrendered possession of the Premises in the condition required hereunder. No trust relationship is created herein among Landlord and Sublessee with respect to the Security Deposit. The Security Deposit shall not be considered an advance payment of rent or a measure of Sublessor's damages in case of default by Sublessee.

7.2 Sublessor hereby irrevocably makes, constitutes and appoints Landlord as Sublessor's true and lawful attorney in fact to act on Sublessor's behalf in the event that Sublessee defaults under this Sublease for failure to pay Sublease Rent or otherwise. Landlord shall have the right, but not the obligation, to enforce the terms of this Sublease, including but not limited to the power to collect the Security Deposit and applying such funds as necessary to cure any such Sublease default. The foregoing power of attorney is coupled with an interest.

## 8. Ground Lease.

8.1 The Ground Lease, except to the extent clearly inapplicable to this transaction or inconsistent with the terms of this Sublease, is incorporated herein by this reference as if set out in full, except that the following provisions are specifically excluded from this Sublease (collectively, the "**Excluded Provisions**"): Sections 1.01, 1.02, 1.04, 2.01, 2.05, Article V (other than Section 5.05), 7.03 (but only to the extent Sublessor Restoration Obligations are more restrictive than Sublessee's surrender obligations under this Sublease), 10.02(i), 10.05 (but only insofar as such provision references the Completion Date), 10.08 (but only insofar as such provision references the Guarantor and the Guaranty), 11.03(e) and (g), 12.04(e)(2) and (3), 12.04(k), 12.05 (the parties hereby acknowledging that Sublessee has separately been granted the right to cause Sublessor to exercise the Purchase Right thereunder), 12.06(a), 12.07, 13.01, 13.03, 13.05, 13.08 (but only insofar as such provision references the Purchase and Sale Agreement), 13.10, 13.16, 13.17(a), 13.18, 13.19 and Exhibits B-E, and G-M. The foregoing list may not be an all-inclusive or exhaustive list of the Excluded Provisions, and to the extent that any provisions of the Ground Lease not included in the foregoing list are by their own terms inconsistent with or contrary to the provisions of this Sublease, such provisions shall be deemed to constitute Excluded Provisions. All of the terms and conditions of the Ground Lease which do not constitute Excluded Provisions shall be referred to in this Sublease as "**Incorporated Provisions**". Sublessee's rights pursuant to this Sublease are subject and subordinate at all times to the Ground Lease (as the same may be modified, amended, replaced or supplemented) and to all of the covenants and agreements of the Ground Lease (other than the Excluded Provisions), provided, however, that so long as Sublessee is not in default under this Sublease beyond any applicable notice and cure periods, Sublessor shall not enter into or consent to any modification or amendment to or termination of the Ground Lease (or surrender of the Premises) without the prior written consent of Sublessee,

which Sublessee shall not unreasonably withhold, condition or delay. Sublessee agrees that all rights and privileges granted hereunder are subject to the limitations imposed on Sublessor by the Ground Lease and that, except as expressly provided herein, Sublessor is not granting any rights or privileges to Sublessee that are not expressly granted to Sublessor under the Ground Lease. Notwithstanding anything herein which may be construed to the contrary: (a) with respect to work, services, repairs, restoration, provision of insurance or the performance of any other obligation or indemnification of Landlord under the Ground Lease, except as otherwise provided herein, the sole obligation of Sublessor shall be to, upon request from Sublessee, use commercially reasonable efforts, at Sublessee's sole cost and expense, to obtain the same from Landlord as and when requested to do so by Sublessee, and to use Sublessor's reasonable good faith efforts, at Sublessee's sole cost and expense, to obtain the Landlord's performance; (b) Sublessor shall have no liability to Sublessee with respect to (i) representations and warranties made by Landlord under the Ground Lease, (ii) any indemnification obligations of Landlord under the Ground Lease, or other obligations or liabilities of Landlord under the Ground Lease with respect to compliance with laws, condition of the Premises or Hazardous Materials, and (iii) obligations of Landlord under the Ground Lease to repair, maintain, restore, or insure all or any portion of the Premises; (c) with respect to any obligation of Sublessee to be performed under this Sublease, wherever the Ground Lease grants to Sublessor a specified number of days to perform its obligations under the Ground Lease, Sublessee shall have a period of two (2) days less to perform the obligation, including, without limitation, curing any defaults; and (d) in the event Sublessor obtains a rent abatement from Landlord pursuant to the Ground Lease, then Sublessee shall be entitled to a proportional abatement of the Rent due hereunder. Further, any right, option or privilege existing in the Ground Lease in favor of Sublessor to renew or extend the term thereof are hereby by this reference deemed to constitute Excluded Provisions and are of no force and effect as to Sublessee, and create no rights or privileges to, for or on behalf of Sublessee, except as expressly provided in Section 3.2.

8.2 Except for the Excluded Provisions, which shall remain the obligation of Sublessor, Sublessee agrees to perform all obligations and covenants, and agrees to be bound by all restrictions which are set forth in the Ground Lease with respect to the Premises in the same manner as such obligations, covenants and restrictions are binding upon Sublessor, as tenant under the Ground Lease.

8.3 Sublessor shall be and remain liable and responsible for the due keeping, performance and observance throughout the term of the Ground Lease, of all of the covenants, agreements, terms, provisions and conditions therein set forth on the part of Sublessor to be kept, performed and observed and for the payment of the rent and all other sums now and/or hereafter becoming payable thereunder. Notwithstanding anything to the contrary contained in this Sublease, Sublessee and Sublessor, each shall not do or knowingly permit anything to be done by its employees, agents, contractors or invitees which would constitute a violation or breach of any of the terms, conditions or provisions of the Ground Lease or which would cause the Ground Lease to be terminated or forfeited by virtue of any rights of termination or forfeiture reserved by or vested in Landlord. Each party shall indemnify, defend and hold the other party harmless from and against any and all losses, claims, liabilities, damages, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) arising from each party's failure to perform or observe any of the terms and conditions of the Ground Lease as they relate to the

Premises. The obligations and indemnity in this Section shall survive the expiration or sooner termination of this Sublease.

8.4 All rights of “Landlord” under the Ground Lease shall constitute rights of Sublessor hereunder except as specifically modified by this Sublease. Nothing in this Sublease shall be construed to modify, waive, impair or affect any of the covenants, agreements, terms, provisions or conditions contained in the Ground Lease, or to waive any breach of Sublessor in the due keeping, observance or performance thereof.

8.5 Whenever any documents are to be provided to the Landlord under the Incorporated Provisions of the Ground Lease, such documents are to be provided by Sublessee to both Landlord and Sublessor.

8.6 In all instances where the consent or approval of the Landlord is required pursuant to the Ground Lease and the consent or approval of Sublessor is also required hereunder, Sublessor’s withholding of approval shall in all events be deemed reasonable if for any reason Landlord’s approval is not obtained. Sublessor agrees to promptly send to Landlord copies of Sublessee’s written request for any consents required. Notwithstanding the foregoing however, in any case in which Landlord’s consent is required under the Ground Lease and such consent is obtained, it will not be reasonable for Sublessor to withhold its consent unless Sublessor’s obligations are being materially and adversely increased under the Ground Lease. Unless otherwise specified herein, whenever Sublessor’s consent is required herein, Sublessor shall respond to such request for consent within the time period set forth in this Sublease or if no time period is set forth, then by the later to occur of (a) five (5) business days after such request, or (b) five (5) business days after the date that Landlord’s response is given, if Landlord’s consent is required. Provided Sublessee is not in default beyond applicable notice and cure periods hereunder, Sublessee shall have the quiet enjoyment of the Premises during the Term without interference by Sublessor or anyone claiming by, through or under Sublessor.

8.7 For purposes of the Incorporated Provisions, except as limited herein or where the context otherwise requires, the word “Tenant,” as used in the Ground Lease, shall mean “Sublessee,” the word “Landlord” shall mean “Sublessor,” the word “Premises” shall mean the Premises, as improved with the Improvements, the word “Lease” shall mean “Sublease,” the word “Term” shall mean “Term” as defined in this Sublease, and the term “Environmental Assessments” includes the Phase I Report prepared by Bureau Veritas dated January 26, 2022, Job No. 154498 (21R 000-001.135).

8.8 This Sublease shall immediately terminate if the Ground Lease is terminated for any reason. In the event of termination, re-entry or dispossession by Landlord under the Ground Lease, Landlord may at its option, take over all of the right, title and interest of Sublessor under this Sublease and in any such event Sublessee shall, at Landlord’s option, attorn to Landlord pursuant to the then executory provisions of this Sublease, except that Landlord shall not (a) be liable for any previous act or omission of Sublessor under the Sublease, (b) be subject to any offset which theretofore accrued to Sublessee against Sublessor or (c) be bound by any previous modification of the Sublease to which Landlord has not consented or liable for any security deposit or pre-payment of more than one month’s Rent. Upon Landlord’s request after any such termination, re-entry or dispossession by Landlord under the Ground Lease, Sublessee

shall execute a new direct lease of the Premises with Landlord on substantially the same terms as the Ground Lease.

8.9 In any case where “Tenant” is to indemnify, release or waive claims against “Landlord” under the Ground Lease, such indemnity, release or waiver shall be deemed to run from Sublessee to both Landlord and Sublessor. In any case where “Tenant” is to execute and deliver certain documents or notices to “Landlord” under the Lease, such obligation shall be deemed to run from Sublessee to both Landlord and Sublessor. Sublessor shall promptly deliver to Sublessee any notices sent to or received from Landlord which in any way impact the Sublease or Sublessee’s rights in or to the Premises. Sublessee covenants and agrees to indemnify, defend and hold harmless Sublessor and Landlord and their respective members, managers, agents, officers, directors, employees, and contractors (each an “**Indemnified Party**”) harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages (but excluding consequential damages), injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including but not limited to reasonable attorneys’ fees and disbursements), which an Indemnified Party may incur or pay out by reason of (a) any losses, damages or injuries to persons or property occurring in, on or about the Premises, (b) any breach or default by Sublessee in the performance of Sublessee’s obligations under this Sublease (including the Incorporated Provisions), (c) any work done in, on, about, or to the Premises by or at the direction of Sublessee (unless the same shall have been caused as a result of any work done in or to the Premises by Sublessor, in which case damages shall be allocated between Sublessor and Sublessee based on their respective liability), or (d) any gross negligence or willful misconduct on the part of Sublessee and/or its officers, directors, representatives, employees, agents, customers, contractors and/or invitees, or any person claiming through or under Sublessee; provided, however, the foregoing indemnity of Sublessor shall not apply to the extent of Landlord’s or Sublessor’s gross negligence or willful misconduct. Sublessee’s liability hereunder shall survive any expiration or termination of this Sublease. Sublessor covenants and agrees to indemnify, defend and hold harmless Sublessee and its members, managers, agents, officers, directors, employees, and contractors harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including, but not limited to, reasonable attorneys’ fees and disbursements), which Sublessee may incur or pay out by reason of (a) any breach or default by Sublessor in the performance of Sublessor’s obligations under this Sublease (including the Excluded Provisions), (b) any gross negligence or willful misconduct on the part of Sublessor and/or its officers, directors, representatives, employees, agents, customers and/or invitees, or any person claiming through or under Sublessor, or (c) any breach or default by Sublessor in the performance of Sublessor’s obligations under the Ground Lease, whether prior to or after the Sublease Commencement Date. Sublessor’s liability hereunder shall survive any expiration or termination of this Sublease.

8.10 Sublessor hereby represents and warrants that (a) a true and correct copy of the Ground Lease (including, without limitation, all amendments and/or supplements thereto, if any) is attached hereto as Exhibit “B”; (b) the Ground Lease has not been amended in any manner; (c) the Ground Lease is in full force and effect; (d) Sublessor has not received any notice of default from Landlord under the Ground Lease which has not been cured or waived (or will not be cured or waived by the Sublease Commencement Date), and Sublessor is not aware of any occurrence or circumstance which, with notice or the passage of time, would be deemed a default by Sublessor under the Ground Lease; (e) Sublessor has not received written notice from



any governmental authority of any existing or threatened violation of any laws applicable to the use or condition of the Premises or any part thereof, including any alleged violations of the ADA; (f) Sublessor has no actual knowledge that Landlord is in default under the terms of the Ground Lease; (g) to Sublessor's knowledge this Sublease is not in violation of any easements, CC&R's or any other recorded encumbrances or agreements; and (h) this Sublease has been executed by Sublessor pursuant to Section 11.02(b) of the Ground Lease, which provides that, upon a breach or default under the Ground Lease, Landlord may, without terminating the Ground Lease, relet the Premises or any part or parts thereof for such term or terms, at such rents and upon such other terms and provisions as Landlord, in its sole discretion, may deem advisable, and Sublessor is obligated to reasonably cooperate with Landlord in transferring, to the extent transferable, any of Sublessor's permits which Landlord determines would be necessary or appropriate to continue to operate the Premises for its Permitted Use (as defined in the Ground Lease).

8.11 Notwithstanding anything to the contrary in the Ground Lease or this Sublease:

(a) Ownership of all Improvements shall remain vested in Sublessor unless and until Sublessor and the guarantors of the Ground Lease are fully and unconditionally released from liability under the Ground Lease.

(b) In the event of any casualty requiring restoration of the Premises under Section 7.03 of the Ground Lease, to the extent that such restoration is required to be in compliance with Article V of the Ground Lease, such provision of the Ground Lease is incorporated herein by reference for informational purposes, but shall otherwise be and remain an Excluded Provision.

(c) In the event of a condemnation under Article IX of the Ground Lease, for the purpose of determining the share of any award, Sublessee shall not be deemed to have any interest in the Improvements and instead Sublessor shall be entitled to any share of the award which is based upon the value of the Improvements.

(d) Sublessee shall be solely responsible for providing any security for the Premises, and Sublessor shall have no obligation whatsoever to provide any security to the Premises.

(e) The Premises are being subleased to Sublessee subject to all liens and encumbrances currently of record, including several mechanics liens which are presently in litigation, and a deed of trust held by Landlord (or an affiliate of Landlord).

(f) Sublessor's Authority, Representations and Warranties. Sublessor represents and warrants to Sublessee that each of the persons executing this Sublease on behalf of Sublessor warrant and represent that they have full power and authority to execute this Sublease and to bind Sublessor, and upon their execution, this Sublease shall constitute a valid and binding obligation upon Sublessor, subject to receipt of the Landlord Estoppel.

9. Sublessee's Authority Representations and Warranties. Sublessee

represents and warrants to Sublessor that each of the persons executing this Sublease on behalf of Sublessee has full power and authority to execute this Sublease and to bind Sublessee, and upon their execution, this Sublease shall constitute a valid and binding obligation upon Sublessee.

10. Liability of Sublessor. Sublessor and Sublessee acknowledge and agree that to the extent any provision of the Ground Lease that is incorporated herein requires Sublessor to perform any obligation which is also owed by Landlord to Sublessor under the Ground Lease, performance by Landlord of such obligation shall constitute performance by Sublessor.

11. Notices. Any and all notices, approvals or demands required or permitted under this Sublease shall be in writing and shall be served either personally or via reputable overnight courier or by United States certified mail, postage prepaid, return receipt requested, in compliance with the requirements of the Ground Lease and addressed to the parties at the following addresses:

If to Sublessor: C/O Liquidating Trustee  
SA Hospital Real Estate Holdings LLC  
4308 Via Entrada  
Newbury Park, CA 91320

If to Sublessee: St Louis Recovery Hospital LLC  
850 Towbin Avenue  
Lakewood, New Jersey 08701  
Attn: Eli Friedman

With copy to: Holland & Knight, LLP  
511 Union Street, Suite 2700  
Nashville, Tennessee 37219  
Attention: Alex Porter

12. Brokers. Sublessor and Sublessee warrant to each other that each has had no dealings with any real estate broker or agent in connection with the negotiation of this Sublease. Sublessor and Sublessee each hereby agree to indemnify, defend and hold Landlord and each other harmless from and against any losses, causes of action, liabilities, damages, claims, demands, costs and expenses (including reasonable attorneys' fees and costs) incurred, or to be incurred, by reason of any other brokerage fee, commission or finder's fee alleged to be payable because of an act, omission or statement of the indemnifying party.

13. Landlord Estoppel. Landlord and Sublessor shall execute and deliver to Sublessee an estoppel certificate addressing this Sublease (the "**Landlord Estoppel**") in mutually agreeable form, which Landlord Estoppel shall be executed and delivered to Sublessee within thirty (30) days following the Effective Date of this Sublease. If the Landlord Estoppel has not been executed by Landlord and Sublessor and delivered to Sublessee within thirty (30) days following the Effective Date of this Sublease, Sublessee shall have the right to terminate this Sublease upon delivery of written notice to the Sublessor, and upon such termination, the Security Deposit and any prepaid Rent shall be immediately refunded to Sublessee, and neither party shall have any further rights or liabilities under this Sublease.

14. Financial Statements. Sublessee shall set up and maintain accurate and complete books, accounts and records as to Sublessee in accordance with generally accepted accounting principles. Sublessee shall furnish the following financial information concerning Sublessee to Sublessor: (a) unaudited quarterly financial statements, including a balance sheet, an income statement and a cash flow statement, within 30 days following the end of each fiscal quarter of Sublessee; (b) audited annual financial statements, including a balance sheet, an income statement and a cash flow statement, within 120 days following the end of each fiscal year of Sublessee; and (c) upon and during the continuance of an Event of Default, upon demand from Sublessor, audited financial statements.

15. Certain Sublessee Obligations. Sublessee shall allow Sublessor to store the hospital records belonging to Sublessor in their current location in the Premises for up to a period of sixty (60) days after the Sublease Commencement Date. No charge shall be imposed on Sublessor for such storage, provided that Sublessor shall be responsible for securing and servicing the records in accordance with applicable law and shall retain all liability with respect to such records. Sublessor shall have access to such records at all reasonable times during such sixty (60) day period, upon reasonable advance notice to Sublessee (which may be telephonic or by email). Sublessee shall not be liable for any cost, expense, damage or destruction of such records, or any theft or vandalism of any kind or for any reason. Sublessor shall provide security for such records at its sole cost and expense during such sixty (60) day period. Sublessor shall cause such records to be removed from the Premises prior to the expiration of the sixty (60) day period. Sublessor shall indemnify Sublessee for any and all costs, expenses, losses, damages, or claims against Sublessee related to or concerning the hospital records.

16. Termination of Existing Sublease. As of the Effective Date, Sublessor represents and warrants to Sublessee that that certain Master Lease and Master Ground Sublease between Sublessor and SA Hospital Real Estate Holdings, LLC dated as of December 29, 2021 (the “**Master Sublease**”) has been terminated and is no longer of any force or effect.

17. Entire Agreement. This Sublease contains the entire understanding between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, statements, understandings, terms, conditions, negotiations, representations and warranties, whether oral or written, made by any of the parties concerning the matters covered by this Sublease. Without limiting the generality of the preceding sentence, each party acknowledges and agrees that no promise, inducement, agreement, representation or warranty of any kind which is not expressly set forth in this Sublease has been made to induce such party to enter into this Sublease.

18. Modifications. This Sublease may be modified only by a written agreement signed by Sublessor and Sublessee and consented-to by Landlord.

19. Counterparts. This Sublease may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. This Sublease may be executed electronically (by DocuSign or similar protocol, or by delivering pdf copies of signature by email), and such electronic signature shall have the same force and effect as “wet ink” originals.

20. No Assignment or Further Subletting. Sublessee shall not assign, transfer or otherwise encumber this Sublease or any interest in this Sublease, and shall not further sublet all or any portion of the Premises, or grant any license to use all or any portion of the Premises without the prior written consent of Sublessor and Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Any (i) sale, assignment, pledge, transfer, exchange or other disposition of the stock, partnership interests, membership interests, or other equitable interests in Sublessee or any person or entity controlling Sublessee, which results in a change of control of Sublessee; (ii) merger, consolidation or other combination of Sublessee with another entity which results in a change of control of Sublessee; or (iii) a recapitalization of Sublessee which results in a change of control of Sublessee, shall be deemed an assignment hereunder. Any consent to this Sublease or to any such assignment or other subletting from Sublessor and Landlord shall not be construed as a consent to, or as permitting, any other or further assignment or subletting by either Sublessor or Sublessee or any assignment of the Ground Lease. Notwithstanding anything in this Sublease to the contrary, Sublessor and Sublessee agree that a breach of the covenants and restrictions of this Section 20 by Sublessee shall be a default under the Sublease.

21. Recordation. Neither this Sublease nor any memorandum thereof may be recorded in the Office of the Recorder of Deeds of the City of St. Louis, Missouri or in any other public records without the prior written consent of Sublessor and Landlord.

22. Sublessor Default. In the event Sublessor shall fail to comply with any term, provision or covenant of this Sublease and shall not cure such failure within thirty (30) days after written notice thereof is given by Sublessee to Sublessor, (provided, however, with respect to a default not susceptible of being cured within thirty (30) days, Sublessor shall not be in default unless it fails to commence all work required to cure such default within said thirty (30) day period or fails to diligently prosecute the same to effect such cure within a reasonable period of time thereafter), Sublessor shall be considered in default hereunder (a “**Sublessor Default**”). Upon the occurrence of a Sublessor Default, Sublessee shall have the option, in Sublessee’s sole discretion, to (i) terminate this Sublease, whereby the Security Deposit (less amounts that may be deducted for damages as provided in the Ground Lease) and any prepaid Rent for any future period shall be immediately refunded to Sublessee, (ii) cure such default on behalf of Sublessor, whereby Sublessor shall promptly reimburse Sublessee for any and all reasonable costs incurred by Sublessee in curing such default, (or Sublessee may elect to credit such amount towards the Sublease Rent), and/or (iii) pursue any other available remedies at law or in equity, including recovery of monetary damages. In the event Sublessor shall fail to comply with any non-material term, provision or covenant of this Sublease and shall not cure such failure within thirty (30) days after written notice thereof is given by Sublessee to Sublessor, (provided, however, with respect to a default not susceptible of being cured within thirty (30) days, Sublessor shall not be in default unless it fails to commence all work required to cure such default within said thirty (30) day period or fails to diligently prosecute the same to effect such cure within a reasonable period of time thereafter), Sublessor shall be considered in default hereunder (a “**Non-Material Default**”). Upon the occurrence of a Non-Material Default, Sublessee shall have the option, in Sublessee’s sole discretion, to (i) cure such default on behalf of Sublessor, whereby Sublessor shall promptly reimburse Sublessee for any and all reasonable costs incurred by Sublessee in curing such default (or Sublessee may elect to credit such amount towards the Sublease Rent) and/or (ii) pursue any other available remedies at law or in equity, including recovery of monetary damages. ANY SUCH

REMEDIES SHALL BE CUMULATIVE AND NON-EXCLUSIVE, BUT IN NO EVENT SHALL ANY REMEDY INCLUDE CONSEQUENTIAL, EXEMPLARY, SPECIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES. Forbearance by Sublessee to enforce one or more of the remedies herein provided upon the occurrence of a Sublessor Default shall not be deemed or construed to constitute a waiver of such default.

