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Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

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Warning: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

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This Addendum to Operating Lease (this “**Addendum**”), dated as of _____, 20__, is attached to and made a part of that certain [Operator Lease] dated _____, 20__, entered into by Lessor and Lessee (the “**Operator Lease**”), and amends and/or supplements the Operator Lease. For so long as HUD is the holder or insurer of any indebtedness secured by the Healthcare Facility (as defined below), the provisions of this Addendum shall apply to the Operator Lease. In the event of any conflict between the terms of this Addendum and the Operator Lease, the terms of this Addendum shall govern and control.

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Covenants. Lessor and Lessee covenant and agree as follows:

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I. DEFINITIONS.

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1. DEFINITIONS. Any capitalized term or word used herein but not defined shall have the meaning given to such term in the Borrower’s Security Instrument. The following terms, when used in this Addendum (including when used in the above recitals), shall have the following meanings, whether capitalized or not and whether singular or plural, unless, in the context, an incongruity results:

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“**Accounts Receivable**” has the meaning set forth in the Borrower’s Security Instrument.

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“**Approved Use**” has the meaning set forth in the Operator’s Regulatory Agreement.

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“**Bed Authority**” means the licensed number of beds for a Healthcare Facility as authorized under the Healthcare Requirements.

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[“**Borrower**” means _____. *Include in Master Lease transactions.*]

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“**Borrower’s Regulatory Agreement**” means that certain Supplemental Healthcare Regulatory Agreement – Borrower relating to the Project and entered into by [Lessor or Borrower] for the benefit of HUD.

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“**Borrower’s Security Instrument**” means that certain Supplemental Healthcare [**Mortgage, Deed of Trust, Deed to Secure Debt, Security Deed or Other Designation as appropriate in Jurisdiction**], Assignment of Leases, Rents and Revenue and Security Agreement, from

38 [Borrower or Lessor] in favor of Lender with respect to the Project securing the Loan, and any
39 amendments and supplements thereto.

40 “**CON**” means collectively all Certificates of Need and Certificate of Need reports under
41 Healthcare Requirements authorizing and permitting the use of the Healthcare Facility for its
42 Approved Use.

43 “**FF&E**” means furnishings, fixtures and equipment of all kind used in connection with the
44 Healthcare Facility including additions, substitutions and replacements thereto.

45 “**First Borrower Regulatory Agreement**” has the meaning set forth in the Borrower’s Security
46 Instrument.

47 “**First Lender**” has the meaning set forth in the Borrower’s Security Instrument.

48
49 “**First Mortgage Documents**” has the meaning set forth in the Borrower’s Security Instrument.
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51 “**First Operator’s Regulatory Agreement**” has the meaning set forth in the Borrower’s
52 Security Instrument.
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54 “**First Operator’s Security Agreement**” has the meaning set forth in the Borrower’s Security
55 Instrument.
56

57 “**First Security Instrument**” has the meaning set forth in the Borrower’s Security Instrument.

58 “**Healthcare Facility**” means that certain healthcare facility authorized to receive insured
59 mortgage financing pursuant to Section 232 of the National Housing Act, as amended, that is the
60 subject of the Operator Lease.

61 “**Healthcare Requirements**” means, relating to the Healthcare Facility, all federal, state, county,
62 municipal and other governmental statutes, laws, rules, orders, regulations, ordinances,
63 judgments, decrees and injunctions or agreements, in each case, pertaining to or concerned with
64 the establishment, construction, ownership, operation, use or occupancy of the Healthcare
65 Facility or any part thereof as a healthcare facility, and all material permits, licenses and
66 authorizations and regulations relating thereto, including all material rules, orders, regulations
67 and decrees of and agreements with healthcare authorities pertaining to the Healthcare Facility.

68 “**HUD**” means the U.S. Department of Housing and Urban Development.

69 “**Intercreditor Agreement**” is defined in Section 12.

70 “**Lender**” means _____, a _____ organized and existing under the laws of
71 _____, and any future holder of the Borrower’s Security Instrument.

72 “**Lessee**” means _____, a _____ organized and existing under the laws of
73 _____, together with any successors, heirs and assigns (jointly and severally). Lessee may
74 sometimes be referred to as a “tenant” under the terms of the Operator Lease.

75 “Lessor” means _____, a _____ organized and existing under the laws of
76 _____, together with any successors, heirs and assigns (jointly and severally). “Lessor”
77 may sometimes be referred to as a “landlord” under the terms of the Operator Lease.