23. Damage, Destruction or Taking. In the event any Improvements are damaged, destroyed or taken by condemnation action and if (A) the cost to repair or replace the Improvements exceeds 20% of the replacement costs of the total Improvements then in existence, (B) the time estimated to fully restore the Improvements to substantially the same as such existed prior to such damage, destruction or taking by condemnation action exceeds two hundred forty (240) days, or (C) such taking by condemnation action materially and adversely affects Sublessee's operation of the Premises, then Sublessee may, at its option, terminate this Sublease upon such date as is set forth in a written notice given to Sublessor within ninety (90) days after the date of the damage, destruction or taking by condemnation.

24. Sublessee Liability; Additional Sublessor Remedies.

24.1 It is expressly understood and agreed by Sublessor and Landlord that, except to the extent arising out of any Limitation Carve-Outs (defined below) and without limiting the liability of any guarantor of the Sublease obligations, any money judgment resulting from any default or other claim arising under this Sublease shall be satisfied only out of the Security Deposit, Sublessee's interest in the Premises, and Sublessee's other property (including contract rights and proceeds) used in or earned from the operation of the Premises as a hospital, but no other real, personal or mixed property of Sublessee, wherever situated, shall be subject to levy on any judgment obtained against Sublessee. Sublessor and Landlord hereby waive, to the extent waivable under law, any right to satisfy a money judgment against Sublessee except as stated in the preceding sentence. If such interest is not sufficient for the payment of such judgment that is not attributable to a Limitation Carve-Out, neither Sublessor nor Landlord shall institute any further action, suit, claim or demand, in law or in equity, against Sublessee for or on the account of such deficiency. "**Limitation Carve-Outs**" means and includes (a) fraud or intentional misrepresentation by Sublessee or any member, principal, officer, or manager of Sublessee (each a "**Sublessee Party**"); (b) the gross negligence, willful misconduct or the commission of a criminal act by a Sublessee Party; (c) material physical waste to the Premises caused by the intentional acts or intentional omissions of a Sublessee Party (including, without limitation, any arson or abandonment of the Improvements) and/or the removal or disposal of any portion of the Improvements after an Event of Default by a Sublessee Party; (d) the misapplication, misappropriation or conversion by a Sublessee Party of (i) any insurance proceeds paid by reason of any loss, damage or destruction to the Premises, (ii) any awards or other amounts received in connection with the condemnation of all or a portion of the Premises, or (iii) any Rent or other amounts due hereunder; (e) failure to pay Taxes or charges for labor or materials or any other charges that can create liens on any portion of the Premises; (f) failure to maintain insurance as required by this Sublease; (g) releases of Hazardous Substances on, or other contamination of, the Premises arising from any act or omission of a Sublessee Party; or (h) any litigation or other legal proceeding filed by a Sublessee Party that delays, opposes, impedes, obstructs, hinders, enjoins or otherwise interferes with or frustrates the efforts of Sublessor or Landlord to exercise any rights and remedies available to it as provided in this Sublease or the Ground Lease.

24.2 No constituent member of or agent of Sublessee, nor any advisor, trustee, director, officer, employee, beneficiary, shareholder, participant, representative or agent of any entity that is or becomes a constituent member of Sublessee shall have any personal liability, directly or indirectly, under or in connection with this Lease or any agreement made or entered into under or pursuant to the provisions of this Sublease, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter, and Sublessor and Landlord and its successors and assigns and, without limitation, all other persons and entities, shall look solely to Sublessee's assets for the payment of any claim or for any performance, and Sublessor and Landlord, on behalf of itself and its successors and assigns, hereby waives any and all such personal liability. Notwithstanding anything to the contrary contained in this Sublease, neither the negative capital account of any constituent member of Sublessee (or in any other constituent member of Sublessee), nor any obligation of any constituent member of Sublessee (or in any other constituent member of Sublessee) to restore a negative capital account or to contribute capital to Sublessee (or to any other constituent member of Sublessee), shall at any time be deemed to be the property or an asset of Sublessee or any such other constituent member (and neither Sublessor nor Landlord nor any of its successors or assigns shall have any right to collect, enforce or proceed against or with respect to any such negative capital account of a member's obligations to restore or contribute).

24.3 Upon the occurrence and continuance of a Sublessee default after expiration of applicable notice and cure periods, in addition to other rights and remedies Sublessor may have in this Sublease, Sublessor shall have the right and option, but not the obligation, to terminate this Sublease and permanently replace Sublessee as the operator of the Improvements and the hospital business located therein with a third-party management company. In such event, this Sublease shall terminate, and Sublessee shall immediately surrender the Premises to Sublessor or its designee without presentment, demand, protest or notice of any kind, all of which Sublessee expressly waives. In addition to the foregoing, Sublessee hereby irrevocably agrees that Sublessor shall have the right, upon the occurrence and continuance of a Sublessee default after expiration of applicable notice and cure periods, to seek the appointment of a receiver, trustee or similar official over Sublessee to maintain business operations in the Premises until a permanent replacement for Sublessee is found and the Sublease is terminated. Sublessee hereby irrevocably agrees not to object to such appointment on any grounds.

24.4 Upon the occurrence and continuance of a Sublessee default after expiration of applicable notice and cure periods, in addition to other rights and remedies Sublessor may have in this Sublease, Sublessor or its designee shall have the right and option, but not the obligation, to terminate this Sublease and purchase from Sublessee all (but not less than all) of Sublessee's personal property with respect to the Premises and all rights title, and interest of Sublessee therein for an amount equal to the then fair market value of the personal property as determined by an independent, third party appraisal reasonably acceptable to Sublessor, subject in all cases to, and with appropriate price adjustments for all equipment leases, conditional sale contracts, security interests and other encumbrances to which such personal property is subject. If the Sublessor determines to exercise its remedy pursuant hereto, then Sublessor shall provide Sublessee with written notice of its intent to exercise such option and Sublessee shall be obligated to sell, assign, transfer and convey to Sublessor, its designee or assignee, on an AS IS, WHERE IS BASIS, and without representation or warranty of any kind or nature whatsoever, express or implied, all such personal property with respect to the Premises and all rights title, and interest of

Sublessee therein subject to the terms and conditions set forth herein. Sublessor may at its sole and absolute discretion apply the fair market value of the personal property as determined in this Section 24.4 to any amounts due and payable under this Sublease.

24.5 The provisions of this Section 24 shall survive any termination of this Sublease.

25. Transition of Operations. UPON THE TERMINATION OF THIS SUBLEASE DUE TO THE DEFAULT OF SUBLESSEE BEYOND ANY APPLICABLE NOTICE AND CURE PERIODS, WITHOUT ANY ADDITIONAL CONSIDERATION TO SUBLESSEE, SUBLESSEE SHALL, FOR A REASONABLE PERIOD OF TIME AFTER THE TERMINATION, USE COMMERCIALY REASONABLE EFFORTS TO FACILITATE AN ORDERLY TRANSFER OF THE OPERATION AND OCCUPANCY OF THE PREMISES TO SUBLESSOR OR ITS DESIGNEE; IT BEING UNDERSTOOD AND AGREED THAT THE PERFORMANCE OR EXERCISE OF ANY OF THE FOREGOING RIGHTS, REMEDIES, DUTIES AND OBLIGATIONS SHALL BE WITHOUT ANY ADDITIONAL CONSIDERATION TO SUBLESSEE. IT IS AN INTEGRAL CONDITION OF THIS SUBLEASE AND A MATERIAL INDUCEMENT TO SUBLESSOR'S AGREEMENT TO ENTER INTO THIS SUBLEASE AND OF LANDLORD'S ACCEPTANCE OF THIS SUBLEASE THAT SUBLESSEE ACKNOWLEDGES AND AGREES TO COOPERATE WITH AND ASSIST SUBLESSOR IN ACCORDANCE WITH THIS SECTION 25, WHICH COOPERATION AND ASSISTANCE SHALL BE WITHOUT ANY ADDITIONAL CONSIDERATION TO SUBLESSEE. THIS SECTION 25 SHALL SURVIVE TERMINATION OF THIS SUBLEASE DUE TO THE DEFAULT OF SUBLESSEE BEYOND ANY APPLICABLE NOTICE AND CURE PERIODS.

26. Prior Sublessor Obligations. Sublessor shall pay, and be solely liable for, any and all costs and expenses relating to such Sublessor's operations at the Premises on or prior to the Effective Date, including, but not limited to, any vendor accounts, sales taxes, employee termination costs (including any accrued vacation or other benefits), and any other costs or liabilities of such businesses. Further, Sublessor shall indemnify and hold Sublessee harmless from and against any and all claims, actions, damages, liability, costs and expenses (including reasonable attorney's fees and court costs incurred by Sublessee) for any injury (including death) to any persons or damage to any property arising from, caused by or in connection with any occurrence in, upon or at the Premises, or in any way related to or arising out of Sublessor's use or occupancy of the Premises prior to the Effective Date.

27. Intentionally deleted.

28. Modification to Ground Lease. During the Term of the Sublease, Sublessor and Landlord hereby acknowledge and agree that neither party may change, modify, amend or terminate the Ground Lease, in whole or in part, except with the prior written consent of Sublessee, which shall not be unreasonably withheld, conditioned or delayed (the parties hereby acknowledging that it shall be reasonable for Sublessee to withhold such consent if any such

modification to the Ground Lease results in an adverse change to Sublessee's obligations or rights under this Sublease).

29. Officers' Certificates of the Parties. As of the Effective Date, each party to this Agreement shall deliver to the other party a certificate of an authorized officer certifying that that the documents executed by that party in connection with this Sublease have been duly authorized and executed, the representations and warranties contained therein are true and correct, and such documents are enforceable in accordance with their terms.

30. Inspections. Notwithstanding anything else in this Sublease or the Ground Lease to the contrary, Sublessee shall have, at its sole cost and expense, the express right to conduct any and all inspections, tests, reports or other due diligence examinations of the Premises at all times during the Term of this Sublease.


[Signatures on next page]



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

**SUBLESSOR:**

SA HOSPITAL REAL ESTATE HOLDINGS,  
LLC, a Delaware limited liability company

By:   
Printed Name: Jeffrey Ashburn  
Its: Co Managing Member

**SUBLESEE:**

St Louis Recovery Hospital LLC, a Missouri  
limited liability company

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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

**SUBLESSOR:**

SA HOSPITAL REAL ESTATE HOLDINGS,  
LLC, a Delaware limited liability company

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**SUBLESSEE:**

St Louis Recovery Hospital LLC, a Missouri  
limited liability company

DocuSigned by:  
By: Ben Levin  
Printed Name: Ben Levin  
Its: President

EXHIBIT "A"

DESCRIPTION OF PREMISES

A TRACT OF LAND BEING ALL OF BLOCK 2564, PART OF BLOCK 2565, ALL THAT PART OF VACATED BAY STREET AS PER ORDINANCES 58150, 57069 AND 22523, ALL OF A VACATED ALLEY AS PER ORDINANCE 56841 AND THAT PART OF A VACATED ALLEY AS PER ORDINANCE 56841, ALL IN THE CITY OF ST. LOUIS, MISSOURI AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF OSAGE STREET, 60.00 FEET WIDE, WITH THE EAST LINE OF OHIO STREET, 60.00 FEET WIDE; THENCE ALONG SAID EAST LINE IN A NORTHWARDLY DIRECTION 394.43 FEET; THENCE EASTWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM SAID POINT OF INTERSECTION OF 90 DEGREES 07 MINUTES 41 SECONDS A DISTANCE OF 116.00 FEET; THENCE NORTHWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 269 DEGREES 52 MINUTES 19 SECONDS A DISTANCE OF 208.00 FEET TO A POINT ON THE SOUTH LINE OF KEOKUK STREET, 60.00 FEET WIDE; THENCE EASTWARDLY ALONG SAID SOUTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 07 MINUTES 41 SECONDS A DISTANCE OF 258.95 FEET TO THE INTERSECTION OF SAID SOUTH LINE OF KEOKUK STREET WITH THE WEST LINE OF BAY STREET, 50.00 FEET WIDE; THENCE SOUTHWARDLY ALONG SAID WEST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 89 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 121.25 FEET; THENCE EASTWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 270 DEGREES 32 MINUTES 22 SECONDS A DISTANCE OF 50.00 FEET TO A POINT IN THE EAST LINE OF SAID BAY STREET; THENCE NORTHWARDLY ALONG SAID EAST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 269 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 121.25 FEET SAID SOUTH LINE OF KEOKUK STREET; THENCE EASTWARDLY ALONG SAID SOUTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 32 MINUTES 22 SECONDS A DISTANCE OF 144.98 FEET TO THE INTERSECTION OF SAID SOUTH LINE OF KEOKUK STREET WITH THE WEST LINE OF BROADWAY STREET, 120.00 FEET WIDE; THENCE SOUTHWARDLY ALONG SAID WEST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 89 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 600.69 FEET TO THE INTERSECTION OF SAID WEST LINE WITH SAID NORTH LINE OF OSAGE STREET; THENCE WESTWARDLY ALONG SAID NORTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 43 MINUTES 08 SECONDS A DISTANCE OF 565.63 FEET TO A POINT ON SAID EAST LINE OF OHIO STREET, SAID POINT BEING THE POINT OF BEGINNING AND FORMING A CLOSING ANGLE THE LEFT 89 DEGREES 41 MINUTES 33 SECONDS.

EXHIBIT "B"

COPY OF GROUND LEASE

[See attached]

**GROUND LEASE**

by and between

TWAIN GL XXV, LLC  
a Missouri limited liability company

“Landlord”

and

SA HOSPITAL REAL ESTATE HOLDINGS, LLC  
a Delaware limited liability company

“Tenant”

December 29, 2021

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## GROUND LEASE

This **GROUND LEASE** (this "Lease") is entered into by and between SA HOSPITAL REAL ESTATE HOLDINGS, LLC, a Delaware limited liability company ("Tenant"), and TWAIN GL XXV, LLC, a Missouri limited liability company ("Landlord"), effective as of December 29, 2021 (the "Commencement Date"). For purposes of this Lease, Tenant and Landlord are sometimes referred to herein collectively as the "Parties" and individually as a "Party".

### R E C I T A L S

**WHEREAS**, Landlord is the fee owner of approximately 7.148 acres of real property located in the City of St. Louis, Missouri and legally described on **Exhibit A** attached to this Lease (the "Premises"); and

**WHEREAS**, Tenant desires to lease the Premises (together with all appurtenant rights and easements) for the purpose of owning and operating a hospital facility (collectively, the "Improvements") for the rent and on the terms and conditions set forth in this Lease, and Landlord and Tenant have executed this Lease in connection with Landlord's acquisition of the Premises.

**NOW, THEREFORE**, it is agreed by the parties as follows:

### **ARTICLE I** **LEASE OF PREMISES AND TERM OF LEASE**

**Section 1.01.** Agreement to Lease. For and in consideration of the rents to be paid and covenants to be performed by Tenant under this Lease, Landlord agrees to lease the Premises to Tenant, and Tenant agrees to lease the Premises from Landlord, on the terms and conditions set forth in this Lease and subject to all matters affecting the Premises, whether or not of record.

**Section 1.02.** Term of Lease. The term of this Lease (the "Term") shall commence on the Commencement Date and shall expire on the date which is ninety nine (99) years following the Commencement Date, except that if the date which is ninety nine (99) years following the Commencement Date is not the final calendar day of a calendar month, then the Term shall expire on the last day of the calendar month containing the date which is ninety nine (99) years following the Commencement Date.

**Section 1.03.** Delivery of Possession. Possession of the Premises shall be delivered by Landlord to Tenant upon the Commencement Date subject to all matters affecting the Premises, whether or not of record. Tenant agrees and acknowledges that the Premises is to be delivered to Tenant in an entirely "AS IS", "WHERE IS", "WITH ALL FAULTS" condition, with no obligation for Landlord to improve or alter the Premises and with Landlord making no representation or warranty as to the Premises. TENANT ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY MADE BY LANDLORD IN THIS LEASE, LANDLORD IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TITLE, ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS INCLUDING WEATHER-RELATED CONDITIONS, AVAILABILITY OF ACCESS, INGRESS OR EGRESS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS, THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. TENANT AGREES THAT TENANT HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF LANDLORD OR ANY AGENT OF LANDLORD OR OTHER THIRD PARTY, EXCEPT AS EXPRESSLY MADE BY LANDLORD IN THIS LEASE. EXCEPT AS OTHERWISE

PROVIDED IN THIS LEASE, TENANT HAS HAD THE OPPORTUNITY TO CONDUCT ITS OWN INSPECTIONS AND INVESTIGATIONS OF THE PREMISES AND ASSUMES ALL RISK IN CONNECTION THEREWITH. THE TERMS AND CONDITIONS OF THIS SECTION SHALL EXPRESSLY SURVIVE THE TERMINATION OF THIS LEASE.

**Section 1.04.** Sublease. As of the Commencement Date, Tenant is entering into a sublease (“Sublease”) with SA Hospital Acquisition Group, LLC, a Delaware limited liability company (“Subtenant”), to operate the business on the Improvements and the Premises. Tenant shall not amend, modify or terminate the Sublease without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything contained herein to the contrary, Tenant shall not enter into any sublease for a term greater than the Term of this Lease.

## ARTICLE II RENT

### **Section 2.01.** Base Rent and Supplemental Rent.

(a) Tenant agrees to pay to Landlord, without notice or demand, offset, abatement or deduction, in lawful money of the United States of America, annual minimum rent (“Base Rent”) during the Term in the amount set forth on **Exhibit B** attached hereto and made a part hereof. Base Rent shall be paid quarterly in advance in four (4) equal installments on the first (1<sup>st</sup>) business day of January, April, July, and October of every calendar year during the Term. If the Commencement Date is not the first (1<sup>st</sup>) calendar day of a calendar quarter, then for the partial quarter period from and including the Commencement Date through and including the day immediately preceding the first (1<sup>st</sup>) day of the next calendar quarter, Base Rent shall be paid on the Commencement Date for the initial fractional quarter prorated on a per diem basis. As used in this Lease, the term “Lease Year” shall mean each twelve (12) month period during the Term commencing with the Commencement Date, except that if the Commencement Date is not the first (1<sup>st</sup>) calendar day of a calendar month, then the first (1<sup>st</sup>) Lease Year shall end on the last day of the month that is twelve (12) months after the Commencement Date. Notwithstanding anything in this Section 2.01 to the contrary, payments of Base Rent and Supplemental Rent due and payable through and including December 31, 2022, shall be capitalized and shall be paid by Landlord to Landlord and shall be added to the Rent Basis on the first (1<sup>st</sup>) day next succeeding each applicable due date; provided, however, notwithstanding the foregoing obligation for Landlord to pay Capitalized Rent (hereinafter defined), when the Rent Basis reaches \$27,372,519.48, Tenant shall thereafter pay all Rent due to Landlord even if such amounts become due and payable before December 31, 2022.

(b) After the first Lease Year, Tenant agrees to pay to Landlord, without notice or demand, offset, abatement or deduction, in lawful money of the United States of America, an annual supplemental rent (“Supplemental Rent”) as follows:

(1) For the second (2<sup>nd</sup>), third (3<sup>rd</sup>) and fourth (4<sup>th</sup>) Lease Years, annual Supplemental Rent shall be as follows:

Lease Year 2 = Lease Year 2 Base Rent x 2%

Lease Year 3 = (Lease Year 3 Base Rent x 2%) + (Lease Year 3 Base Rent x 2% x 102%)

Lease Year 4 = (Lease Year 4 Base Rent x 2%) + (Lease Year 4 Base Rent x 2% x 102%) + (Lease Year 4 Base Rent x 2% x 104% x 104%)

(2) For the fifth (5<sup>th</sup>) Lease Year and continuing thereafter on the first (1<sup>st</sup>) day of each Lease Year (each an “Adjustment Date”), Supplemental Rent shall be adjusted to an amount equal

to the sum of (i) four percent (4%) of the Base Rent for the immediately preceding applicable Lease Year, plus (ii) one hundred four percent (104%) of the Supplemental Rent for the immediately preceding applicable Lease Year; provided, however, that in the event that Base Rent is increased on the Adjustment Date at the beginning of a new CPI Adjustment Period pursuant to Section 2.01(b)(3) below, Supplemental Rent shall not be adjusted for such Lease Year under this Section 2.01(b)(2) and Supplemental Rent shall next be adjusted under this Section 2.01(b)(2) on the next Adjustment Date. For the avoidance of doubt, Supplemental Rent may be further adjusted on each Adjustment Date at the beginning of each CPI Adjustment Period pursuant to Section 2.01(b)(3). All Supplemental Rent shall be due and payable quarterly in four (4) equal installments in advance on the same day as Base Rent under this Lease.

(3) Upon the commencement of the sixth (6<sup>th</sup>) Lease Year and continuing thereafter every five (5) years (each such 5-year period, including the first five (5) Lease Years, a “CPI Adjustment Period”) through the last day of the Term, pursuant to this Section 2.01(b), Supplemental Rent shall be increased on the first (1<sup>st</sup>) day of each CPI Adjustment Period by the percentage change in the CPI figure from (i) the Commencement Date for the first (1<sup>st</sup>) CPI Adjustment Period or the first (1<sup>st</sup>) day of the immediately preceding CPI Adjustment Period for all subsequent CPI Adjustment Periods to (ii) the last day of the fifth (5<sup>th</sup>) Lease Year for the first CPI Adjustment Period or the last day of the immediately preceding CPI Adjustment Period for all subsequent CPI Adjustment Periods, if and only if, the percentage increase in the CPI figure during such CPI Adjustment Period is greater than the percentage increase in Supplemental Rent during the same CPI Adjustment Period. For purposes of this Lease, “CPI” means The Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, as published by the Bureau of Labor Statistics of the U.S. Department of Labor (or if the publication of such Consumer Price Index is discontinued, a comparable index similar in nature to the discontinued index which clearly reflects that diminution (or increase) in the real value of the purchasing power of the U.S. dollar reported for the calendar year in question).

(c) The parties acknowledge that Landlord (i) has arranged for the funds necessary to finance the acquisition of the Premises and has committed the Tenant Improvement Allowance (hereinafter defined) to Tenant as described in this Lease; (ii) has provided Tenant with services related to funding, structuring and underwriting the Transaction (hereinafter defined) on or before the date hereof; and (iii) may provide throughout the Term of this Lease ongoing services related to the management of the financing represented by this Lease, including, without limitation, (a) monitoring Tenant’s maintenance of insurance coverage on the Premises and the Improvements as required by this Lease, (b) monitoring the status of real estate taxes, assessments and other similar items and verifying the payment of such items in accordance with this Lease, (c) procuring and supervising the services of third parties necessary or appropriate in connection with the servicing of this Lease and any related financing, (d) performing payment processing, record keeping, administration of escrow and other accounts, interest rate adjustment, and other routine customer service functions, (e) monitoring any casualty losses or condemnation proceedings and administering any proceeds related thereto in accordance with this Lease and (f) advance or disburse the Tenant Improvement Allowance as required by this Lease. The parties acknowledge and agree that the payment of Supplemental Rent pursuant to this Lease is in consideration for the services described in this Section 2.01(c) and the parties shall not treat the payment of Supplemental Rent as a payment of interest for any purpose, including federal income tax purposes.

**Section 2.02.** No Partnership or Joint Venture. Nothing in this Lease shall be construed to render Landlord in any way or for any purpose a partner, joint venturer, or associate in any relationship with Tenant other than that of Landlord and Tenant, nor shall this Lease be construed to authorize either to act as agent for the other.

**Section 2.03.** Late Payment. All monetary amounts to be paid by Tenant to Landlord pursuant to this Lease other than Base Rent shall constitute additional rent, shall be paid in the manner provided in this Lease without offset, abatement or counterclaim, and shall sometimes be collectively referred to as

“Additional Rent”. Base Rent, Additional Rent and Supplemental Rent are collectively referred to herein as “Rent”. Tenant has provided to Landlord the Guaranty from Guarantor in support of its obligations to pay Rent as and when due under this Lease. Tenant acknowledges that the late payment by Tenant to Landlord of any sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance or note secured by all or any portion of Landlord’s interest in the Project. Therefore, if Tenant fails to pay any Rent within ten (10) days of the due date under this Lease for any reason, Tenant shall pay to Landlord, as Additional Rent, the sum of six percent (6.0%) of the overdue amount as a late charge. All past-due installments of Rent shall also bear interest, as Additional Rent, at the “Interest Rate” (as hereinafter defined), from the date due until paid. For purposes of this Lease, the “Interest Rate” shall mean the lesser of (i) the maximum rate permitted by applicable law governing interest rate restrictions, or (ii) eight percent (8.0%) per annum plus the then prevailing per annum “prime rate” as most recently published in the Wall Street Journal (or the then “prime” rate as established by a comparable alternate source reasonably designated by Landlord in the event the Wall Street Journal ceases to publish a prevailing “prime” rate). Landlord’s acceptance of any late charge or interest shall not constitute a waiver of Tenant’s default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord under this Lease, at law or in equity.

**Section 2.04.** No Abatement of Rent. No abatement, diminution, deferral, or reduction of: (i) Rent, charges or other compensation; or (ii) Tenant’s other obligations hereunder shall be allowed to Tenant or any person or entity claiming under Tenant, under any circumstances or for any reason whatsoever and to the maximum extent permitted by Applicable Laws, Tenant hereby waives the application of any local or state statutes, land rules, regulations, or ordinance providing to the contrary.

**Section 2.05.** Payment of Rent. Tenant hereby acknowledges receipt of the Tenant Payment Notice attached hereto as **Exhibit M** (the “Tenant Payment Notice”), the terms, covenants and provisions of which are hereby incorporated herein by reference. Tenant hereby agrees to comply with the Tenant Payment Notice with respect to the payment of Rent and other sums due to Landlord under this Lease.

### ARTICLE III USE OF PREMISES

**Section 3.01.** Permitted Use. Tenant shall use the Premises (collectively, the “Permitted Uses”) solely for the purpose of constructing, maintaining, operating and leasing the Improvements and related amenities and facilities for a hospital (the “Project”). Tenant shall not change the use of the Premises without first obtaining the written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed.

**Section 3.02.** Compliance With Laws and Matters Affecting Premises. Tenant shall, at Tenant’s own cost and expense, comply with all statutes, ordinances, regulations, and requirements of all governmental entities, both federal and state and county or municipal, including, without limitation, those requiring structural or non-structural work and/or capital improvements to the Premises or Improvements as a condition to continuing occupancy and relating to Tenant’s use and occupancy of the Premises, whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted (collectively, “Applicable Laws”). If any license, permit, or other governmental authorization is required for the lawful use or occupancy of the Premises or any portion of the Premises, Tenant shall procure and maintain it throughout the Term. The judgment of any court of competent jurisdiction, or the admission by Tenant in a proceeding brought against Tenant by any government entity, that Tenant has violated any Applicable Laws shall be conclusive as between Landlord and Tenant and shall constitute a material Tenant default within the meaning of Section 11.03 below. Tenant, at its sole cost and expense, shall comply in all respects with all matters affecting the Premises, whether or not of record, and Tenant shall comply with

and perform all of the obligations set forth under the same to the extent that the same are applicable to the Premises or to the extent that the same would, if not complied with or performed, impair or prevent the continued use, occupancy and operation of the Premises for the purposes set forth in this Lease. Further, in addition to Tenant's payment obligations under this Lease, Tenant shall pay all sums charged, levied or assessed under any matters affecting the Premises, whether or not of record, promptly as the same become due and shall, upon receipt of written request by Landlord, promptly furnish Landlord evidence of payment thereof.

**Section 3.03. Prohibited Uses.** Tenant shall not use or permit the Premises or any portion of the Premises to be improved, developed, used, or occupied in any manner or for any purpose that is in any material way in violation of any Applicable Laws. Furthermore, Tenant shall not maintain, commit, or knowingly permit the maintenance or commission of any nuisance as now or hereafter defined by any Applicable Laws.

#### **ARTICLE IV TAXES AND UTILITIES**

**Section 4.01. Tenant to Pay Taxes.** Commencing on the Commencement Date and continuing throughout the Term, Tenant shall pay to the taxing authority, without abatement, deduction, or offset all of the following (collectively, "Taxes"): any and all general and special real property taxes, general and special assessments, personal property taxes and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed by any governmental agency or entity on or against the Premises, the Improvements located on the Premises, personal property owned by Tenant and located on or in the Premises or Improvements, and the leasehold estate created by this Lease (but not Landlord's net income from the Premises), to the extent that the Taxes are attributable to any period following the Commencement Date of this Lease. Without limiting the generality of the foregoing, "Taxes" shall include any form of assessment, license fee, license tax, business license fee, transit tax or fee, commercial rental tax, levy, charge, penalty (other than tax penalties incurred as a result of Landlord's gross negligence, inability or unwillingness to make payments when due) tax or similar imposition, imposed by any authority having the direct power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage, transportation or other improvement or special assessment district thereof, as against any legal or equitable interest of Landlord in the Premises, or any portion thereof, including, but not limited to, the following: (i) any tax on Landlord's right to Rent or right to other income from the Premises, except to the extent such rent or other income from the Premises is taxed as a part of Landlord's net income; (ii) any assessment, tax, fee, levy or charge on the Premises and Improvements in substitution, partially or totally, of any assessments, taxes, fees, levies and charges that may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants (it being the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies and charges be included within the definition of Taxes for the purposes of this Lease); (iii) any assessment, tax, fee, levy or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any gross income tax or excise tax levied by the state, city or federal government, or any political subdivision thereof, with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; and (iv) any assessment, tax, fee, levy or charge upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises, or based upon a reassessment of the Premises, or any portion thereof, due to a change in ownership or transfer of all or part of Landlord's interest in this Lease, the Premises or any portion thereof.

**Section 4.02. Proration of First and Last Year Taxes.** Notwithstanding the provisions of Section 4.01 of this Lease, all Taxes levied or assessed during the tax years in which the Term ends shall be prorated between Landlord and Tenant as of the date the Term ends on the basis of tax years that

commence on January 1 and end on December 31 of each year. Tenant shall pay the Taxes for the year in which the Term commences. Landlord shall pay the Taxes for the year in which the Term ends, and Tenant shall promptly, on service of written request by Landlord, reimburse Landlord for Tenant's share of those Taxes; provided, however, at Landlord's option, Landlord may elect to cause Tenant to pay into escrow, and Tenant agrees to pay upon notice from Landlord, monthly estimated installments of Taxes for the last year of the Term.

**Section 4.03.** Payment Before Delinquency. Any and all Taxes and installments of Taxes required to be paid by Tenant under this Lease shall be paid by Tenant before each of the Taxes or installment of Taxes becomes delinquent.

**Section 4.04.** Taxes Payable in Installments. Should any of the Taxes be levied on or assessed against the Premises that may be either paid in full before a delinquency date within the Term or paid in installments over a period either within or extending beyond this Lease, Tenant shall have the option of paying the applicable Taxes in installments. The fact that the exercise of the option to pay the Taxes in installments will cause the Premises to be encumbered with bonds or will cause interest to accrue on the Taxes is immaterial and shall not interfere with the free exercise of the option by Tenant. Should Tenant exercise the option to pay any such Taxes in installments, Tenant shall be liable to pay only those installments attributable to any period within the Term. Landlord shall cooperate with Tenant and on written request of Tenant execute or join with Tenant in executing any instruments required to permit any such Taxes to be paid in installments.

**Section 4.05.** Contest of Tax. Tenant shall have the right to contest, oppose, or object to the amount or validity of any of the Taxes levied on or assessed against the Premises or any part of the Premises; provided, however, that the contest, opposition, or objection must be filed before the Taxes at which it is directed becomes delinquent. Landlord shall, on written request of Tenant, join in any such contest, opposition, or objection if Tenant determines that joinder is necessary or convenient for the proper prosecution of the proceedings. Tenant shall be responsible for and shall pay all costs and expenses in any contest or legal proceeding instituted by Tenant. In no event shall Landlord be subjected to any liability for costs or expenses connected to any contest by Tenant, and Tenant agrees to indemnify and hold Landlord harmless from any such costs and expenses. Furthermore, no such contest, opposition, or objection shall be continued or maintained after the date the Taxes at which it is directed become delinquent unless Tenant has done one of the following:

- (a) Paid the Taxes under protest before delinquency;
- (b) Obtained and maintained a stay of all proceedings for enforcement and collection of the Taxes by posting a bond or other security required by law for such a stay; or
- (c) Delivered to Landlord a good and sufficient surety bond in an amount specified by Landlord and issued by a bonding corporation licensed to do business in Missouri, conditioned on the payment by Tenant of the Taxes together with any fines, interest, penalties, costs, and expenses that may have accrued or been imposed thereon within thirty (30) days after final determination of Tenant's contest, opposition, or objection to the Taxes.

**Section 4.06.** Tax Reports. Tenant shall, as between Landlord and Tenant, have the duty of attending to, preparing, making, and filing any statement, return, report, or other instrument required or permitted by Applicable Laws in connection with the determination, equalization, reduction, or payment of any Taxes levied on or assessed against the Premises, the Improvements located on the Premises, personal property located on or in the Premises or Improvements, and the leasehold estate created by this Lease and Tenant shall provide to Landlord a copy thereof within ten (10) days after any such filing.

**Section 4.07.** Tax Hold-Harmless Clauses. Tenant shall indemnify and hold Landlord and the Premises and any Improvements now or subsequently located on the Premises, free and harmless from any liability, loss, or damage resulting from any Taxes required by this Article to be paid by Tenant and from all interest, penalties, and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such Taxes.

**Section 4.08.** Utilities. Tenant shall pay or cause to be paid prior to the delinquency date therefor, and hold Landlord free and harmless from, all charges for the furnishing of gas, water, sewer, electricity, telephone service, and other public utilities to the Premises during the Term and for the removal of garbage and rubbish from the Premises during the Term. Without limiting the generality of the foregoing, Tenant shall be solely responsible for all utility hook-up, connection, impact, metering and other fees in connection with utility service for the Premises.

**Section 4.09.** Payment by Landlord. Should Tenant fail to pay within the time specified in this Article any Taxes or utility charges pursuant to Section 4.08, required by this Article to be paid by Tenant, Landlord may, without notice to or demand on Tenant, pay or discharge such Taxes or utility charges. In that event, Tenant shall within ten (10) days following receipt of written demand from Landlord reimburse Landlord for the full amount paid by Landlord in paying or discharging such Taxes or utility charges together with interest thereon at the then Interest Rate from the date of payment by Landlord until the date of repayment by Tenant. If this Article does not specify the time within which Tenant must pay any utility charge required by this Article, Tenant shall pay that utility charge before it becomes delinquent.

## ARTICLE V CONSTRUCTION BY TENANT

**Section 5.01.** Duty to Construct. Tenant shall, at Tenant's sole cost and expense, construct or cause the Project to be constructed on the Premises in general accordance with the development approvals and entitlements issued to Tenant from all applicable governmental agencies for the development and construction of the Work (the "Final Approvals"). Any material deviation in design or construction of the Work from the Final Approvals shall be subject to Landlord's prior written approval. A description of the Final Approvals is attached hereto as Exhibit C. Such construction shall be performed in the manner and according to the terms and conditions specified in this Article 5.

**Section 5.02.** All Work on Written Contract. All work required in the demolition of the existing improvements and construction of the new Improvements, including any site preparation work, landscaping work, and utility installation work, as well as actual construction work on the Improvements, shall be performed only by competent contractors licensed under the laws of the State of Missouri and reasonably experienced in performance of comparable work on comparable projects in St. Louis, Missouri, and shall be performed in accordance with written contracts with those contractors. Tenant shall complete the Work in compliance with the Existing Construction Documents. Landlord shall have a right to appoint a construction monitor in connection with Tenant's construction of the Improvements under this Lease, at Tenant's sole cost and expense. Tenant shall grant to such construction monitor full access to the Work, architect, general contractor and construction draw requests during construction. As used in this Lease, (i) "Existing Construction Documents" means, collectively, the General Construction Contract, the Plans and Specifications, and all other plans, drawings, contracts, licenses, permits, certificates (including without limitation certificates of occupancy), approvals, qualification statements and other similar documentation related to the development, construction, renovation, alteration or improvement of the Premises for the Permitted Use; (ii) "General Construction Contract" means collectively, the following: (1) the Master Service Agreement dated as of January 20, 2021, by and between Building Resources and SA Hospital Acquisition Group, LLC, SA Hospital Real Estate Holdings – Jefferson, LLC, and Tenant, as amended, restated or otherwise modified from time to time, plus any subsequent Prime Contracts (as defined therein) entered into after the date thereof; (2) that certain AIA Document A101-2017 Standard Form of Agreement



Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated June 16, 2021 between B.R. Building Resources Company and Tenant with respect to the Elevator Modernization project; (3) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated November 3, 2021 between B.R. Building Resources Company and Tenant with respect to the Limb Preservation/Wound Care project; (4) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated November 3, 2021 between B.R. Building Resources Company and Tenant with respect to the New Psych ER, Conversion of ER Entrance, and Existing ER projects; (5) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated November 3, 2021 between B.R. Building Resources Company and Tenant with respect to the HVAC & Building Automation Upgrade project; (6) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated November 3, 2021 between B.R. Building Resources Company and Tenant with respect to the Pharmacy Compounding Room Upgrade project; (7) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated June 16, 2021 between B.R. Building Resources Company and Tenant with respect to the Cath Lab Unit project; (8) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated November 3, 2021 between B.R. Building Resources Company and Tenant with respect to the IT Infrastructure project; (9) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated November 3, 2021 between B.R. Building Resources Company and Tenant with respect to the Psych 3<sup>rd</sup> & 4<sup>th</sup> Floor project; and (10) that certain AIA Document A101-2017 Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, dated November 3, 2021 between B.R. Building Resources Company and Tenant with respect to the Clean Room Remodel project; and (iii) “Plans and Specifications” means the final plans and specifications for the development and construction of the Work, as the same may be amended from time to time, subject to the terms of this Lease. Tenant shall not materially amend, modify or restate any of the Existing Construction Documents without first obtaining Landlord's written approval to such amendment, modification, or restatement. Prior to the date hereof, Tenant has caused each party to the General Construction Contract to execute a Collateral Assignment of Construction Documents in form and substance reasonably acceptable to Landlord and Tenant.

**Section 5.03.** Compliance With Law and Standards. The Improvements shall be constructed and erected and all work on the Premises shall be performed in accordance with all Applicable Laws; provided, however, that the Improvements erected on the Premises, shall be deemed to have been constructed in full compliance with all Applicable Laws when a valid final certificate of occupancy or equivalent permit entitling Tenant and subtenants of Tenant to occupy and use the Improvements has been duly issued by proper governmental agencies or entities. All work performed on the Premises under this Lease, or authorized by this Lease, shall be done in a good workmanlike manner and only with new materials of good quality and high standard.

**Section 5.04.** Time for Completion. Tenant shall use commercially reasonable efforts to commence construction of the Work no later than six (6) months after the Commencement Date. Once commenced, Tenant shall then cause construction of the Project pursuant to the Existing Construction Documents, including, without limitation, the projects identified on **Exhibit H** attached hereto and incorporated herein (all of the foregoing items, collectively, the “Work”) to be diligently pursued without unnecessary interruption and shall use commercially reasonable efforts to cause the Work to be Completed (as hereinafter defined) not later than December 31, 2022. As used in this Lease, the initially capitalized terms “Complete,” “Completed” and “Completion” mean the date that Tenant substantially completes the construction of the Work, as evidenced by (i) the issuance of one or more certificates of occupancy or the equivalent thereof for all of the building(s) comprising such Improvements, and (ii) receipt of unconditional

lien waivers from all contractors, subcontractors and material suppliers with respect to the Work. The date of Tenant's Completion of the Work shall be the "Completion Date".

**Section 5.05. Mechanics' Liens.** At all times during the Term, Tenant shall keep the Premises and all Improvements now or hereafter located on the Premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises. Should Tenant fail to pay and discharge or cause the Premises to be released from any such lien or claim of lien within thirty (30) days after service on Tenant of written request from Landlord to do so, Landlord may pay, adjust, compromise, and discharge any such lien or claim of lien on any terms and in any manner that Landlord may deem appropriate. In that event, Tenant shall, on or before the first day of the next calendar month following any such payment by Landlord, reimburse Landlord for the full amount paid by Landlord in paying, adjusting, compromising, and discharging that lien or claim of lien, including any attorneys' fees or other costs expended by Landlord, together with interest at the then Interest Rate from the date of payment by Landlord to the date of repayment by Tenant.

**Section 5.06. Execution of Tract Maps and Dedications.** Landlord agrees, within ten (10) days of Tenant's written request, to take the following actions if and to the extent required to implement and/or finalize the Final Approvals for the Work:

(a) Join in and execute a parcel map and/or one or more final maps for further subdivision of the Premises;

(b) Join in the grants of easements to public and/or private utility companies required to provide utility services to the Improvements or within the right-of-way of any streets shown on a recorded final map or parcel map;

(c) Execute consents and/or join in the grants of easement to public agencies required for open space, park or similar purposes; and

(d) Execute consents to or join in any reciprocal easement agreement or covenants, conditions, easements and/or restrictions entered into by Tenant with owners or tenants of adjoining property, in connection with the creation, improvement, use and maintenance of any new or existing appurtenant easements required to construct and operate the Premises.

Notwithstanding anything in this section to the contrary, Landlord shall have the right to review and approve of any such map, easement, consent, grant, agreement, covenant, condition, easement, restriction, instrument and/or other document to be so executed or joined in by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

**Section 5.07. Zoning and Use Permits.** Should Tenant deem it necessary or appropriate to obtain any use permit, variance, or rezoning of the Premises to construct or operate the Project or other Improvements for other uses consented to by Landlord under Section 3.01 above, Landlord agrees to reasonably cooperate and execute such documents, petitions, applications, and authorizations that may be necessary or appropriate; provided, however, that any such permits, variances, or rezoning shall be obtained at the sole cost and expense of Tenant and Tenant agrees to reimburse Landlord for any out of pocket cost incurred by Landlord in connection therewith; and provided that Landlord shall have the right to review and approve of any such documents, petitions, applications, authorizations and/or other instrument to be so executed or joined in by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

**Section 5.08. Ownership of Improvements.** Title to all Improvements, including the Project to be constructed on the Premises by Tenant, shall be owned by Tenant until expiration of the Term or earlier termination of this Lease, including, without limitation, termination by Landlord upon an Event of

Default or rejection of this Lease under any bankruptcy proceedings. All Improvements on the Premises, including the Project, shall, at the expiration of the Term or earlier termination of this Lease, without compensation to Tenant, automatically and without any act of Tenant or any third party become Landlord's property. Tenant shall surrender the Improvements to Landlord at the expiration of the Term or earlier termination of this Lease, free and clear of all liens and encumbrances, other than those, if any, expressly permitted under this Lease to survive the expiration of the Term or earlier termination of this Lease, or otherwise created or consented to by Landlord. After expiration or earlier termination of this Lease, Tenant agrees to execute, acknowledge, and deliver to Landlord any instrument requested by Landlord as necessary in Landlord's opinion to perfect Landlord's right, title, and interest to the Improvements and the Premises. The term "Improvements" shall not include trade fixtures and furnishings installed by or under Tenant or Tenant's subtenants which shall remain the property of Tenant or its subtenants and shall be removable at any time during the Term at the sole cost and expense of the person removing the same who shall repair any damage or injury to the Improvements occasioned by the removal thereof. The exercise of the Purchase Right (as defined in Section 12.05(a)) shall not be treated as an early termination of this Lease for purposes of this Section 5.08.