78 “Loan Documents” means the First Mortgage Documents, the Note, the Borrower’s Security
79 Instrument, the Borrower’s Regulatory Agreement, [the Master Tenant’s Regulatory
80 Agreement,] the Operator’s Regulatory Agreement, the Operator’s Security Agreement, [the
81 Master Tenant’s Security Agreement, the Cross Default Guaranties,] any subordination
82 agreements, and any and all other documents now or in the future required by and/or assigned to
83 HUD and/or Lender in connection with either or both of the Loans, whether executed by or on
84 behalf of [Lessor or Borrower], [Master Tenant,] or Operator, as the same may be amended
85 from time to time, provided that the [Master Lease and] Operator Lease, and any amendments
86 thereto, shall not be considered Loan Documents.

87 “Loans” means the First Loan and the Supplemental Loan and “Loan” means the First Loan or
88 the Supplemental Loan. “First Loan” means the HUD-insured loan in the original principal
89 amount of \$ _____, made by First Lender to [Lessor or Borrower], secured by the Healthcare
90 Facility, as such Loan may be amended, increased or decreased. “Supplemental Loan” means
91 the HUD-insured supplemental loan in the original principal amount of \$ _____, made by
92 Lender to [Lessor or Borrower], secured by the Healthcare Facility, as such Loan may be
93 amended, increased or decreased.

94 “Master Lease” and “Master Tenant” have the meanings set forth in the Borrower’s Security
95 Instrument.

96 [“Master Tenant’s Security Agreement” means that certain Master Tenant Security Agreement
97 dated as of substantially even date herewith, relating to the Project, and made by Master Tenant
98 to Lender.]

99 “Operator’s Regulatory Agreement” means that certain Supplemental Healthcare Regulatory
100 Agreement – Operator relating to the Project and entered into by Lessee for the benefit of HUD.

101 “Operator’s Security Agreement” means that certain Supplemental Operator Security
102 Agreement relating to the Project, and made by Lessee.

103 “Program Obligations” means (1) all applicable statutes and any regulations issued by HUD
104 pursuant thereto that apply to the Project, including all amendments to such statutes and
105 regulations, as they become effective, except that changes subject to notice and comment
106 rulemaking shall become effective only upon completion of the rulemaking process, and (2) all
107 current requirements in HUD handbooks and guides, notices and mortgagee letters that apply to
108 the Project, and all future updates, changes and amendments thereto, as they become effective,
109 except that changes subject to notice and comment rulemaking shall become effective only upon
110 completion of the rulemaking process, and provided that such future updates, changes and
111 amendments shall be applicable to the Project only to the extent that they interpret, clarify and
112 implement terms in this Addendum rather than add or delete provisions from such document.
113 Handbooks, guides, notices and mortgagee letters are available on HUD’s official website:
114 <http://hud.gov/offices/adm/hudclips/index.cfm>, or a successor location to that site.

115 “**Project**” has the meaning set forth in the Borrower’s Security Instrument.

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II. HUD REQUIREMENTS

118 2. COMPLIANCE WITH PROGRAM OBLIGATIONS.

119 (a) Lessor and Lessee shall comply with, and agree that the Operator Lease and this
120 Addendum shall conform to, the Loan Documents and all applicable Program Obligations.
121 Lessee further agrees that the Operator Lease shall be part of the collateral pledged to First
122 Lender, Lender and HUD as security for the Loans. Accordingly, Lessee shall not take any
123 action which would violate the Loan Documents or Program Obligations.

124 (b) In the event of any conflict between the terms and provisions of the Operator
125 Lease, the Loan Documents or any Program Obligations, the Loan Documents and Program
126 Obligations shall control in all respects. No provision of the Operator Lease shall modify any
127 obligation of Lessor or Lessee under the Loan Documents. HUD’s acceptance of the Operator
128 Lease in connection with the closing of the Loans shall in no way constitute HUD’s consent to
129 arrangements which are inconsistent with Program Obligations.

130 (c) Lessee shall cooperate with [Borrower and/or] Lessor in providing, upon request
131 by First Lender, Lender or HUD, any and all documents, information, financial reports, and other
132 items as may be required by First Lender, Lender or HUD. As applicable, Lessee shall execute
133 any subordination agreements, memoranda of leases or subleases, and/or estoppel certificates in
134 form and substance required by First Lender, Lender or HUD. Lessee shall cooperate with
135 [Borrower and/or] Lessor and any lenders processing additional loans to Lessor.

136 3. SUBORDINATION TO THE LOAN DOCUMENTS.