**Section 5.09.** Tenant Improvement Allowance.

(a) Tenant's construction of the Work in compliance with the Final Approvals will be at Tenant's expense as set forth on the budget attached hereto as **Exhibit H** (the "Budget"), but Landlord shall provide Tenant with an amount equal to Twenty Seven Million Three Hundred Seventy Two Thousand Five Hundred Nineteen and 48/100 Dollars (\$27,372,519.48) (the "Tenant Improvement Allowance") towards (1) the purchase price contained in that certain Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated as of October 11, 2021 between Tenant, as buyer, and PI Broadway, LLC, as seller, that has been assigned to Landlord pursuant to that certain Partial Assignment and Assumption of Purchase and Sale Agreement dated on or about the date hereof (as amended, modified or assigned, collectively, the "PSA"), for Landlord's purchase of the Premises, (2) the payment of a portion of the costs contemplated by the Budget or as otherwise may be incurred in the construction of the Improvements and the Work, and (3) the payment of an amount not to exceed One Million Four Hundred Fifty Six Thousand Four Hundred Sixteen and 24/100 Dollars (\$1,456,416.24) (the "Capitalized Rent") towards the payment of Base Rent and Supplemental Rent through December 31, 2022, and (4) the payment of other fees and expenses of Tenant as reasonably approved by Landlord, including without limitation, an amount equal to \$273,725.19 as a fee for providing the Tenant Improvement Allowance. Subject to Section 5.09(b) below, Landlord intends to pay the Tenant Improvement Allowance on the dates and in the amounts set forth on **Exhibit J** attached hereto. Except as otherwise set forth in the Budget, the Tenant Improvement Allowance shall not be distributed to the members of Tenant or used as a payment or a reimbursement to any Tenant affiliates.

(b) Landlord's obligation to make any disbursements of the Tenant Improvement Allowance shall be subject to the prior fulfillment by Tenant of the following conditions:

(1) At least ten full business days prior to each such disbursement, Landlord shall have received a Written Request for Disbursement (a "Request for Disbursement") in the form of **Exhibit I** attached hereto, with all supporting documentation, as applicable, signed by Tenant. Each Request for Disbursement shall be accompanied by lien waivers and invoices for the Work performed up to the date of the disbursement.

(2) There shall be no substantial unrepaired damage to the Project by fire or other casualty.

(3) All Requests for Disbursement shall be consistent, in all material respects, with the corresponding line item on the Budget.

(4) There shall be no condemnation or eminent domain proceeding pending or threatened against all or any portion of the Premises or the Improvements.

(5) No default of this Lease exists at the time Tenant makes a Request for Disbursement or at the time Landlord makes any such disbursement of the Tenant Improvement Allowance.

(6) Tenant shall be in compliance, in all material respects, with all other requirements, conditions and covenants.

(7) Landlord shall have received an updated sources and uses report for the Work consistent, in all material respects, with the Budget and determined that sufficient funds remain available for Completion of the Work.

(8) Landlord shall have received evidence satisfactory to Landlord that any environmental abatement or remediation required by any Applicable Laws has been completed, in all material respects, in accordance therewith.

(9) Payment of all costs and expenses incurred by Landlord in connection with the Tenant Improvement Allowance, including, without limitation, legal and other costs incurred in the review and processing of the items in this Section 5.09(b). Any legal and other costs associated with the review and approval of documents submitted to Landlord may be deducted from the amount of the Tenant Improvement Allowance.

(10) Landlord shall have received such other information, documents and opinions as it may reasonably require.

(c) In the case of the final disbursement of the Tenant Improvement Allowance for the completed Work, all of the conditions in Section 5.09(b) shall have been met and, in addition, Landlord shall have received or taken the following actions, unless waived in writing by Landlord:

(1) Landlord shall have received a Written Request for Final Disbursement (a “Request for Final Disbursement”) in the form of **Exhibit K** attached hereto, with all supporting documentation, as applicable, signed by Tenant. The Request for Final Disbursement shall be accompanied by lien waivers and invoices for the Work performed up to the date of the disbursement.

(2) A statement from Tenant certifying that the Work has been completed in accordance with the terms of the Existing Construction Documents, free and clear of all liens.

(3) Landlord or its representative shall have, at Landlord’s sole option, inspected the Project to confirm, in Landlord’s commercially reasonable discretion, the completion of the Work in accordance with the terms of the Existing Construction Documents.

## ARTICLE VI ENCUMBRANCE OF LEASEHOLD ESTATE

**Section 6.01.** Leasehold Financing Prohibited. Tenant shall be prohibited from encumbering any or all of the Premises or any or all of its interest under this Lease, with leasehold financing without the prior written consent of Landlord, which consent may be withheld in Landlord’s sole and absolute discretion.

## ARTICLE VII REPAIRS AND RESTORATION

**Section 7.01. Maintenance by Tenant.** From and after the Commencement Date, Tenant shall, at Tenant's own cost and expense, keep and maintain the Premises, all Improvements, and all appurtenances (including landscaped and parking areas) in good order and repair, reasonable wear and tear excepted, and in a safe and clean condition.

**Section 7.02. Requirements of Governmental Agencies.** At all times during the Term, Tenant, at Tenant's own cost and expense, shall do all of the following:

(a) Make all alterations, additions, or repairs to the Premises or the Improvements on the Premises required by any valid law, ordinance, statute, order, or regulation now or hereafter made or issued by any Applicable Laws as a condition to continued occupancy;

(b) Observe and comply with all Applicable Laws now or hereafter made or issued respecting the Premises or the Improvements on the Premises;

(c) Contest if Tenant, in Tenant's sole discretion, desires by appropriate legal proceedings brought in good faith and diligently prosecuted in the name of Tenant, or in the names of Tenant and Landlord when appropriate or required, the validity or applicability to the Premises of any Applicable Laws; provided, however, that any such contest or proceeding, though maintained in the names of Tenant and Landlord, shall be without cost or liability to Landlord, and Tenant shall protect the Premises, and Landlord from Tenant's failure to observe or comply during the contest with Applicable Laws; and

(d) Indemnify and hold Landlord and the property of Landlord, including the Premises, free and harmless from any and all liability, loss, damages, fines, penalties, claims, and actions resulting from Tenant's failure to comply with and perform the requirements of this Section.

**Section 7.03. Tenant's Duty to Restore Premises.** If at any time during the Term, any Improvements now or hereafter on the Premises are destroyed in whole or in part by fire, theft, the elements, or any other cause, this Lease shall continue in full force and effect and Tenant, at Tenant's own cost and expense, shall repair and restore the damaged Improvements except as otherwise herein specifically provided. Any restoration by Tenant shall comply with the original plans for the Improvements described in Article 5, if and to the extent permitted by then Applicable Laws and to the availability of original materials, except as may be modified by Tenant, provided that any such modification which is materially different from the condition of the Improvements prior to the damage or destruction shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. The work of repair and restoration shall be commenced by Tenant within a reasonable time after the damage or destruction occurs and insurance claims settled and funded and shall be completed with due diligence as soon as reasonably possible. In connection with any restoration of the Premises under this Section 7.03, Tenant's restoration obligations with respect to the Improvements shall be supported by the Guaranty from Guarantor. Following any destruction of the Premises described in this Section 7.03, the date of Tenant's full and complete restoration of the Project in accordance with this Section 7.03 shall be the "Restoration Date". Notwithstanding the provisions of Section 13.14 of this Lease, Landlord agrees, upon Tenant's written request, to provide written confirmation of the following: (a) that either (i) the modifications to the Improvements proposed by Tenant in connection with the restoration of the Improvements do not require Landlord's approval; or (ii) if the modifications are material and require Landlord's approval, that Landlord approves the plans and specifications provided by Tenant to Landlord for such modifications or, if the plans and specifications for such material modifications are reasonably disapproved by Landlord, a description of those changes to the plans and specifications required by Landlord for its approval; (b) that the date specified by Tenant to Landlord, in writing, for commencement of the restoration of the Premises and for completion of the restoration of the Premises, comply with the requirements of this Lease; and (c) that no other approvals are required of Landlord for Tenant to perform the restoration of the Premises. In all other respects, the work of repair and restoration shall be done in accordance with the requirements for the original construction work on the Premises set forth in Article 5

of this Lease. Tenant's obligation for restoration described in this Section shall exist notwithstanding any insufficient insurance proceeds despite Tenant's compliance with the insurance obligations set forth in Section 8.02 below.

**Section 7.04.** Application of Insurance Proceeds. Any and all fire or other insurance proceeds that become payable at any time during the Term because of damage to or destruction of any Improvements on the Premises shall be paid to Tenant, and applied toward the cost of repairing and restoring the damaged or destroyed Improvements in the manner required by Section 7.03 of this Lease, so long as Applicable Laws permit reconstruction of the Improvements or other improvements proposed by Tenant and approved by Landlord. If not, the fire or other insurance proceeds shall be paid to Tenant. If the destroyed Improvements cannot be restored by Tenant, then Landlord shall have the right to force Tenant to purchase the Premises pursuant to the terms of Section 12.05 of this Lease even if Tenant is not the Named Tenant.

**Section 7.05.** Waiver. Landlord and Tenant hereby waive the provisions of any statutes, court decisions or other applicable law which provide a party to a lease with a right to abatement of rent or termination of the lease when leased property is damaged or destroyed and agree that such event shall be exclusively governed by the terms of this Lease.

## ARTICLE VIII INDEMNITY AND INSURANCE

**Section 8.01.** Tenant's Indemnity. Tenant shall indemnify and hold Landlord, and Landlord's affiliates, and the Premises and Improvements now or hereafter on the Premises, free and harmless from any and all liability, claims, loss, damages, costs, or expenses, including reasonable attorneys' fees (collectively, "Claims") resulting from occupation and use of the Premises by Tenant, any subtenant or licensee of Tenant or any of their respective employees, agents, contractors, invitees and/or guests (collectively, the "Tenant Parties"), specifically including, without limitation, any Claims arising by reason of the following:

(a) The death or injury of any person, including Tenant or any of the Tenant Parties, or by reason of the damage to or destruction of any property, including property owned by Tenant or by any of the Tenant Parties, from any cause whatsoever while that person or property is in or on the Premises or in any way connected with the Premises or with any of the Improvements or personal property on the Premises;

(b) The death or injury of any person, including Tenant or any of the Tenant Parties, or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee or agent of Tenant, caused or allegedly caused by either (1) the condition of the Premises or some building or improvement on the Premises, or (2) some act or omission on the Premises of Tenant or any of the Tenant Parties;

(c) Any work performed on the Premises or materials furnished to the Premises at the instance or request of Tenant or any of the Tenant Parties; or

(d) Tenant's failure to perform any provision of this Lease or to comply with any requirement of law or any requirement imposed on Tenant, the Improvements or the Premises by any duly authorized governmental agency or political subdivision.

**Section 8.02.** Tenant Insurance. During the Term of this Lease, Tenant shall at its expense comply with the requirements and maintain the insurance coverages identified on **Exhibit F** hereof (the "Insurance Requirements"). The proceeds of any property damage insurance coverage included in Insurance Requirements and maintained by Tenant, in case of total loss or significant damage, shall be held in trust by Landlord and applied on account of the obligation of Tenant to repair and rebuild the Premises

and Improvements pursuant to this Lease. Upon request, Tenant shall name the holder of any Fee Mortgage on the Premises pursuant to a standard mortgagee, additional insured or loss payee clause as such holder shall elect with respect to the foregoing property insurance, provided such holder agrees with Tenant in writing to disburse such insurance proceeds to Tenant for, and periodically during the course of, repair and restoration of the Premises and the Improvements as set forth in this Lease. Any insurance proceeds not required for the repair and restoration of the Premises and the Improvements shall be deposited with Landlord, except as may be otherwise mutually agreed by the parties in writing. Notwithstanding the foregoing, in the event that Tenant is insured by more than one insurance policy, such insurance policies shall not reduce the aggregate amount of insurance Tenant is required to maintain in accordance with the Insurance Requirements. Tenant shall pay costs for the insurance to be maintained hereunder, and all deductibles thereunder.

**Section 8.03.** Deposit of Insurance With Landlord. Tenant shall, on the Commencement Date, and promptly thereafter at least thirty (30) days prior to the expiration of any then-existing policy, when any such policy is replaced, rewritten, or renewed, deliver to Landlord a true and correct copy of each insurance policy set forth in the Insurance Requirements or a certificate executed by the insurance company or companies or their authorized agent evidencing that policy or policies.

**Section 8.04.** Notice of Cancellation of Insurance. Each insurance policy required under the Insurance Requirements shall contain a provision that it cannot be cancelled or modified so as to no longer comply with the provisions hereof for any reason, unless at least thirty (30) days' prior written notice (or, in the case of cancellation due to non-payment of premium, at least ten (10) days' prior written notice) of the cancellation or modification is given to Landlord to the address for notices provided for in this Lease.

**Section 8.05.** Blanket Insurance Policies. Tenant may provide the insurance required under the Insurance Requirements by a blanket insurance policy or policies which cover other personal and real property owned or operated by Tenant or any affiliated entity provided that the protection afforded under any policy of blanket insurance hereunder shall be no less than that which would have been afforded under a separate policy or policies relating only to the Premises.

**Section 8.06.** Other Insurance Requirements. All policies of insurance maintained by Tenant under the Insurance Requirements shall be taken out with insurance companies holding a General Policyholders Rating of "A-" and a Financial Rating of "VIII" or better, as set forth in the most current issue of Best's Insurance Reports. All policies of property damage insurance under the Insurance Requirements shall include a clause or endorsement denying the insurer any rights of subrogation against Landlord to the extent rights have been waived by the insured before the occurrence of injury or loss, and Tenant agrees that Landlord shall not be liable to Tenant for any damage caused by fire or any of the risks insured against or required to be insured against under any insurance policy required by this Lease. Tenant waives any rights of recovery against Landlord for injury or loss due to risks covered by or required to be covered by such policies of property damage insurance containing such a waiver of subrogation clause or endorsement.

**Section 8.07.** Failure to Procure Insurance. If Tenant fails to procure or renew the insurance required by this Article and does not cure such failure within five (5) business days after written notice from Landlord, then, in addition to the other rights and remedies provided under this Lease, Landlord may, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by Landlord shall be reimbursed by Tenant, with interest thereon at the Interest Rate, to Landlord within ten (10) days after Tenant's receipt of written demand therefor.

## ARTICLE IX CONDEMNATION

**Section 9.01. Total Condemnation.** If, during the Term, fee title to all of the Premises, all of the Improvements, and the entire leasehold estate of Tenant is taken under the power of eminent domain or should so much of the Premises be taken under the power of eminent domain as will, in Tenant's reasonable determination, prevent or substantially impair the use of the Premises for the use and purposes permitted hereunder, by any public or quasi-public agency or entity (a "Total Taking"), this Lease shall terminate as of 12:01 A.M. on whichever of the following occurs first: (1) the date legal title becomes vested in the agency or entity exercising the power of eminent domain, or (2) the date actual physical possession is taken by the agency or entity exercising the power of eminent domain. Thereafter, both Landlord and Tenant shall be released from all obligations under this Lease, except those that expressly survive termination of this Lease; except, however, that in the event of the termination of this Lease, at Landlord's option, prior to surrender of the Premises to Landlord, Tenant, at Tenant's sole cost, shall either raze all or a portion of the Improvements (but only to the extent then permitted by Applicable Laws), remove any debris and leave the Premises and any remaining Improvements in a safe condition in compliance with Applicable Laws. In the event of a Total Taking, Landlord shall have the right to force Tenant to purchase the Premises pursuant to the terms of Section 12.05 of this Lease even if Tenant is not the Named Tenant.

**Section 9.02. Partial Taking-Improvements.** If at any time during the Term a taking occurs that is less than a Total Taking and affects the Improvements, including the parking spaces, all compensation and damages payable for that taking shall be held by Landlord, and made available to and used, to the extent reasonably needed, by Tenant to provide replacement Improvements or to restore remaining Improvements, provided that such replacement and/or restoration is then permitted by existing law with only such modifications as will not materially reduce the value of the restored Improvements, as compared to the damaged Improvements. Plans and specifications for such replacements and restoration must be compatible, in terms of architecture and quality of construction, with the Improvements not taken. Any material changes to the site plan or elevations of the remaining or replacement Improvements, and the plans and specifications for such construction, must be first approved in writing by Landlord, which approval will not be unreasonably withheld, conditioned or delayed. Notwithstanding the provisions of Section 13.14 of this Lease, Landlord agrees, upon Tenant's written request, to provide written confirmation of the following: (a) that either (i) the plans and specifications for the replacements and restoration of the Improvements do not require Landlord's approval; or (ii) if there are material changes to the site plan or elevations of the remaining or replacement Improvements that require Landlord's approval, that Landlord approve the plans and specifications provided by Tenant to Landlord for such material changes or, if the plans and specifications for such material changes are reasonably disapproved by Landlord, a description of those changes to the plans and specifications required by Landlord for its approval; and (b) that no other approvals are required of Landlord for Tenant to replace and/or restore the Improvements on the remaining Premises.

**Section 9.03. Condemnation Award.** If Landlord has not elected to cause Tenant to purchase the Premises as provided in Section 9.01 above, then any compensation or damages awarded or payable because of the taking of all or any portion of the Premises by eminent domain shall be allocated among Landlord and Tenant as follows:

(a) All compensation or damages, other than any portion of an award described in Section 9.03(b) below, that are awarded or payable for the taking by eminent domain of any portion of the Premises (the "Award") shall be allocated and paid (i) to Tenant in the same proportion that the appraised value of Tenant's interests in the portion of the Premises (including the Improvements) and this Lease subject to the taking at the time of taking bears to the total value attributed to the portion of the Premises or portion of the Premises subject to the taking, at the time of taking; and (ii) to Landlord, the balance of the Award, if any. The term "time of taking" as used in this subparagraph shall mean 12:01 A.M. of whichever of the following shall first occur: the date that title, or the date that physical possession of the portion of the Premises on which the Improvements are located, is taken by the agency or entity exercising the eminent domain power.



(b) Any severance damages to the Improvements, relocation costs, loss of goodwill or reimbursement for personal property awarded or payable if only a portion of the Premises is taken by eminent domain shall be delivered to Tenant.

(c) In the event a Total Taking occurs prior to completion of the Improvements, then (i) Landlord shall first be entitled to receive from the Award a return of all payments of the Rent Basis paid to Tenant or its affiliate pursuant to this Lease, (ii) Tenant shall next have the right to assert a claim with the condemning authority in the condemnation proceeding for the value of its interest in the Premises, and (iii) the balance of the Award shall be paid to Landlord.

(d) Landlord and Tenant shall each be entitled to appear and participate in any proceeding which determines the Award.

**Section 9.04.** Rent Abatement for Partial Taking. If title and possession of only a portion of the Premises is taken under the power of eminent domain by any public or quasi-public agency or entity during the Term and Tenant does not or cannot terminate this Lease, then this Lease shall terminate as to the portion of the Premises taken under eminent domain as of 12:01 A.M. on whichever of the following first occurs: the date title is taken, or the date actual physical possession of the portion taken by eminent domain is taken, by the agency or entity exercising the eminent domain power (the “Date of Taking”). Furthermore, the net amount received by Landlord for such partial taking shall be held by Landlord as additional security for Tenant's performance of its obligations under this Lease.

**Section 9.05.** Voluntary Conveyance in Lieu of Eminent Domain. A voluntary conveyance by Landlord of title to all or a portion of its interest in the Premises to a public or quasi-public agency or entity in lieu of and under threat by that agency or entity to take it by eminent domain proceedings shall be considered a taking of title to all or a portion of the Premises under the power of eminent domain, provided that Landlord agrees to not voluntarily convey the Premises under threat of condemnation without the prior consent of Tenant. Any taking of Landlord's interest in the Premises shall be subject to this Lease and to the rights of Tenant thereunder.

**Section 9.06.** Rights Upon Temporary Taking. If, at any time during the Term, the whole or any part of the Premises, or of Tenant's leasehold estate created by this Lease, or of the Improvements shall be taken in condemnation proceedings or by any right of eminent domain for temporary use or occupancy (a “Temporary Taking”) the foregoing provisions of this Article 9 shall not apply and Tenant shall continue to pay, in the manner at the times specified in this Lease, the full amounts of the Rent and all other charges payable by Tenant under this Lease, and, except to the extent that Tenant may be prevented or inhibited from so doing pursuant to the terms of the order of the condemning authority, Tenant shall perform and observe all of the other terms, covenants, conditions and obligations of this Lease upon the part of Tenant to be performed and observed, as though such Temporary Taking had not occurred. Tenant shall be entitled to receive the portion of the Award for such Temporary Taking up to an amount equal to the Rent provided for above and Landlord shall be entitled to receive the balance of the Award (if any).

**Section 9.07.** Waiver. Landlord and Tenant hereby waive the provisions of any statutes, court decisions or other applicable law which provide a party to a lease with a right to abatement of rent or termination of the lease when leased property is condemned or taken and agree that such event shall be exclusively governed by the terms of this Lease.

## ARTICLE X ASSIGNMENT AND SUBLEASING

**Section 10.01.** No Assignment Without Landlord's Consent Prior to Completion. Tenant may not assign, transfer or otherwise encumber this Lease or any interest in this Lease, without the prior written

consent of Landlord. Any (i) sale, assignment, pledge, transfer, exchange or other disposition of the stock, partnership interests, membership interests, or other equitable interests in Tenant or any person or entity controlling Tenant, which results in a change of control of Tenant; (ii) merger, consolidation or other combination of Tenant with another entity which results in a change of control of Tenant; or (iii) a recapitalization of Tenant which results in a change of control of Tenant, shall be deemed an assignment hereunder.

**Section 10.02. Permitted Assignments.** In the event that Tenant elects to sell, assign or otherwise transfer this Lease, or Tenant's interest in the Project, in whole but not in part, to a third party at arm's length (a "Permitted Third-Party Assignee"), then Landlord shall not unreasonably withhold its consent to such sale, assignment or transfer provided (i) the Work is Complete in accordance with the Existing Construction Documents; (ii) Tenant gives Landlord prior written notice of such sale or assignment; (iii) there shall exist no uncured breach by Tenant of this Lease as of the date of such sale or assignment; (iv) Tenant shall remain liable for any and all obligations of Tenant under this Lease for the period prior to the date of such assignment; (v) such assignment shall constitute an assignment of all of Tenant's rights, and an assumption of all of Tenant's obligations arising from and after the date of such assignment, under this Lease; (vi) such Permitted Third-Party Assignee expressly assumes in writing all of Tenant's obligations under this Lease, in each case arising from and after the date of such assignment; (vii) such Permitted Third-Party Assignee covenants and agrees to continue to operate the Project for the Permitted Uses; (viii) such Permitted Third-Party Assignee has total assets exceeding \$10,000,000.00; (ix) such Permitted Third-Party Assignee has a demonstrated history of operating no less than five (5) other projects of comparable size as determined by the gross revenue generated from the Project; (x) such Permitted Third-Party Assignee is not, and/or is not controlled by, in Landlord's reasonable determination, any person or entity known in the community as being of bad moral character or who has been convicted of a felony in any state or federal court; (xi) such Permitted Third-Party Assignee, or any affiliate thereof, is not, and/or is not controlled by any person or entity who have been previously involved in a dispute with Landlord or any affiliate of Landlord concerning any matter; and (xii) such sale, assignment or transfer is approved by the holder of any Fee Mortgage, as applicable, and provided further that Tenant and Permitted Third-Party Assignee satisfy all conditions and requirements imposed by the holder of any Fee Mortgage with respect to such sale, assignment or transfer.

**Section 10.03. Intentionally Omitted.**

**Section 10.04. Intentionally Omitted.**

**Section 10.05. Transfers to or by Business Entity.** Notwithstanding Section 10.01 of this Lease, Tenant may, without the prior consent of Landlord after the Completion Date, transfer and assign all of Tenant's interest under this Lease and the leasehold estate created under this Lease to a new or different business entity now or hereafter organized which either (a) controls, is controlled by or is under common control with Tenant, either directly or indirectly ("Tenant Affiliate"); (b) which retains Tenant or a Tenant Affiliate to serve as a managing member, a general partner or a property manager for the Premises; or (c) results from the merger or consolidation of Tenant; provided, however, any such assignment must be to an entity with net worth and liquidity not less than that of Tenant as of the date of such assignment determined in accordance with generally accepted accounting principles, Tenant must provide not less than thirty (30) days' prior written notice of such assignment together with proof of such credit-worthiness, and such assignment must not be consummated for the purpose of circumventing the restrictions on assignment under Sections 10.01 and 10.02.

**Section 10.06. Reimbursement of Landlord Costs.** Tenant shall reimburse Landlord for its actual and reasonable third-party legal expenses incurred in connection with a review of the proposed documentation for the proposed assignment, whether or not Landlord ultimately grants its consent to the

proposed assignment, within thirty (30) days following a request for reimbursement accompanied by reasonable supporting documentation with respect thereto.

**Section 10.07. Management Agreements.** Tenant may enter into any management agreement or similar contract concerning the Project and Tenant acknowledges and agrees that any such management agreement and all fees owed to the manager thereunder shall be subordinate to this Lease, and any such management agreement shall expressly state that fact, and if such management agreement fails to expressly state that fact, then Tenant shall cause the manager thereunder to enter into a subordination agreement with Landlord which shall be in form and substance reasonably satisfactory to Landlord.

**Section 10.08. No Release of Assignor or Guarantor.** No assignment of this Lease or any interest herein occurring shall operate or be deemed to operate as a release of the assigning Tenant and/or the duties, obligation and liabilities of Tenant under this Lease, and/or operate as a release of the “Guarantor” and/or the duties, obligations and liabilities of the Guarantor under the “Guaranty” (as those terms in quotations are defined in Section 13.16 below). Notwithstanding the foregoing, Landlord agrees that in the event of an assignment of this Lease or any interest herein, Landlord will accept a new Guaranty in the same form as **Exhibit D** attached hereto, executed and delivered to Landlord by a person or entity with a net worth and liquidity of not less than that of the original Guarantor as of the Commencement Date (taking into consideration the time value of money), evidenced by reasonable supporting documentation, in which event the original Guaranty shall be terminated and of no further force or effect and the original Guarantor shall be released from all duties, obligations and liabilities under the original Guaranty.

## **ARTICLE XI DEFAULT AND REMEDIES**

**Section 11.01. Continuation of Lease in Effect.** Should Tenant breach or be in default under this Lease following written notice and expiration of any applicable cure period under Section 11.04 and abandon the Premises for a continuous period in excess of ninety (90) days before the natural expiration of the Term, Landlord shall have all rights and remedies available at law or in equity. In no event shall a failure to operate the Premises as a result of construction, remodeling, casualty, condemnation, alterations, repairs, and/or maintenance in the ordinary course of business be deemed an abandonment.

**Section 11.02. Termination and Unlawful Detainer.** Should Tenant breach or be in default under this Lease following written notice and expiration of any applicable cure period under Section 11.04, Landlord may, subject to Article 6 of this Lease, immediately terminate this Lease by written notice to Tenant and may also do the following:

- (a) Bring an action to recover the following from Tenant:
  - (1) The amount of all unpaid Rent that had been earned as of the date of termination of this Lease;
  - (2) The amount of all unpaid Rent for the balance of the Term as of the date of termination of this Lease; and
  - (3) Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant’s failure to perform Tenant’s obligations under this Lease, including, without limitation, any damages Landlord incurs arising out of a default of any financing documents secured by the Premises.
- (b) Landlord may, pursuant to any prior notice required by Applicable Laws, and without terminating this Lease, peaceably or pursuant to appropriate legal proceedings, reenter, retake and resume possession of the Premises for the account of Tenant, make such alterations of and repairs and

improvements to the Premises as may be reasonably necessary in order to relet the same or any part or parts thereof and, directly or indirectly, operate and manage the Premises, and relet or attempt to relet the Premises or any part or parts thereof for such term or terms (which may be for a term or terms extending beyond the Term of this Lease), at such rents and upon such other terms and provisions as Landlord, in its sole discretion, may deem advisable. If Landlord takes possession and control of the Premises and operates the same, Tenant shall, for so long as Landlord is actively operating the Premises, have no obligation to operate the Premises. In addition, Tenant will reasonably cooperate with Landlord in transferring, to the extent transferable, any of Tenant's permits which Landlord determines would be necessary or appropriate to continue to operate the Premises for its Permitted Use. If Landlord relets or attempts to relet the Premises, or obtains a contract manager or operator for the Premises, Landlord shall at its sole discretion determine the terms and provisions of any new lease or sublease, or management or operating agreement, and whether or not a particular proposed manager or operator, or new tenant or sublessee, is acceptable to Landlord. Upon any such reletting, or the operation of the Premises by a contract manager or operator, all rents or incomes received by Landlord from such reletting or otherwise from the operation of the Premises shall be applied: (i) first, to the payment of all costs and expenses of recovering possession of the Premises, (ii) second, to the payment of any costs and expenses of such reletting and or operation, including brokerage fees, advertising costs, reasonable attorney's fees based upon service rendered at hourly rates, a management fee, and the cost of any alterations and repairs reasonably required for such reletting or operation of the Premises, (iii) third, to the payment of any indebtedness, other than Rent, due hereunder from Tenant to Landlord, including, without limitation, any damages Landlord incurs arising out of a default of any financing documents secured by the Premises, (iv) fourth, to the payment of all Rent and other sums due and unpaid hereunder, and (v) fifth, the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same may become due and payable hereunder. If the rents received from such reletting or net income from the operation of the Premises during any period shall be less than the Rent required to be paid during that period by Tenant hereunder, Tenant shall promptly pay any such deficiency to Landlord and failing the prompt payment thereof by Tenant to Landlord, Landlord shall immediately be entitled to institute legal proceedings for the recovery and collection of the same. Such deficiency shall be calculated and paid at the time each payment of Rent or any other sum shall otherwise become due under this Lease, or, at the option of Landlord, at the end of the Term of this Lease. Landlord shall, in addition, be immediately entitled to sue for and otherwise recover from Tenant any other damages occasioned by or resulting from any abandonment of the Premises or other breach of or default under this Lease other than a default in the payment of Rent. No such reentry, retaking or resumption of possession of the Premises by Landlord for the account of Tenant shall be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention shall be given to Tenant or unless the termination of this Lease be decreed by a court of competent jurisdiction. Notwithstanding any such reentry and reletting or attempted reletting of the Premises or any part or parts thereof for the account of Tenant without termination, Landlord may at any time thereafter, upon written notice to Tenant, elect to terminate this Lease or pursue any other remedy available to Landlord for Tenant's previous breach of or default under this Lease.

**Section 11.03.** Breach and Default by Tenant. Each of the following events shall be a "default" by Tenant and a "breach" of this Lease:

- (a) Failure and refusal to pay when due any installment of Rent or any other sum required by this Lease to be paid by Tenant;
- (b) Failure or refusal to perform any other covenant or obligation of this Lease;
- (c) The appointment of a receiver to take possession of the Premises or Improvements, or of Tenant's interest in, to, and under this Lease, the leasehold estate or of Tenant's operations on the Premises for any reason, including, without limitation, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, when not released within ninety (90) days;

(d) An assignment by Tenant for the benefit of creditors, or the voluntary filing by Tenant or the involuntary filing against Tenant of a petition, other court action, or suit under any law for the purpose of (i) adjudicating Tenant as bankrupt, (ii) extending time for payment, (iii) satisfaction of Tenant's liabilities, or (iv) reorganization, dissolution, or arrangement on account of, or to prevent, bankruptcy or insolvency; provided, however, that in the case of an involuntary proceeding, if all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within ninety (90) days after the filing or other initial event, then Tenant shall not be in default under this Section;

(e) The failure by Guarantor to maintain a net worth and liquidity not less than that of the original Guarantor as of the Commencement Date, provided that each of the net worth and liquidity amounts specified above shall be increased and adjusted upward at the beginning of each five (5) year period of the Term by CPI then in effect;

(f) The subjection of any right or interest of Tenant to or under this Lease to attachment, execution, or other levy, or to seizure under legal process when the claim against Tenant is not released within ninety (90) days; and

(g) An unreasonable delay in the construction of the Work or a discontinuance or abandonment of construction for a period of thirty (30) days, material failure to adhere to the construction schedule set forth in the Existing Construction Documents, or in any event a delay in construction of the Work so that the same, in Landlord's judgment, may not be completed on or before the Completion Date.

**Section 11.04. Notice as a Precondition to Landlord's Remedies.** As a precondition to pursuing any remedy for an alleged default by Tenant, Landlord shall, before pursuing any remedy, (a) where the alleged default is a failure to pay any installment of Rent or other sum when due pursuant to this Lease, give Tenant a five (5) day written notice of default specifying in reasonable detail the amount of money not paid and the nature and calculation of each such payment, or (b) where the alleged default is the failure to perform or observe any covenant, condition, or agreement to be performed by Tenant under this Lease, other than a failure to pay Rent or any other sum when due, give Tenant a thirty (30) day written notice of default specify the nature of such default. Where such default other than the failure to pay any installment of Rent or other sum cannot, with reasonable diligence, be cured within such thirty (30) day period, Landlord shall not pursue any remedy provided curative action is commenced within such thirty (30) day period and thereafter pursued with due diligence to completion within ninety (90) days after Tenant's receipt of written notice of default.

**Section 11.05. Cumulative Remedies.** The remedies given to Landlord in this Article shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this Lease.

**Section 11.06. Waiver of Breach.** The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant of either the same or a different provision of this Lease.

**Section 11.07. Surrender of Premises.** On expiration of the Term or earlier termination of this Lease, Tenant shall surrender the Premises and all Improvements in or on the Premises to Landlord in a good, safe, and clean condition, in compliance with all Applicable Laws, reasonable wear and tear excepted, subject to the express provisions of this Lease governing termination of this Lease on casualty and condemnation.

## ARTICLE XII SPECIAL PROVISIONS

**Section 12.01. Quiet Enjoyment.** Landlord covenants that so long as Tenant shall timely pay all rents and other charges due to Landlord from Tenant hereunder and keep, observe and perform all covenants, promises and agreements on Tenant's part to be kept, observed and performed hereunder, Tenant shall peaceably and quietly have, hold and enjoy the full possession and use of the Premises and the easements, rights-of-way, rights, privileges, benefits and appurtenances belonging thereto throughout the Term without interference from Landlord.

**Section 12.02. Title.** Notwithstanding anything to the contrary in this Lease, all Improvements, moveable furniture, furnishings, equipment and other personal property of Tenant or anyone claiming through Tenant located in, on or at the Premises shall, during the Term, be owned by and belong to Tenant. All benefits and burdens of ownership of the foregoing, including title, depreciation, tax credits and all other tax items shall be and remain in Tenant during the Term.

**Section 12.03. Fee Mortgage.**

(a) Landlord shall have the right at any time during the Term to encumber any or all of its fee estate in the Premises, including Landlord's reversionary interest in the Premises and Improvements (collectively, the "Fee Estate"). Tenant shall cooperate with Landlord in amending the terms of this Lease to the extent required by a lender under a Fee Mortgage; provided that such requirement to cooperate shall not be deemed to require Tenant to (i) increase the Base Rent or Supplemental Rent paid in this Lease, or (ii) change the terms of the Guaranty.

(b) Landlord may execute and deliver a "Fee Mortgage" encumbering all or a portion of Landlord's Fee Estate, provided that such Fee Mortgage complies with the definition of "Fee Mortgage" provided in Section 12.03(e) below. Any Fee Mortgage shall be subordinate to Tenant's interest under this Lease. Tenant need not join in, or subordinate this Lease to any Fee Mortgage.

(c) In the event of a foreclosure under a Fee Mortgage, this Lease shall continue in full force and effect and Tenant shall attorn to the successor holder of the Fee Estate as successor to Landlord, provided that such successor holder has assumed in writing all obligations of Landlord under this Lease, subject to Section 13.15 below. Such attornment shall in no way diminish or impair Tenant's rights and remedies against Landlord (all of which Tenant may continue to assert against the successor Landlord) or require Tenant to waive any default by Landlord.

(d) Provided a copy of the recorded Fee Mortgage has been delivered to Tenant with a written request for notice and a current address for the holder of the Fee Mortgage (which may be pursuant to a Tenant Estoppel), then Tenant agrees to simultaneously give a copy of any notice of an alleged breach or default by Landlord to the holder of the Fee Mortgage. The holder of such Fee Mortgage shall have the right to cure Landlord's alleged breach or default within the cure period allowed to Landlord under this Lease and with like effect as if Landlord had done so. Tenant's failure to give notice to the holder of the Fee Mortgage required by this subsection shall not be a default or breach by Tenant but no notice by Tenant of a default or breach by Landlord shall be effective against such holder unless and until Tenant shall have given to such holder such notice and opportunity to cure.

(e) The term "Fee Mortgage" means a deed of trust, mortgage or other voluntary real property security instrument or agreement intending to grant a real property security interest in and encumber all or any portion of the Fee Estate, provided that the Fee Mortgage shall be and shall expressly state that it shall attach only to the Fee Estate. The term "Fee Mortgagee" shall mean the holder of a Fee Mortgage.

(f) So long as Tenant is not in default or breach of this Lease, Landlord shall not, from and after the Commencement Date and throughout the Term, (i) enter into any contract, agreement or other instrument related to the Premises; (ii) grant any easement, license or other occupancy right with respect to

the Premises; (iii) change or modify the zoning or land use designations applicable to the Premises; (iv) make any development, land use other applications related to the Premises other than as a co-applicant with Tenant (upon Tenant's written request only); or (v) cause any liens, encumbrances or any other items to be recorded against the Premises, other than a Fee Mortgage (from time to time) as expressly permitted in accordance with this Section 12.03, without the prior written consent of Tenant, which consent may not be unreasonably withheld, delayed or conditioned.

**Section 12.04. Hazardous Substances.**

(a) The term "Hazardous Substance", as used in this Lease, shall mean any material or substance in, on or under the premises or the surrounding elements which is or becomes regulated by any governmental agency having jurisdiction thereof under applicable federal, state or local law, including, without limitation, any material or substance which is (i) designated as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317); (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*); (iii) defined as a "Hazardous Substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*), as any of the foregoing laws, rules and/or regulations may from time to time be amended; and/or (iv) any materials, the possession or use of which require a permit from any federal, state or local agency having jurisdiction over hazardous, toxic or infectious substances.

(b) The term "Environmental Law," as used in this Lease, means all federal, state and local laws, common laws, equitable doctrine, rules, regulations, statutes, codes, ordinances, directives, guidance documents, cleanup or other standards, and any other governmental requirements or standards currently in existence or hereafter enacted or rendered which pertain to, regulate, or impose liability or standards of conduct concerning the use, storage, human exposure to, handling, transportation, release, cleanup or disposal of Hazardous Substances.

(c) The term "Environmental Assessments," as used in this Lease, means that certain Phase I Environmental Site Assessment Report dated December 22, 2021, prepared by Trinity Consultants, as Project # 212601.0215 concerning the Property.

(d) Neither Tenant nor any of the Tenant Parties shall bring onto, create or dispose of, in or about the Premises, any Hazardous Substances other than as is customary for construction and operation of a comparable project, and neither Tenant nor any of the Tenant Parties shall engage in any activity that violates any federal, state or local laws, rules or regulations pertaining to Hazardous Substances. Tenant, at Tenant's sole expense, shall promptly take all investigatory and/or remedial action reasonably required or ordered by governmental authorities for the clean-up of any Hazardous Substances in or about the Premises except for Hazardous Substances created, caused or materially contributed to by Landlord or Landlord's agents, employees, contractors or other parties for which Landlord is legally responsible after the Commencement Date. The Hazardous Substances for which Tenant is responsible pursuant to the preceding sentence are hereinafter referred to as the "Hazardous Substances for which Tenant is Responsible". Tenant shall provide all notices and/or reports required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986 and any other Applicable Laws pertaining to Hazardous Substances requiring notices and/or reports by Tenant. Tenant shall provide prompt written notice to Landlord of the existence of Hazardous Materials on the Premises and all notices of violation of Applicable Laws pertaining to Hazardous Substances received by Tenant.

(e) To the best of Tenant's knowledge, after due inquiry, except for any matters set forth in the Environmental Assessments, the Project is in compliance with all applicable Environmental Laws and neither Tenant nor any of the Tenant Parties has received notice of any violations of the Environmental Laws. Tenant covenants and agrees to take all necessary action within its control to ensure

that the Project is in compliance with the Environmental Laws at all times and shall comply with all recommendations set forth in the Environmental Assessments. Such actions include, but are not limited to:

(1) Tenant shall promptly deliver any notice it may receive of any violation of the Environmental Laws to Landlord. For purposes of this Section, in addition to Tenant's actual knowledge, due inquiry consists of review of said Environmental Assessments, and any additional reports or testing of the Project (including, without limitation, the Project) required or suggested in said Environmental Assessments.

(2) Within forty-five (45) days after the Commencement Date, Tenant will furnish the following to Landlord, in each case prepared by a duly certified lead paint professional, and consistent with regulatory and industry standards and acceptable to Landlord in its sole discretion: (i) a lead paint report evaluating the presence of lead paint at the Project (the "LBP Report"); (ii) documentation showing that all lead paint has been properly abated, and/or (iii) with respect to any lead paint that has not been removed and will be managed in place, a lead paint Operations & Maintenance Plan (the "LBP Plan") that includes the location of all remaining lead paint and sets forth restrictions and procedures to be followed for managing such materials safely and in accordance with all applicable regulations. Thereafter Tenant will cause such LBP Plan to be fully implemented.

(3) Within forty-five (45) days after the Commencement Date, Tenant will furnish the following to Landlord, in each case prepared by a duly certified asbestos professional, and consistent with regulatory and industry standards and acceptable to Landlord in its sole discretion: (i) an asbestos report evaluating the presence of asbestos containing materials at the Project (the "ACM Report"); (ii) documentation showing that all asbestos containing materials have been properly abated, and/or (iii) with respect to any asbestos containing materials that have not been removed and will be managed in place, an asbestos containing materials Operations & Maintenance Plan (the "ACM Plan") that includes the location of all remaining asbestos containing materials and sets forth restrictions and procedures to be followed for managing such materials safely and in accordance with all applicable regulations. Thereafter Tenant will cause such ACM Plan to be fully implemented.

(f) Tenant shall defend, indemnify and hold Landlord and Landlord's affiliates, agents and employees and the Premises harmless from any and all claims, demands, liabilities, obligations, expenses and/or penalties arising out of or relating to the investigation, remediation and/or abatement of any Hazardous Substances for which Tenant is Responsible and/or Tenant's failure to comply with its obligations referenced under this Section 12.04.

(g) Landlord shall defend, indemnify and hold Tenant, its agents, and employees, and the Premises harmless from any and all claims, demands, liabilities, obligations, expenses and/or penalties arising out of or relating to the investigation, remediation and/or abatement of any Hazardous Substances created or caused by Landlord or Landlord's agents, employees, contractors or other parties for which Landlord is legally responsible following the Commencement Date.

(h) In the event of Hazardous Substances in, on or under, the Premises and/or the Improvements upon the Premises and in the further event that Landlord's indemnity and hold harmless agreement in the preceding paragraph will apply to the investigation, remediation and/or abatement costs relating to said Hazardous Substances; Tenant shall have the right to investigate, remediate and to abate said Hazardous Substances and to recover its reasonable costs and expenses, together with interest at the Interest Rate from the date paid, from Landlord within thirty (30) days of Landlord's receipt of a written demand for such reimbursement, together with reasonable supportive evidence of the amount and payment of said costs and expenses.



(i) Landlord agrees that neither Landlord nor Landlord's agents or employees shall engage in any activities in or about the Premises which violate any Applicable Laws pertaining to Hazardous Substances.

(j) In the event that Tenant fails to investigate, remediate and/or to abate any Hazardous Substances for which Tenant is Responsible in, on or under the Premises and/or other improvements upon the Premises as required by this Lease and should Tenant fail to correct such failure within the time provided in Section 11.04 following Tenant's receipt of written notice from Landlord specifying the nature of Tenant's breach, Landlord, in addition to any and all other remedies available to Landlord at law or in equity or pursuant to this Lease shall have the right to investigate, remediate and to abate said Hazardous Substances and recover its reasonable costs and expenses, together with interest at the Interest Rate from the date paid, from Tenant within thirty (30) days of Tenant's receipt of a written demand for such reimbursement, together with reasonable supportive evidence of the amount and payment of said costs and expenses.

(k) In the event a lender under a Fee Mortgage demands Landlord engage a qualified environmental engineer to prepare an environmental audit of the Premises, Tenant agrees to engage such qualified environmental engineer to prepare an environmental audit of the Premises and Tenant shall be responsible for such cost and expense. Upon completion of such environmental audit of the Premises, Tenant shall submit the results of such audit to Landlord. The choice of the environmental engineer who will perform such audit is subject to Landlord's approval.

(l) In the event a lender under a Fee Mortgage so demands, Tenant will permit Landlord or Landlord's agent to enter and inspect the Premises and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Premises; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Premises; or (3) whether or not Tenant is in compliance with Applicable Laws pertaining to Hazardous Substances.

#### **Section 12.05. Tenant's Right to Purchase.**

(a) Grant of Right to Purchase. Landlord hereby grants to Tenant a right to purchase Landlord's interest in the Premises (the "Purchase Right") on the terms and conditions set forth in this Section 12.05. The Purchase Right shall be binding upon Landlord and its successors and assigns in interest to the Premises. The Purchase Right is personal to SA Hospital Real Estate Holdings, LLC, a Delaware limited liability company (the "Named Tenant"), and may only be exercised by Named Tenant at the time of exercise and may not be exercised or assigned, voluntarily or involuntarily, by any person or entity other than Named Tenant.

(b) Offer Period. At any time following the date that is two (2) years after the Commencement Date (unless there has been any destruction of the Premises described in Section 7.03, in which case Tenant's rights under this Section 12.05(b) shall be able to be exercised after the applicable Restoration Date) and so long as Tenant is not in default or breach of this Lease, Tenant shall have the right, but not the obligation, to exercise the Purchase Right upon written notice to Landlord. Landlord shall respond to Tenant in writing within thirty (30) days (the "Purchase Notice") setting forth a closing date (the "Closing Date") not later than ninety (90) days following the date of the Purchase Notice and Landlord's calculation of the amounts due to Landlord at closing as a result of Tenant's acquisition of Landlord's interest in the Premises ( the "Purchase Price"), which such Purchase Price shall be as follows: (i) one hundred six percent (106%) of the Rent Basis if the Closing Date occurs during the third (3<sup>rd</sup>) Lease Year; (ii) one hundred seven percent (107%) of the Rent Basis if the Closing Date occurs after the third (3<sup>rd</sup>) Lease Year and before the last day of the fifth (5<sup>th</sup>) Lease Year; (iii) one hundred ten percent (110%) of the Rent Basis if the Closing Date occurs after the fifth (5<sup>th</sup>) Lease Year and before the last day of the tenth (10<sup>th</sup>)

Lease Year; and (iii) one hundred fifteen percent (115%) of the Rent Basis if the Closing Date occurs after the tenth (10<sup>th</sup>) Lease Year.

(c) Closing. On the Closing Date, Landlord shall deliver to tenant a quitclaim deed for the Premises and Tenant shall pay to Landlord the Purchase Price by wire transfer in immediately available funds. The closing shall take place through escrow conducted by a nationally recognized title insurance company doing business in Missouri selected by Landlord. Tenant shall pay all Rent and all other charges due and owing under this Lease up to the Closing Date and all costs and expenses incurred in connection with the closing of the Purchase Right, including, without limitation, costs of any transfer taxes, escrow charges and Landlord attorneys' fees.

**Section 12.06. Further Assurances**. Each party to this Lease agrees to execute, acknowledge, and deliver such further instruments, documents, agreements, applications and estoppels as may be necessary or desirable to accomplish the intents and purposes of this Lease.

(a) Entitlements. Tenant shall be solely responsible and liable for obtaining any and all Final Approvals necessary for and with respect to the Work, including without limitation, the Improvements, and Tenant shall diligently pursue the issuance thereof from and after the Commencement Date to the extent not already obtained prior to the Commencement Date. In the event that a governmental and/or regulatory agency, by Applicable Laws or by practice, requires that the application for any required Final Approvals or other permit desired by Tenant in connection with the Work to be made by Tenant pursuant to the provisions of this Lease, or any other document, including, without limitation, documents to be recorded against the Premises, such as subdivision maps, and the like, which are necessary in order to satisfy the requirements of or conditions to any Final Approvals obtained by Tenant in connection with the Work and the Improvements, be made, executed, acknowledged, accepted or filed by or on behalf of Landlord (and/or any Fee Mortgagee), in addition to or rather than by Tenant, then if requested by Tenant, Landlord shall reasonably cooperate with Tenant, including the prompt execution of required documents, and take such steps as are reasonably necessary to obtain such permit, but at Tenant's sole cost and expense and at absolutely no cost or liability to Landlord; provided, notwithstanding the foregoing, Landlord shall not in any event or circumstance be required to indemnify any party in connection therewith or otherwise take any action or sign any document that would likely impose liability on Landlord, as determined by Landlord; provided further, that the foregoing limitation shall not apply if Tenant provides Landlord with an indemnity indemnifying Landlord with respect to any such liability, in form reasonably acceptable to Landlord.

**Section 12.07. Easements**. Landlord shall cooperate with Tenant (but at Tenant's sole cost and expense) in a timely manner following Tenant's written request and following Landlord's review and approval, if and when Landlord is a necessary party in the (i) amendment, termination or abandonment of existing easements, covenants, conditions and/or restrictions, (ii) if applicable, joining with Tenant in creating reciprocal easement agreements providing for the granting and improvement of reciprocal and other non-exclusive easements over the Premises and adjoining premises for vehicular and pedestrian ingress, egress, parking, utilities, drainage, landscaping, signage and similar uses required for the operation of the Project as contemplated by the Final Approvals and the construction of the Improvements, and (iii) granting to public entities, public service corporations, private or public utilities or similar entities, rights-of-way or easements on, over, under, across and through the Premises for the installation, maintenance, repair and replacement of all utility facilities necessary for the construction of the Improvements or the operation of the Project, including without limitation, conduits, pipes, and similar installations. If requested by Tenant, Landlord shall execute such documents and take such action as is reasonably necessary to comply with the foregoing; provided, notwithstanding the foregoing, Landlord shall not in any event or circumstance be required to indemnify any party in connection therewith or otherwise take any action or sign any documents that would likely impose liability on Landlord, as determined by Landlord; provided further, that the foregoing limitation shall not apply if Tenant provides Landlord with an indemnity

indemnifying Landlord with respect to any such liability or indemnity during the Term, in form reasonably acceptable to Landlord. Tenant shall reimburse Landlord for any legal fees reasonably incurred by Landlord for review of documents requiring Landlord's signature relating to requests made by Tenant under this Section 12.07, within ten (10) business days following Tenant's receipt from Landlord of written demand for reimbursement and reasonable supporting documentation.

### **ARTICLE XIII OTHER PROVISIONS**

**Section 13.01. Commissions.** Landlord hereby agrees to indemnify and hold Tenant harmless from and against all claims, damages, expenses, liabilities, liens or judgments (including costs, expenses and reasonable attorneys' fees in defending the same) which arise on account of any claim that any real estate commissions or finders' fees incurred by Landlord are payable and have not been discharged in their entirety. Tenant hereby agrees to indemnify and hold Landlord harmless from and against all claims, damages, expenses, liabilities, liens or judgments (including costs, expenses and reasonable attorneys' fees in defending the same) which arise on account of any claim that any real estate commissions or finders' fees incurred by Tenant are payable and have not been discharged in their entirety.

**Section 13.02. Attorney's Fees.** The prevailing party(ies) in any litigation, mediation, reference, arbitration, bankruptcy, insolvency or other proceeding ("Proceeding") relating to or arising from this Lease may recover from the non-prevailing party(ies) all costs, expenses, and actual attorneys' fees (including expert witness and other consultants' fees and costs) relating to or arising out of (i) the Proceeding (whether or not the Proceeding proceeds to judgment and including any dismissal of such Proceeding), and (ii) any post-judgment or post-award proceeding including, without limitation, one to enforce or collect any judgment or award resulting from the Proceeding. All such judgments and awards shall contain a specific provision for the recovery of all such subsequently incurred costs, expenses, and actual attorneys' fees; provided that the non-prevailing party shall not be required to reimburse any attorneys' fees incurred by the prevailing party to pay for a separate defense for more than one person or entity comprising the other party, regardless of whether a conflict in interest exists between such persons or entities comprising the prevailing party.

**Section 13.03. Notices to Landlord.** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to Landlord by Tenant shall be in writing and shall be deemed duly served and given when personally delivered to Landlord or to any managing employee of Landlord, or, in lieu of personal service, when sent by express mail that allows for tracking, addressed to Landlord at 2200 Washington Avenue, Saint Louis, MO 63103, Attn. General Counsel. Landlord may change Landlord's address for the purpose of this section by giving written notice of that change to Tenant in the manner provided in Section 13.05 of this Lease.

**Section 13.04. Holding Over.** If Tenant or any other person or party shall remain in possession of the Premises or any part thereof following the expiration of the Term or earlier termination of this Lease without an agreement in writing between Landlord and Tenant with respect thereto, the person or party remaining in possession shall be deemed to be a tenant at sufferance, and during any such holdover, the Rent payable under this Lease by such tenant at sufferance shall be one hundred fifty percent (150%) of the rate or rates in effect immediately prior to the expiration of the Term or earlier termination of this Lease. In no event, however, shall such holding over be deemed or construed to be or constitute a renewal or extension of the Term of this Lease.

**Section 13.05. Notices to Tenant.** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to Tenant by Landlord shall be in writing and shall be deemed duly served and given when personally delivered to Tenant, any managing employee of Tenant, or, in lieu of personal service, when sent by express

mail that allows for tracking, addressed to Tenant at 3933 South Broadway, St. Louis, MO 63118, Attention: Jeffrey Ahlholm and Lawrence Feigen. Tenant may change its address for the purpose of this section by giving written notice of that change to Landlord in the manner provided in Section 13.03 of this Lease.

**Section 13.06. Governing Law.** This Lease, and all matters relating to this Lease, shall be governed by the laws of the State of Missouri in force at the time any need for interpretation of this Lease or any decision or holding concerning this Lease arises. Each party waives the right to a trial by jury, to the extent possible under applicable law, in connection with any dispute under this Lease.

**Section 13.07. Binding on Heirs and Successors.** This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but nothing in this section shall be construed as a consent by Landlord to any assignment of this Lease or any interest in this Lease by Tenant except as provided in Article 10 of this Lease.

**Section 13.08. Sole and Only Agreement.** Except for that certain Purchase and Sale Agreement dated as of the Commencement Date by and between Landlord and Tenant, this instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Premises, the leasing of the Premises to Tenant, the construction of the Work on the Premises, and the lease terms set forth in this Lease, and correctly sets forth the obligations of Landlord and Tenant, to each other as of their respective dates. Any agreements or representations respecting the Premises, their leasing to Tenant by Landlord, or any other matter discussed in this Lease not expressly set forth in this instrument are null and void.

**Section 13.09. Time of Essence.** Time is expressly declared to be of the essence of this Lease.

**Section 13.10. Memorandum of Lease.** Prior to the Commencement Date, Landlord and Tenant shall each execute and cause to be notarized, two (2) counterpart copies of a “Memorandum of Lease” in the form attached hereto as **Exhibit E**, which Tenant shall cause to be recorded, at Tenant’s sole cost and expense, including, without limitation, the payment of the documentary transfer tax upon recordation of the Memorandum of Lease.

**Section 13.11. Partial Invalidity.** If any term, provision or covenant of this Lease or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

**Section 13.12. Counterparts.** This Lease may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall constitute one document. Facsimile and electronic signatures of this Lease by any party shall have the effect of an original signature.

**Section 13.13. Definition of Landlord.** The term “Landlord” as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of Landlord’s interest in fee title to the Premises. In the event of any transfer or assignment of such title and the assumption in writing of Landlord’s remaining obligations under this Lease by the transferee or assignee, Landlord herein named (and in case of any subsequent transfers, the then grantor) shall be automatically freed and relieved from and after the date of such transfer or assignment of all liability respecting the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord’s part of any of the terms and conditions of this Lease.

**Section 13.14. Approvals by Landlord.** If Landlord's approval is required under any provision of this Lease and Landlord has agreed to not unreasonably withhold, condition or delay its approval, then Landlord agrees (a) to deliver written notice of its approval or disapproval to Tenant in writing within a commercially reasonable amount of time for the applicable request for approval being made; and (b) if Landlord fails to respond in writing to Tenant's written request for approval within thirty (30) days following Landlord's receipt of Tenant's request for approval in accordance with this Section 13.14, then Landlord shall be conclusively deemed to have approved such request; provided, however, Tenant acknowledges and agrees that a written response from Landlord reasonably requesting additional information or time to consider the request from Tenant will not result in a deemed approval by Landlord.

**Section 13.15. Limitation of Landlord Liability.** In consideration of the benefits accruing under this Lease, and notwithstanding anything contained in this Lease to the contrary, Tenant and all successors and assigns covenant and agree that, in the event of any actual or alleged failure, breach or default under this Lease by Landlord or in the event of any other action against Landlord with respect to this Lease, their sole and exclusive remedy shall be against Landlord's interest in the Premises. Tenant and all such successors and assigns agree that the obligations of Landlord under this Lease do not constitute personal obligations of Landlord (beyond Landlord's interest in the Premises) or any of Landlord's trustees, beneficiaries, partners (whether general or limited), members, directors, officers, shareholders, employees, agents or investment managers. If Tenant obtains any money judgment against Landlord with respect to this Lease or the relationship between Landlord and Tenant, then Tenant shall look solely to Landlord's interest in the Premises to collect such judgment, and Tenant shall not collect or attempt to collect any such judgment out of, or seek recourse against, any other assets of Landlord (beyond Landlord's interest in the Premises), or Landlord's trustees, beneficiaries, partners (whether general or limited), members, directors, officers or shareholders or any of their personal assets for satisfaction of any liability with respect to this Lease. Notwithstanding any contrary provision contained in this Lease, neither Landlord nor any of Landlord's trustees, beneficiaries, partners (whether general or limited), members, directors, officers or shareholders nor any of their respective employees, agents or contractors shall be liable under any circumstances for any indirect or consequential damages or any injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

**Section 13.16. Guaranty.** Concurrently with Tenant's execution of this Lease, and as a condition precedent to the effectiveness of this Lease, Tenant shall cause Jeffrey Ahlholm, Lawrence Feigen and SA Hospital Acquisition Group, LLC, a Delaware limited liability company (collectively, the "Guarantor"), to execute and deliver to Landlord a Guaranty (the "Guaranty") in the form of **Exhibit D** attached hereto and made a part hereof. Tenant hereby acknowledges that Landlord would not enter into this Lease without Guarantor's execution and delivery of the Guaranty as required by this Section 13.16.

**Section 13.17. Estoppel Certificate.**

(a) On the Commencement Date and at any other time and from time to time, within fifteen (15) days after notice of request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord, or to such other recipient as the notice shall direct, a completed estoppel certificate (a "Tenant Estoppel") in the form of **Exhibit L** attached hereto and made a part hereof, as the same may be modified by Landlord from time to time.

(b) At any time and from time to time, within fifteen (15) days after notice of request by Tenant, Landlord shall execute, acknowledge and deliver to Tenant, or to such other recipient as the notice shall direct, a statement (a "Landlord Estoppel" and either a Tenant Estoppel or a Landlord Estoppel shall be hereinafter referred to as an "Estoppel") certifying that (a) this Lease is unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement; and (b) to the knowledge of the certifying party, there are no defaults (and no

events or circumstances that have occurred, that with the passage of time would, if left unchanged, become a default) in the performance of either party of its obligations under this Lease, or if there are defaults or events or circumstances that will constitute a default, specifying the nature of the default and/or event or circumstance that may become a default. The Landlord Estoppel shall also state the amount of Rent then payable, the dates to which the Rent and any other charges have been paid in advance and shall include such assurances of satisfaction of conditions or other factual matters provided for in this Lease or respecting the Premises as Tenant may reasonably request.

(c) The Estoppel shall be such that it can be relied on by any auditor, creditor, commercial banker, and investment banker of either party and by any prospective purchaser or encumbrancer of the Premises or Improvements or both or of all or any part or parts of Tenant's or Landlord's interests under this Lease.

**Section 13.18. Financial Statements.** Tenant shall set up and maintain accurate and complete books, accounts and records as to Tenant in accordance with generally accepted accounting principles. Tenant will permit representatives of Landlord to have free access to and to inspect and copy all books, records and contracts of Tenant. Any such inspection by Landlord and its representatives shall be for the sole benefit and protection of Landlord, and Landlord shall not have any obligation to disclose the results thereof to Tenant or to any third party. In addition, Tenant shall furnish the following financial information concerning Tenant: (a) current quarterly financial statements, including a balance sheet, an income statement and a cash flow statement, within 30 days following the end of each fiscal quarter of Tenant; (b) current audited annual financial statements, including a balance sheet, an income statement and a cash flow statement, within 120 days following the end of each fiscal year of Tenant; (c) upon an Event of Default and demand from Landlord, audit financial statements and (d) such other information and reports concerning the financial affairs of Tenant as Landlord may reasonably request.

**Section 13.19. Tax Treatment.** This Lease (the "Transaction") is intended to constitute a financing arrangement for federal income tax purposes and is not intended to convey to Landlord any benefits and burdens of ownership or to cause Landlord to be treated as the owner of the Premises or the Improvements for federal income tax purposes. As a result of the Transaction, the parties intend for Tenant to retain all benefits and burdens of ownership of the Premises and the Improvements and to remain the owner of the Premises and the Improvements for federal income tax purposes. The parties agree to treat the Transaction in a manner that is consistent with this intention, including filing all federal, state and local income tax returns and other reports consistent with such treatment. Landlord, as a lender for federal income tax purposes, shall not claim tax credits, depreciation or any other federal or state income tax benefits with respect to the Premises or the Improvements, or take any action which is inconsistent with this provision.

**Section 13.20. Termination.** No termination or expiration of this Lease shall release any party in default under this Lease and this Lease shall survive for purposes of allowing a party to enforce its rights and remedies under this Lease in the event of a default. All covenants of Tenant, which by their nature cannot be performed until after the expiration of the Term or the earlier termination thereof, and all indemnification obligations of Tenant set forth in this Lease shall survive the expiration or termination of this Lease.

*[Signature Pages Follow]*

**IN WITNESS WHEREOF**, the Party below has executed this Lease effective as of the day and year first set forth above.

**TENANT:**

**SA HOSPITAL REAL ESTATE HOLDINGS, LLC,**  
a Delaware limited liability company

By:  \_\_\_\_\_  
Lawrence Feigen  
Co-Manager

**IN WITNESS WHEREOF**, the Party below has executed this Lease effective as of the day and year first set forth above.

**LANDLORD:**

**TWAIN GL XXV, LLC,**  
a Missouri limited liability company

By:   
\_\_\_\_\_  
Katherine Iffrig  
Authorized Person



**EXHIBIT A**

**INSERT LEGAL DESCRIPTION OF PROPERTY**

A TRACT OF LAND BEING ALL OF BLOCK 2564, PART OF BLOCK 2565, ALL THAT PART OF VACATED BAY STREET AS PER ORDINANCES 58150, 57069 AND 22523, ALL OF A VACATED ALLEY AS PER ORDINANCE 56841 AND THAT PART OF A VACATED ALLEY AS PER ORDINANCE 56841, ALL IN THE CITY OF ST. LOUIS, MISSOURI AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF OSAGE STREET, 60.00 FEET WIDE, WITH THE EAST LINE OF OHIO STREET, 60.00 FEET WIDE; THENCE ALONG SAID EAST LINE IN A NORTHWARDLY DIRECTION 394.43 FEET; THENCE EASTWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM SAID POINT OF INTERSECTION OF 90 DEGREES 07 MINUTES 41 SECONDS A DISTANCE OF 116.00 FEET; THENCE NORTHWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 269 DEGREES 52 MINUTES 19 SECONDS A DISTANCE OF 208.00 FEET TO A POINT ON THE SOUTH LINE OF KEOKUK STREET, 60.00 FEET WIDE; THENCE EASTWARDLY ALONG SAID SOUTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 07 MINUTES 41 SECONDS A DISTANCE OF 258.95 FEET TO THE INTERSECTION OF SAID SOUTH LINE OF KEOKUK STREET WITH THE WEST LINE OF BAY STREET, 50.00 FEET WIDE; THENCE SOUTHWARDLY ALONG SAID WEST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 89 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 121.25 FEET; THENCE EASTWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 270 DEGREES 32 MINUTES 22 SECONDS A DISTANCE OF 50.00 FEET TO A POINT IN THE EAST LINE OF SAID BAY STREET; THENCE NORTHWARDLY ALONG SAID EAST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 269 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 121.25 FEET SAID SOUTH LINE OF KEOKUK STREET; THENCE EASTWARDLY ALONG SAID SOUTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 32 MINUTES 22 SECONDS A DISTANCE OF 144.98 FEET TO THE INTERSECTION OF SAID SOUTH LINE OF KEOKUK STREET WITH THE WEST LINE OF BROADWAY STREET, 120.00 FEET WIDE; THENCE SOUTHWARDLY ALONG SAID WEST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 89 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 600.69 FEET TO THE INTERSECTION OF SAID WEST LINE WITH SAID NORTH LINE OF OSAGE STREET; THENCE WESTWARDLY ALONG SAID NORTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 43 MINUTES 08 SECONDS A DISTANCE OF 565.63 FEET TO A POINT ON SAID EAST LINE OF OHIO STREET, SAID POINT BEING THE POINT OF BEGINNING AND FORMING A CLOSING ANGLE THE LEFT 89 DEGREES 41 MINUTES 33 SECONDS.

**EXHIBIT B**

**BASE RENT SCHEDULE**

Base Rent for each Lease Year during the Term shall be an amount equal to the Rent Basis multiplied by five and one half percent (5.5%). The "Rent Basis" shall be an amount equal to the amount of the Tenant Improvement Allowance paid by Landlord from time to time.

**EXHIBIT C**

**ENTITLEMENTS FOR WHICH FINAL APPROVALS HAVE BEEN ISSUED**

Tenant represents and warrants to Landlord that no development approvals and entitlements from any applicable governmental agencies are required for the development and construction of the Work

## EXHIBIT D

### GUARANTY

#### COMPLETION AND RENT PAYMENT GUARANTY

IN CONSIDERATION of and as an inducement for the granting, execution and delivery by Twain GL XXV, LLC, a Missouri limited liability company (“**Landlord**”), of the Ground Lease (as the same may be amended, modified or restated from time to time, the “**Ground Lease**”) dated December 29, 2021, with SA Hospital Real Estate Holdings LLC, a Delaware limited liability company, as tenant (“**Tenant**”), relating to the leasing, improvement, development and use of approximately 7.148 acres of real property located in the city of St. Louis, Missouri, as more particularly described in the Ground Lease (collectively, the “**Premises**”), the undersigned, Jeffrey Ahlholm, a California resident, Lawrence Feigen, a California resident (collectively, the “**Individual Guarantors**”), and SA Hospital Acquisition Group, LLC, a Delaware limited liability company (“**SA Hospital**” and together with the Individual Guarantors, collectively, the “**Guarantor**”), enter into this Completion and Rent Payment Guaranty (this “**Guaranty**”). Guarantor hereby covenants and agrees as follows:

1. Guarantor, jointly and severally with any other undersigned guarantors, unconditionally and irrevocably guarantees to Landlord the full, prompt and unconditional (a) performance of and observance by Tenant of each and every obligation, term, covenant, agreement and condition to be performed or observed by Tenant pursuant to the Lease, (b) Completion (as defined in the Ground Lease) of the Improvements (as defined in the Ground Lease) in accordance with the terms and provisions of the Ground Lease and in compliance with all applicable laws, together with any restoration of the Improvements pursuant to Section 7.03 of the Ground Lease, (c) the indemnity obligations of Tenant contained in the Lease, and (d) any and all costs of collecting such sums or enforcing Landlord’s rights under the Ground Lease or this Guaranty (collectively, the “**Obligations**”); provided, however, the Obligations contained in clauses (a) and (b) of this Section 1 shall terminate with respect to SA Hospital upon satisfaction of the Termination Conditions; provided, further, the Obligations contained in this Section 1 shall terminate with respect to the Individual Guarantors upon satisfaction of the Termination Conditions. For purposes of this guaranty, the Termination Conditions are the following conditions: (i) Tenant or Guarantor obtaining a loan or loans from Bank Popular consistent with that certain term sheet from Bank Popular for Guarantor dated November 22, 2021, (ii) Tenant's and Subtenant's consolidated Debt Service Coverage Ratio, tested by Landlord on a trailing six month basis, exceeds 1.40:1.00 when dividing (1) the EBITDAR for such trailing six months by (2) the anticipated next six months of Base Rent, Supplemental Rent, and principal and interest expense payments, all as substantiated to Landlord in Landlord's reasonable judgment, and (iii) Completion of the Work.

2. Guarantor hereby further covenants and agrees to, and with, Landlord that if an event of default under the Lease beyond the expiration of any applicable notice, grace or cure period (“**Event of Default**”) shall at any time be made by Tenant in the payment of any “**Construction Costs**” (as defined below), the payment of Rent, or if Tenant should default in the performance and observance of any of the Obligations contained in the Ground Lease, Guarantor shall, and will, forthwith pay such Construction Costs, all such Rent and and/or any enforcement of this Guaranty. The term “**Construction Costs**” means all hard and soft costs of construction or restoration of the Improvements together with all compensatory damages (excluding consequential, special and punitive damages of any kind), late charges, interest, actual out of pocket costs or fees, reasonable attorneys’ fees and actual out of pocket expenses incurred or suffered by Landlord as a result of non-payment of the Construction Costs. Without limiting the generality of the foregoing, Guarantor agrees that, for purposes of this Guaranty, the Construction Costs shall be equal to either of the following (at Landlord’s sole option): (i) the aggregate amount of such Construction Costs actually incurred by Landlord from time to time to and including the date on which completion of the

Improvements in accordance with the terms of the Ground Lease occurs, together with interest on such amount from the date incurred until the date repaid, at the highest rate of interest permissible under applicable law, or (ii) (whether or not Landlord completes or intends to complete the Improvements) the estimated amount of such Construction Costs as determined by, at Landlord's sole option, either (A) a court of competent jurisdiction or (B) a construction consultant reasonably acceptable to Landlord and Tenant at any time after an Event of Default by Tenant under the Ground Lease has occurred, in each case less the value of any property, estate or funds surrendered or paid by Tenant to Landlord. Guarantor agrees that any amount estimated by the construction consultant as aforesaid, and any determination by the construction consultant with respect to industry practices, shall be conclusive for purposes of determining Guarantor's liability hereunder, provided that the construction consultant has made such estimate or determination acting reasonably and in good faith.

3. Guarantor's obligations under this Guaranty shall be binding on Guarantor's successors and assigns. All references in this Guaranty (a) to Landlord and Tenant shall include their successors and assigns; and (b) to Tenant, shall include any successors-in-interest to Tenant (whether or not directly succeeding Tenant) by reason of an Event of Reorganization (as defined in Paragraph 8 below).

4. The provisions of the Ground Lease may be changed by agreement between Landlord and Tenant without the consent of or notice to Guarantor. The provisions of the Ground Lease may be changed by agreement between Landlord and any permitted assignee of Tenant or any subsequent assignee without the consent of or notice to Guarantor. The Ground Lease may be assigned by Landlord or Tenant, and the Premises, or a portion thereof, may be sublet by Tenant, all in accordance with the provisions of the Ground Lease, without the consent of or notice to Guarantor. This Guaranty shall guarantee the Obligations and payment of Rent so assigned.

5. This Guaranty and Guarantor's obligations hereunder shall continue and remain in full force and effect notwithstanding Landlord's failure or delay from time to time to enforce any of its rights or remedies under the Ground Lease or this Guaranty.

6. If there is an Event of Default by Tenant under the Ground Lease relating to the Obligations, including, without limitation, the payment of Rent, Landlord may proceed against either Guarantor or Tenant, or both, or Landlord may enforce against Guarantor or Tenant any rights that Landlord has under the Ground Lease relating to the Obligations, in equity or under applicable law. If the Ground Lease terminates and Landlord has any rights against Tenant after termination relating to the Obligations, Landlord may enforce those rights against Guarantor, without giving previous notice to Tenant or Guarantor. Guarantor hereby agrees that no notice of default need be given to Guarantor, it being specifically agreed and understood that this Guaranty of the undersigned is a continuing guarantee under which Landlord may proceed forthwith and immediately against Tenant or against Guarantor following any breach or default by Tenant.

7. Guarantor hereby expressly and knowingly waives all benefits and defenses under applicable law with respect to the enforcement of this Guaranty, including without limitation: (a) the right to require Landlord to proceed against Tenant, proceed against or exhaust any security that Landlord holds from Tenant, or pursue any other remedy in Landlord's power; (b) any defense to its obligations hereunder based on the termination of Tenant's liability; (c) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty; and (d) all notices of the existence, creation, or incurring of new or additional obligations. Landlord shall have the right to enforce this Guaranty regardless of the acceptance of additional security from Tenant and regardless of the release or discharge of Tenant by Landlord or by others, or by operation of any law.

8. The obligations of Guarantor under this Guaranty shall remain in full force and effect and Guarantor shall not be discharged by any of the following events with respect to Tenant or Guarantor: (a) insolvency, bankruptcy, reorganization arrangement, adjustment, composition, assignment for the benefit of creditors, liquidation, winding up or dissolution; (b) any merger, acquisition, consolidation or change in entity structure, or any sale, lease, transfer, or other disposition of any entity's assets, or any sale or other transfer of interests in the entity (each, an "**Event of Reorganization**"); or (c) any sale, exchange, assignment, hypothecation or other transfer, in whole or in part, of Landlord's interest in the Premises or the Ground Lease. Nothing in this Paragraph 8 shall diminish the effect of any subsequent written agreement between Guarantor and Landlord.

9. Guarantor hereby represents and warrants that it has executed this Guaranty based solely on its independent investigation of Tenant's financial condition. Guarantor hereby assumes responsibility for keeping informed of Tenant's financial condition and all other circumstances affecting Tenant's performance of its obligations under the Ground Lease. Absent a written request for such information by Guarantor, Landlord shall have no duty to advise Guarantor of any information known to it regarding such financial condition or circumstances.

10. Guarantor further agrees that it may be joined in any action against Tenant in connection with the said obligations of Tenant and recovery may be had against Guarantor in any such action. Guarantor hereby expressly waives all benefits and defenses under applicable law to the fullest extent permitted by applicable Law. Guarantor agrees not to exercise any of its rights of subrogation or reimbursement against Tenant until after all amounts due and owing under the Ground Lease have been fully paid. If the foregoing waiver is determined by a court of competent jurisdiction to be void or voidable, Guarantor agrees to subordinate its rights of subrogation and reimbursement against Tenant to Landlord's rights against Tenant under the Ground Lease.

11. Guarantor hereby represents and warrants that, as of the date of the execution of this Guaranty by Guarantor, there is no action or proceeding pending or, to Guarantor's knowledge after due inquiry, threatened against Guarantor before any court or administrative agency which could adversely affect Guarantor's financial condition in a way which would jeopardize Guarantor's ability to satisfy its obligations under this Guaranty. The foregoing representation and warranty shall survive the execution and delivery of this Guaranty and is expressly made for the benefit and reliance of Landlord, and Landlord's partners, members, trustees, lenders, representatives, successors and assigns.

12. This Guaranty shall be one of payment and performance and not of collection. If there is more than one undersigned Guarantor, the term Guarantor, as used herein, shall include and be binding upon each and every one of the undersigned, and each of the undersigned shall be jointly and severally liable hereunder. If there is more than one undersigned Guarantor, Landlord shall have the right to join one or all of them in any proceeding or to proceed against them in any order.

13. Guarantor shall indemnify, defend (with counsel acceptable to Landlord), protect and hold harmless Landlord, and Landlord's partners, members, trustees, lenders, representatives, successors and assigns from and against all liabilities, losses, claims, demands, judgments, penalties, damages, expenses and costs (including all attorneys' fees and costs to enforce any of the terms of this Guaranty or otherwise awarded hereunder) arising from or in any way related to any failure by Tenant or Guarantor to pay the Rent, Construction Costs, or to fully, faithfully and timely perform the Obligations.

14. The term "**Ground Lease**" whenever used in this Guaranty shall be deemed, and interpreted so as, to also include any renewals or extensions of the initial or renewal term(s), as the case may be, and any holdover periods thereunder.

**15.** All demands, notices and other communications under or pursuant to this Guaranty shall be in writing, and shall be deemed to have been duly given when personally delivered, or three (3) days after the date deposited in the United States Postal Service, first-class postage prepaid, certified with return receipt requested, or the delivery date designated for overnight courier services (e.g. Federal Express), or the date delivery is refused, addressed to the party at the address set forth below, or at such other address as may be hereafter designated in writing by either party to the other.

Landlord:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

with a copy of notices to:

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Guarantor:

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

with a copies of notices to:

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

**16.** Guarantor hereby represents and warrants that it is duly authorized to execute and deliver this Guaranty; that this Guaranty is binding on Guarantor in accordance with its terms; that the terms and provisions of this Guaranty are intended to be valid and enforceable in accordance with its terms; and that the signatory to this Guaranty is duly authorized to bind Guarantor and execute this Guaranty on Guarantor's behalf.

**17.** Landlord may assign this Guaranty in conjunction with the assignment of all or any portion of Landlord's interest in the Ground Lease, without the necessity of obtaining Guarantor's consent thereto, and any such assignment shall not affect, or otherwise relieve, Guarantor from its obligations or liability hereunder. Guarantor may not assign or otherwise delegate any of its rights or obligations hereunder without first obtaining Landlord's written consent thereto, which consent may be withheld in Landlord's sole discretion. The terms and provisions of this Guaranty shall inure to the benefit of Landlord and Landlord's partners, members, trustees, lenders, representatives, and all of their respective successors and assigns. Guarantor hereby acknowledges and agrees that Landlord is relying upon Guarantor's covenants, representations and warranties contained in this Guaranty in entering into the Ground Lease with Tenant, and Guarantor hereby undertakes to perform its obligations hereunder promptly and in good faith.

**18.** If all or any portion of the obligations guaranteed hereunder are paid or performed and all or any part of such payment or performance is avoided or recovered, directly or indirectly, from Landlord as a preference, fraudulent transfer or otherwise, then Guarantor's obligations hereunder shall continue and remain in full force and effect as to any such avoided or recovered payment or performance.

**19.** All representations and warranties made by Guarantor herein or made in writing pursuant to this Guaranty are intended to and shall remain true and correct as of the time of execution of this Guaranty, shall be deemed to be material, shall survive the execution and delivery of this Guaranty, and shall be relied upon by Landlord and Landlord's partners, members, trustees, lenders, representatives, successors and assigns.

**20.** This Guaranty shall be enforced, governed by and construed in accordance with the laws of the State of Missouri, irrespective of its conflict of law rules. In addition, Guarantor hereby consents to the jurisdiction of any state or federal court located within the County in which the Premises are located and irrevocably agrees that all actions or proceedings arising out of or relating to the Ground Lease and this Guaranty shall be litigated in such courts. Guarantor accepts generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Guaranty. This Guaranty shall be subject to all valid applicable laws and official orders, rules and regulations, and, in the event this Guaranty or any portion thereof is found to be inconsistent with or contrary to any such laws or official orders, rules or regulations, the latter shall be deemed to control, and this Guaranty shall be regarded as modified and shall continue in full force and effect; provided, however, that nothing herein contained shall be construed as a waiver of any right to question or contest any such law, order, rule or regulation in any forum having jurisdiction in the Premises.

**21.** This Guaranty and any exhibits hereto constitute the entire agreement between the parties with respect to the matters covered herein and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

**22.** In the event Guarantor fails to perform any of its obligations under this Guaranty or in the event a dispute arises concerning the meaning or interpretation of any provision of this Guaranty, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including without limitation, court costs, expert fees, and reasonable attorneys' fees.

**23.** Time is of the essence of this Guaranty.

Notwithstanding anything to the contrary contained in the Ground Lease, this Guaranty or any other document executed in connection therewith, Guarantor agrees that Landlord's direct and indirect lenders (and any person or entity acting as agent with respect thereto) and their respective successors and/or assigns (collectively, "**Lender**") are each third-party beneficiaries of this Guaranty and so long as the applicable loan is outstanding: (i) this Guaranty may not be amended, modified, supplemented, terminated, surrendered, or cancelled without Lender's prior written consent; and (ii) Lender shall have the right to enforce the terms and conditions of the Guaranty.

[SIGNATURES APPEAR ON FOLLOWING PAGES]



**IN WITNESS WHEREOF**, Guarantor has executed this Guaranty as of the date set forth below.

**GUARANTOR:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

**EXHIBIT E**

**MEMORANDUM OF LEASE**

THIS MEMORANDUM OF LEASE is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ (“**Landlord**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Tenant**”).

**R E C I T A L S**

Landlord does hereby lease and demise to Tenant that certain real property in the City of \_\_\_\_\_, County of \_\_\_\_\_, State of \_\_\_\_\_, more particularly described in Exhibit "A" attached hereto and all rights, privileges and easements appurtenant thereto (the “**Premises**”) pursuant to an upon all of the terms, covenants and provisions set forth in that certain unrecorded Ground Lease of even date herewith (as amended from time to time, the “**Lease**”), the terms, covenants and provisions of which are hereby incorporated herein by reference. Initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease.

NOW, THEREFORE, the parties hereby agree as follows:

- (1) The commencement date of the term of the Lease is \_\_\_\_\_, 20\_\_\_\_.
- (2) The Term of the Lease shall continue for a period expiring on \_\_\_\_\_.
- (3) Tenant shall pay the real property taxes and assessments against the Premises during the term hereof, as more specifically provided in the Lease.
- (4) Notwithstanding that the ownership of Landlord’s and Tenant’s estates in and to the Premises may become vested in the same party, no merger of Tenant’s leasehold estate into Landlord’s fee title shall result or be deemed to result thereby, as provided in Section 6.09 of the Lease, provided that this provision shall not be deemed applicable to a termination of Tenant’s leasehold estate by reason of Tenant’s default.
- (5) Any interest acquired in the Premises, including without limitation, any Fee Mortgage (whether recorded prior to or after the recordation of this Memorandum and including any renewals, replacements, extensions, modifications and amendments thereof), is at all times subject and subordinate to Tenant’s interest under the Lease (and any amendments to the Lease).



EXHIBIT "A"

LEGAL DESCRIPTION

## EXHIBIT F

### INSURANCE REQUIREMENTS

*Throughout the term of this Agreement, SA Hospital Real Estate Holdings, LLC (the "Project Owner") shall obtain, and maintain in full force and effect, the following policies of insurance on behalf of SA Hospital Real Estate Holdings, LLC with such changes as may be reasonably required by Twain GL XXV, LLC (the "Landlord") and U.S. Bank National Association and its successors and assigns for the benefit of the lenders as their interests may appear (the "Lender"), from time to time:*

1. Commercial General Liability insurance, providing coverage on an "occurrence" rather than a "claims made" basis, insuring for third party claims of legal liability, and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the ownership or management of the land and buildings, and including the costs to defend such actions brought against the Project Owner, as well as hired and non-owned automobile liability insurance. The policy shall designate the Project Owner as Named Insured, and shall include an endorsement adding as Additional Insured:

- Twain GL XXV, LLC and U.S. Bank National Association and its successors and assigns for the benefit of the lenders as their interests may appear (using form CG 2026 or equivalent)

Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the general aggregate. If coverage is provided under blanket policies insuring other locations or entities, then the general aggregate must apply to each insured location separately.

2. Excess/Umbrella Liability insurance, with the Commercial General Liability and Automobile Liability policies scheduled as underlying policies. Limits of the policy shall be at least \$3 million per occurrence and in the annual aggregate. All entities added as Additional Insureds to the Commercial General Liability shall also be Additional Insureds under the Excess/Umbrella Liability policy.

3. Evidence from the General Contractor of:

- Commercial General Liability insurance, insuring for third party claims of legal liability against the Contractor, and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the activities of the contractor, and including the costs to defend such actions. Completed Operations coverage shall also be included in the policy. The policy shall include an endorsement(s) adding as Additional Insured:
  - SA Hospital Real Estate Holdings, LLC (using form CG 2026 or equivalent)
  - Twain GL XXV, LLC (using form CG 2026 or equivalent)

Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the general aggregate.

- Umbrella/Excess Liability insurance, with the Commercial General Liability, Automobile Liability and Employers Liability policies scheduled as underlying policies. Limits of the

policy shall be at least \$2 million per occurrence and in the annual aggregate. All entities added as Additional Insureds to the Commercial General Liability shall also be Additional Insureds under the Excess/Umbrella Liability policy.

- A Workers' Compensation and Employer's Liability policy purchased by the General Contractor
  - Evidence of "Statutory Limits" under Workers' Compensation; \$1mm Employers Liability must be included.

4. Evidence from each Architect or other design professional of:

- Commercial General Liability insurance, insuring for third party claims of legal liability against the design professional, and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the activities of the design professional, and including the costs to defend such actions brought against the design professional. Products and Completed Operations coverage shall also be included in the policy. Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the general aggregate. The policy shall include an endorsement(s) adding as Additional Insured:
  - SA Hospital Real Estate Holdings, LLC (using form CG 2026 or equivalent)
  - Twain GL XXV, LLC (using form CG 2026 or equivalent)
- A Professional Liability policy purchased by the architects and containing the following provisions:
  - Limits equal to the greater of \$1 million per occurrence or 10% of the project hard-costs, whichever is greater;

*Prior to the commencement of any construction of the Project, the Project Owner shall obtain (or cause to be obtained by the Contractor) and keep in force during the term of any construction:*

5. Builder's Risk insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Landlord) to:

- Existing structures (if applicable)
- The buildings and structures being constructed
- Fixtures, materials, supplies, machinery and equipment to be used in construction
- Scaffolding, falsework, fences, forms, etc.
- Trailers and temporary structures incidental to the construction
- Foundations and underground work
- Sidewalks and paving
- Personal property of others for which the Project Owner may be liable
- Personal property of the Project Owner used to maintain or service the project construction

whether located at the site or elsewhere, including while in-transit. The construction site shall be specifically scheduled on the policy as a Covered Location. Limits of policy will be at least the estimated replacement value of the completed Project, plus the value of other property insured. Coverage and limits shall be extended to include soft cost for additional costs made necessary by a delay in completion of construction; such soft costs should include payment for:

- Debt service payments and bond interest payment (where appropriate)
- Construction loan fees and refinancing charges
- Legal fees
- Design professional fees
- Real estate taxes
- Insurance premiums

Amounts of coverage for soft costs should be sufficient to meet the likely costs of each category for a delay period of twelve months. Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation; loss payment shall be to the Named Insureds. The policy shall have a deductible of no greater than \$25,000 per occurrence. The policy shall carry no coinsurance provisions. The Project Owner shall be Named Insured on the policy. The Landlord and Lender shall be named loss payee. The policy shall provide 30-days' notice in the event of cancellation, 10-days' notice for non-payment to Lender.

*At the completion of construction activity, the Project Owner shall obtain (or cause to be obtained) and keep in force:*

1. A Property insurance policy with limits at least equal to the replacement value of the existing structure(s), and containing the following provisions and coverage:
  - "All risk" or "Special Form" coverage
  - Claims shall be paid on a Replacement Cost basis
  - \$25,000 maximum deductible
  - No coinsurance; if there is a coinsurance provision, please provide evidence that an Agreed Amount endorsement will appear on the policy
  - Business Income coverage with limits equal to at least 12 months expected loss of rents and other income. No coinsurance is permitted
  - Limits of policy will be at least the estimated replacement value of the subject property, plus the value of other property insured
  - Ordinance or Law coverage including loss in value to the undamaged portion, demolition and increased cost of construction
  - Boiler and Machinery Coverage (aka Electrical and Mechanical Breakdown) (if appropriate)
  - All Named Insureds, Additional Insureds, Loss Payees, and/or Mortgagees as noted for Builder's Risk coverage above

All insurance policies shall be underwritten by companies licensed to write such insurance in the state in which the Project is located, and shall be rated in the latest A.M. Best's Insurance Rating Guide with a rating of at least A-, and be in a financial category of at least IX.

The Project Owner shall furnish to the Landlord a complete copy of each such policy of insurance required under #1, #2, #5 and #6. If an insurance policy is not available when required, as set forth above, then Certificates of Insurance detailing the policy terms and conditions as noted above shall be provided, but the policies must then be provided within sixty days.

All such policies shall include endorsements requiring at least 30 days prior written notice to the Landlord of any cancellation, termination or reduction of coverage therein. Notice of the renewal of any policy shall be made at least 10 days prior to the scheduled date of such renewal, and shall be in the form of endorsement to the policy. Notice to the Landlord of any replacement of any policy shall be made at least 10 days prior to such replacement, and shall be in the form of a copy of the replacement policy, or by certificate, as noted above.

Evidence of insurance may be provided on a Certificate of Insurance issued to the Project Owner and Landlord. All Certificates shall be amended in the Cancellation provision by deleting the words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.”

Evidence of insurance under #3 & #4 above may be provided on a Certificate of Insurance issued to the Project Owner and Landlord. All Certificates shall be amended in the Cancellation provision by deleting the words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.”

By requiring insurance limits, the Landlord does not represent that coverage and limits will necessarily be adequate to protect the Project Owner, Architect, or General Contractor, and such coverage and limits shall not be deemed as a limitation or release of any party’s liability under any indemnification granted to the Landlord in this Agreement.

THE REQUIREMENTS SPECIFIED HEREIN SHALL NOT BE WAIVED BY DELIVERY OF A CERTIFICATE OR POLICY TO THE LANDLORD (OR ITS COUNSEL) NOT IN CONFORMANCE WITH THESE REQUIREMENTS UNLESS THESE REQUIREMENTS ARE SPECIFICALLY MODIFIED IN WRITING BY THE LANDLORD.

Notes:

- These insurance requirements are intended to protect the additional insureds under each policy for their contingent liability exposures as partners, investors, or lenders in the transaction.

The use of so-called ‘blanket’ additional insured endorsements must be limited to those entities which have a written contract with the Named Insured; in cases where no direct written contract between the parties exists, the recommended additional insured forms should be used.



**EXHIBIT G**

**Reserved**

**EXHIBIT H**

**BUDGET AND LIST OF WORK**

I. Required Projects

Project Description	Estimated Cost
Cath Lab & Hemodynamics	\$ 1,263,445.00
IT Infrastructure - Electrical Work*	\$ 501,245.00
New Phych E.R. (design-build)	\$ 1,190,000.00
Clean room by Sterilizer	\$ 144,000.00
Psychiatric - 3rd & 4th Floor	\$ 311,660.00
Conversion of Psychiatric ER Entrance	\$ 527,113.00
Limb Preservation/Wound Care	\$ 248,976.00
HVAC & Building Automation System (BAS) Upgrade*	\$ 6,733,195.10
Elevator Modernizations*	\$ 743,999.00
Existing E.R. to Psych upgrades (non-ligature)	\$ 240,000.00
Pharmacy USP 797/800 Compliance Upgrade	\$ 687,850.00

- II. Anticipated Projects. Tenant may reduce scope of, or substitute with other, projects only with the consent of Landlord, which consent shall not be unreasonably withheld, and so long as Subtenant's consolidated Debt Service Coverage Ratio, tested by Landlord on a trailing six month basis, exceeds 1.40:1.00 when dividing (1) the EBITDAR for such trailing six months by (2) the anticipated next six months of Base Rent, Supplemental Rent, and principal and interest expense payments, all as substantiated to Landlord in Landlord's reasonable judgment.

Medical Surgery - 5th Floor	\$ 249,673.00
ICU upgrade	\$ 175,231.00
Laboratory Upgrade	\$ 24,803.00
Nuclear Medicine Upgrade	\$ 151,213.00
Cardiovascular Department	\$ 199,871.00
Lighting Upgrade*	\$ 577,904.00
Water Fixture Upgrade - Plumbing*	\$ 1,598,664.50

**EXHIBIT I**

**Form of Draw Request**

Request No. \_\_\_\_\_ Date: \_\_\_\_\_

**WRITTEN REQUEST FOR DISBURSEMENT**

To: TWAIN GL \_\_\_\_, LLC

Pursuant to that certain Ground Lease dated as of [\_\_\_\_], 20\_\_ (the "Lease"), by and between \_\_\_\_\_, a \_\_\_\_\_ ("Tenant") and **TWAIN GL \_\_\_\_, LLC**, a Missouri limited liability company (together with its successors and/or assigns "Landlord"), the undersigned hereby request the disbursement of the Tenant Improvement Allowance (as defined in the Lease) an amount equal to \$\_\_\_\_. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Lease.

Tenant hereby certifies that, as of the date hereof:

1. no default or Event of Default under the Lease has occurred and is continuing, and no event has occurred which, upon the service of notice and/or the lapse of time, would constitute an Event of Default under the Lease;
2. complies, in all material aspects, with all other requirements, conditions and covenants, if any;
3. complies with, and will continue to comply with, all applicable statutes, regulations, and ordinances in connection with the Premises and the Project;
4. no material change has occurred with respect to the projected cost to complete the Work;
5. the progress of construction of the Work is such that it can be completed on or before the expected completion date (as contemplated in the Existing Construction Documents);
6. Tenant has budgeted sufficient funds, including the remaining portion of the Tenant Improvement Allowance, to complete the Work;
7. the loans and Work current sources and uses are consistent with the Budget, and no additional debt has been secured by Tenant;
8. Landlord shall have received an updated sources and uses report for the Work in the form attached hereto as Schedule 1 consistent, in all material respects, with the Budget;
9. all bills and invoices for labor, materials, equipment, work, services and supplies furnished in connection with the Work, which could give rise to a mechanic's lien if unpaid, have been paid or will be paid out of the requested disbursement;
10. all claims for mechanics' liens which have arisen or could arise for labor, materials, equipment, work, services or supplies furnished in connection with the Work through the last day of the period covered by the requested advance have been effectively waived in writing, or will be effectively waived in writing when payment is made (or otherwise affirmatively insured over), and such written waivers have been delivered to Landlord;

11. no substantial damage to the Project by fire of other casualty;
12. no condemnation or eminent domain proceeding is pending or threatened against all or any portion of the Premises or the Improvements;
13. insurance on the Project meets all requirements of Landlord in the Lease and is in full force and effect; and
14. real estate taxes are paid current.

[TENANT ENTITY],

a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Acknowledged and Accepted:**

**TWAIN GL \_\_\_\_\_, LLC,**

a Missouri limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SCHEDULE 1

**Form of Construction Budget & Cost Tracker**

[Attached hereto]

**EXHIBIT J**

**Intended Disbursement Schedule and Amounts**

Date	Construction Draw
12/29/2021	\$21,203,382.33
1/1/2021	\$312,702.33
2/1/2022	\$1,243,625.86
3/1/2022	\$1,192,171.66
4/1/2022	\$2,656,573.06
7/1/2022	\$379,328.29
10/1/2022	\$384,735.97
Total	\$27,372,519.48

**EXHIBIT K**

**Form of Final Draw Request**

Request No. \_\_\_\_\_ Date: \_\_\_\_\_

**WRITTEN REQUEST FOR FINAL DISBURSEMENT**

To: TWAIN GL \_\_\_\_, LLC

Pursuant to that certain Ground Lease dated as of [\_\_\_\_], 20\_\_ (the "Lease"), by and between \_\_\_\_\_, a \_\_\_\_\_ ("Tenant") and TWAIN GL \_\_\_\_, LLC, a Missouri limited liability company (together with its successors and/or assigns "Landlord"), the undersigned hereby request the disbursement of the Tenant Improvement Allowance (as defined in the Lease) an amount equal to \$\_\_\_\_. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Lease.

Tenant hereby certifies that, as of the date hereof:

1. no default under the Lease has occurred and is continuing, and no event has occurred which, upon the service of notice and/or the lapse of time, would constitute a default under the Lease;
2. Tenant is in compliance, in all material aspects, with all requirements, conditions and covenants;
3. Tenant is in compliance with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Premises and the Project;
4. Tenant has received an AIA certificate of full completion (AIA Form G704) (the "AIA Certificate"), including punch list, if applicable and a Certificate of Occupancy ("CO") for the Project. The AIA Certificate and CO have been delivered to Landlord or attached hereto;
5. all the bills and invoices for labor, materials, equipment, work, services and supplies furnished in connection with the Work, which could give rise to a mechanic's lien if unpaid, have been paid or will be paid out of the requested disbursement. The Work has been completed in accordance with the terms of the Existing Construction Documents, free and clear of all liens;
6. the Work current sources and uses are consistent with the Budget, and no additional debt has been secured by Tenant;
7. **DEAL SPECIFIC**: [to the best knowledge of Tenant after due inquiry, the Project contains no, and is not adversely affected by the presence of, any Hazardous Substance, nor is it in violation of any federal, state, or local law, regulation, rule, or ordinance, and no violation of any Applicable Laws pertaining to Hazardous Substances has occurred or is continuing. Tenant has not received any notice from any source whatsoever of the existence of any Hazardous Substance or of a violation of any federal, state, or local law, regulation, rule or ordinance with respect to the Project. If any Hazardous Substance (including lead-based paint and asbestos) was found to exist or be present, it has been either removed from the Project and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state, and local statutes, laws, rules and regulations, any recommendations set forth in any environmental reports];
8. there is no substantial damage to the Premises or Project by fire of other casualty;

9. there is no condemnation or eminent domain proceeding, pending or threatened against all or any portion of the Premises or the Improvements;
10. the insurance on the Project meets all requirements of Landlord in the Lease and is in full force and effect;
11. all real estate taxes are paid current; and
12. the updated construction budget and cost tracker attached hereto as Schedule 1 is accurate and complete as of the date hereof.

**[TENANT ENTITY],**

a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Acknowledged and Accepted:**

**TWAIN GL \_\_\_\_, LLC,**  
a Missouri limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



SCHEDULE 1

**Form of Construction Budget & Cost Tracker**

[Attached hereto]

**EXHIBIT L**

**Form of Ground Lease Estoppel Certificate**

[DATE]

U.S. Bank National Association  
425 Walnut St, 6<sup>th</sup> Floor  
CN-OH-W6CT  
Cincinnati, OH 45202  
Attention: GSF – Twain Funding II

Re: Property located at [ ] (the “Premises”)

Ladies and Gentlemen:

The undersigned, [ ], a [ ] (“Tenant”), and [ ], a [ ] (“Guarantor”), each certifies to U.S. Bank National Association, as administrative agent and collateral agent for certain lenders (“Lenders”) (in such capacity, “Agent”) (all of the foregoing, together with their respective successors and/or assigns, collectively, the “Reliance Parties”), as of the date hereof as follows:

1. Tenant is the tenant under that certain Ground Lease dated [ ] (the “Commencement Date” under the Ground Lease) between Tenant, as tenant, and [ ], a Missouri limited liability company, as landlord (“Landlord”) (the “Ground Lease”). Capitalized terms used and not defined in this Ground Tenant Estoppel Certificate (this “Certificate”) have the meanings ascribed to such terms in the Ground Lease.
2. In connection with the Ground Lease, Guarantor delivered to Landlord that certain [Completion and Rent Payment Guaranty] dated the Commencement Date (the “Guaranty”).
3. Each of the Ground Lease, the Guaranty, and to the extent applicable, any of the other written instruments set forth on Exhibit A<sup>1</sup> attached hereto (all of the foregoing, collectively, the “Ground Lease Documents”): (i) are in full force and effect in accordance with their respective terms; (ii) have not been amended, modified or supplemented, except as set forth on Exhibit A; and (iii) represent the entire agreement between Tenant and Guarantor, on the one hand, and Landlord, on the other hand. There are no other agreements or understandings, whether written or oral, between Tenant and/or Guarantor, on the one hand, and Landlord, on the other hand, with respect to the Ground Lease Documents or the Premises.
4. The term of the Ground Lease commenced on the Commencement Date and expires on [ ], unless sooner terminated in accordance with the terms as set forth in the Ground Lease. Base Rent will be calculated according to Exhibit [ ] attached to the Ground Lease.
5. No Base Rent has been paid more than one month in advance and no security has been deposited with Landlord.
6. The Completion Date has not yet occurred.

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<sup>1</sup> **Note to Draft:** To include purchase and sale agreement.

7. With respect to Tenant, no “default” or “breach” currently exists under the Ground Lease and, to Tenant’s knowledge, (i) there exist no “default” or “breach” on the part of Tenant under the Ground Lease beyond applicable notice and cure periods and (ii) no event has occurred which, with the passage of time or the giving of notice or both, would constitute a “default” or “breach” by Tenant thereunder.

8. With respect to Landlord, no default or breach currently exists under the Ground Lease and, to Tenant’s knowledge, (i) there exist no default or breach on the part of Landlord under the Ground Lease beyond applicable notice and cure periods and (ii) no event has occurred which, with the passage of time or the giving of notice or both, would constitute a default or breach by Landlord thereunder.

9. No default or breach currently exists under the Guaranty and, to Tenant’s and Guarantor’s knowledge, (a) there exist no default or breach on the part of Guarantor under the Guaranty beyond applicable notice and cure periods and (b) no event has occurred which, with the passage of time or the giving of notice or both, would constitute a default or breach by Guarantor thereunder.

10. To Tenant's knowledge, the Premises is free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises.

11. Tenant has not assigned the Ground Lease. Tenant has not mortgaged its leasehold interest in the Premises [and there are currently no Leasehold Mortgages][except to: \_\_\_\_\_, pursuant to that certain \_\_\_\_\_].

12. No bankruptcy proceeding, whether voluntary or otherwise, is pending, or to Tenant’s knowledge, threatened, against Tenant or Guarantor.

13. To Tenant’s and Guarantor’s knowledge, neither Tenant nor Guarantor has any claim, offset or defense against Landlord arising out of the Ground Lease or against the payment of rent or other charges under the Ground Lease or in any way relating thereto.

14. The General Construction Contract referred to in Section 5.02 of the Ground Lease remain in full force and effect.

15. The Tenant Improvement Allowance is \$[\_\_\_\_\_] and as of the date hereof \$[\_\_\_\_\_] has been received by Tenant from Landlord on account of the Tenant Improvement Allowance. Tenant is not owed any allowance under the Ground Lease Documents other than Landlord’s obligation to fund the Tenant Improvement Allowance and/or Capitalized Rent.

16. For purposes of Section 12.03 of the Ground Lease, Agent and Lenders shall be considered “Fee Mortgagees” and afforded all of the rights and benefits of a “Fee Mortgagee” under the Ground Lease Documents, subject to (but without the need for any additional acknowledgment or consent from Tenant) Tenant’s receipt of an executed copy of the “Fee Mortgage” which expressly states that such Fee Mortgage shall attach only to the Fee Estate and shall not encumber or attach to or otherwise affect or be superior to the Ground Lease.

17. For purposes of Section 12.03(d) of the Ground Lease, the notice address for Agent is as follows:

U.S. Bank National Association  
425 Walnut St, 6<sup>th</sup> Floor

CN-OH-W6CT  
Cincinnati, OH 45202  
Attention: GSF – Twain Funding II

18. Notwithstanding anything to the contrary contained in any of the Ground Lease Documents, Guarantor agrees that Agent and Lenders are third-party beneficiaries of the Guaranty and so long as Agent and Lenders are Fee Mortgagees: (i) the Guaranty may not be amended, modified, supplemented, terminated, surrendered, or cancelled without Agent's prior written consent; and (ii) Agent shall have the right to enforce the terms and conditions of the Guaranty.

19. The undersigned hereby certifies that he or she is duly authorized to sign, acknowledge and deliver this Certificate on behalf of Tenant or Guarantor, as applicable. Each of Tenant and Guarantor acknowledges that Agent and Lenders will rely on this Certificate in administering and making a loan secured by the Fee Mortgage. The information contained in this Certificate shall be for the benefit of the Reliance Parties.

Very truly yours,

**TENANT:**

[\_\_\_\_], a [\_\_\_\_\_]

By:  
Name:  
Title:

**GUARANTOR:**

[\_\_\_\_], a [\_\_\_\_\_]

By:  
Name:  
Title:

**Exhibit A**

**Ground Lease Documents**

**EXHIBIT M**

**Tenant Payment Notice**

Landlord has entered into a loan agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") with U.S. Bank National Association as Administrative Agent ("Administrative Agent") for the Lenders party to the Loan Agreement from time to time, pursuant to which the Lenders have agreed to make a loan to Landlord. Pursuant to the Loan Agreement, Landlord has granted to Administrative Agent, on behalf of the Lenders, a security interest and continuing lien on Landlord's right, title and interest in and to all amounts at any time payable by you to Landlord pursuant to this Lease.

By this letter, you are hereby directed to make all payments of rent and other sums due to Landlord under this Lease as follows:

By Wire:

Bank Name:	U.S.	Bank	National	Association
ABA No.:	091000022			
Account No.:	173103322058			
Account Name:	Structured	Finance	Wire	Clearing
Reference:	TWIN FUNDING II LLC COLLECTION ACCT, 273761000			

In the event that you at any time receive any other instructions from Administrative Agent with respect to the disposition of amounts payable by or through to Landlord pursuant to this Lease, Landlord hereby irrevocably authorizes and directs you to follow such instructions, without inquiry as to Administrative Agent's right or authority to give such instructions. You are authorized and directed by Landlord to follow Administrative Agent's instructions despite any contrary instructions from Landlord.

The foregoing direction is irrevocable, except with the written consent of Administrative Agent (or its successors or assigns), notwithstanding any future contrary request or direction from Landlord or any other person (other than Administrative Agent (or its successors or assigns)).

**First Floor****Sq. Ft.**

Cooridor	1654
Dishwashing Room	808
Kitchen	2360
Cooler	76
Cooler	118
Walk-In Freezer	76
Storage	198
Office	114
Office	174
Closet	21
Toilet Room	75
Toilet Room	144
Elevator	333
Total	6151
Value (x \$13.99)	\$86,052

**Second Floor**

Security	84
Security	132
Workspace	79
Vestible	117
Waiting Area	466
Check-In	226
Corridor	487
Corridor	1023
Corridor	2346
Electrical Room	38
Elevators	314
Total	5312
Value (x \$13.99)	\$74,315

**Mechanical Rooms/Structures**

Mechanical Room - First Floor	238
Mechanical Room - First Floor	369
Mechanical Room - First Floor	239
Mechanical Room - First Floor	231
Mechanical Room - First Floor	833
Mechanical Room - First Floor	346
Mechanical Room - First Floor	395
Mechanical Room - First Floor	97



Stairs - First Floor	243
Stairs - First Floor	210
Stairs - First Floor	146
Stairs - First Floor	79
Mechanical Room - Second Floor	380
Mechanical Room - Second Floor	562
Mechanical Room - Second Floor	328
Stairs - Second Floor	269
Stairs - Second Floor	159
Stairs - Second Floor	211
Stairs - Second Floor	177
Stairs - Second Floor	130
Mechanical Romm - Utility Building	2533
Electrical Room - Utility Building	525
Generator Room - Utility Building	230
Total	8930
Value ((x \$13.99) / 3)	\$41,644

**Fifth Floor**

Entire Floor	15,150
Value (x \$13.99)	\$211,949

<u>Category</u>	<u>Item</u>	<u>Count</u>	<u>Source</u>	<u>Amount</u>	<u>Category Subtotal</u>	<u>Total</u>
<b>Architecture/Engineering Fees</b>	Appraisal		JLL	\$3,500.00		
	Building Floor Plan		Gutt Van	\$5,261.00		
					\$8,761.00	
<b>Furniture</b>	Beds	41	Medline	\$19,900.00		
	Room Chairs	41	Medline	\$3,570.00		
	Staff Chairs	41	Medline	\$15,366.00		
	Patient Tables	41	Medline	\$1,777.00		
					\$40,613.00	
<b>Computer Hardware/Software</b>	Computers and Printers		SA Hospital Acquisition Group, LLC	\$10,000.00		
	HR Software		Bamboo HR	\$8,000.00		
	EHR System		Oracle	\$270,418.00		
					\$288,418.00	
<b>Land Acquisition</b>	Lease		JLL	\$398,627.00		
					\$413,960.00	
<b>Consultant's Fees/Legal Fees</b>	Legal Fees		Spencer Fane LP	\$100,000.00		
	Lobbyist Fees		Gamble & Schlemeier	\$60,000.00		
					\$160,000.00	
<b>Miscellaneous</b>	IT Implementation			\$20,000.00		
	Signage			\$10,000.00		
					\$30,000.00	
<b>Medical Equipment</b>	Automated BP Cuffs	4	Medline	\$120.00		
	Thermometers	4	Medline	\$230.00		
	Pulse Oximeter	5	Medline	\$94.00		
	Stethoscope	10	Medline	\$355.00		
	EKG	1	Medline	\$4,794.00		
	Wheelchairs	10	Medline	\$1,552.00		
	Stretchers	3	Medline	\$13,111.00		
	IV Poles and Infusion Pumps	5	Medline	\$253.00		
	Lockable Medication Cabinets	1	Medline	\$943.00		
	Glucometers	2	Medline	\$26.00		
					\$21,478.00	
<b>Total Cost</b>						\$963,230.00