137 (a) The Operator Lease is and shall be subject and subordinate to: the First Security
138 Instrument, the Borrower’s Security Instrument and the Loan Documents; all renewals,
139 modifications, consolidations, replacements and extensions thereof; all substitutions thereof; all
140 future mortgages upon the Healthcare Facility and/or other security interests in or to the
141 Healthcare Facility and any other items which are herein leased to Lessee or which, pursuant to
142 the terms hereof, become a part of the Healthcare Facility or are otherwise deemed to become the
143 property of Lessor or to remain upon the Healthcare Facility at the end of the term; and each
144 advance made or hereafter made under any of the foregoing. This Section shall be self-operative
145 and no further instrument of subordination shall be required. Without limiting the foregoing,
146 Lessee shall execute and deliver promptly any and all certificates, agreements and other
147 instruments that Lessor, First Lender, Lender or HUD may reasonably request in order to
148 confirm such subordination. Unless First Lender and Lender agrees otherwise, if First Lender,
149 Lender or another person or entity shall succeed to the interest of Lessor by reason of foreclosure
150 or other proceedings brought by First Lender or Lender in lieu of or pursuant to foreclosure, or
151 by any other manner (First Lender, Lender or such other person or entity herein referred to as
152 “**Successor**”), then the Operator Lease and this Addendum shall terminate, or, at the option of
153 Successor, the Operator Lease and this Addendum shall continue in full force and effect, in

154 which case Lessee shall attorn to Successor and recognize Successor as its landlord and as
155 “Lessor” under the terms of the Operator Lease and this Addendum.

156 (b) All agreements for the provision of services to the Healthcare Facility or the
157 granting of easements, rights of way, licenses or other permissions for the use or placement of
158 cable television, telecommunications, or other utilities are, and shall always be, subordinate to (i)
159 the rights of Lessor, (ii) the First Security Instrument, the Borrower’s Security Instrument, the
160 Loan Documents and all other security agreements or security interests now or hereafter
161 encumbering the Healthcare Facility and/or the Project, and (iii) Program Obligations. Lessee
162 shall obtain written approval from HUD prior to entering into any such services agreements,
163 easements, rights of way, licenses or other permissions.

164 **4. OWNERSHIP OF FF&E AND TRANSFER OF PERSONAL PROPERTY.**

165 (a) During the term of the Operator Lease, Lessee shall not remove any FF&E from
166 the Healthcare Facility, except in the ordinary course of business.

167 (b) At the termination of the Operator Lease, Lessor will have the right to purchase
168 any or all of Lessee’s personal property located at the Healthcare Facility at book value. To the
169 extent that any of such personal property is subject to an equipment lease, Lessor shall have the
170 right to cause Lessee to pay in full all obligations under such equipment leases, or to assume
171 some or all of such equipment leases at Lessor’s sole cost and expense and at no additional
172 liability to Lessee. Lessee shall sign or deliver to Lessor any instrument that may be reasonably
173 necessary to transfer any such leased property to Lessor. If the project is subject to a master
174 lease, all Lessor rights under this subparagraph (b) shall belong solely to the Borrower.

175 **5. PAYMENTS.**

176 (a) Rents and other amounts payable by Lessee under the Operator Lease (including
177 rents, additional rents and all other sums payable under the Operator Lease) shall be sufficient to
178 properly maintain the Healthcare Facility, and to enable [Lessor or Borrower] to meet its debt
179 service obligations and any related expenses (including, without limitation, any required deposits
180 to reserves) in connection with the Loans and the Healthcare Facility, and shall be adjusted, as
181 appropriate, on an annual basis to maintain the veracity of this Section.

182 (b) Unless Lender and Lessor agree otherwise, Lessee shall be responsible for
183 funding all escrows for taxes, reserves for replacements, mortgage insurance premiums and/or
184 other insurance premiums as may be required by First Lender, Lender and/or HUD.

185 (c) Lessee shall deliver to Lessor copies of all notices, demands, claims, bills and
186 receipts in relation to all impounds and insurance premiums promptly upon receipt thereof by
187 Lessee.

188 **6. FIRST OPERATOR’S REGULATORY AGREEMENT, FIRST**
189 **OPERATOR’S SECURITY AGREEMENT, OPERATOR’S REGULATORY**
190 **AGREEMENT AND OPERATOR’S SECURITY AGREEMENT.** Prior to HUD’s
191 endorsement of the Note, Lessee shall execute the Operator’s Regulatory Agreement and the
192 Operator’s Security Agreement, and all other documents required by Lender or HUD to evidence

193 Lender's security interest in the collateral of Lessee. Lessee shall comply with all obligations
194 under the First Operator's Regulatory Agreement, First Operator's Security Agreement,
195 Operator's Regulatory Agreement and the Operator's Security Agreement. Any default by
196 Lessee under the Operator's Regulatory Agreement or Operator's Security Agreement shall be
197 deemed to be a default under the Operator Lease and this Addendum.

198 **7. MANAGEMENT REQUIREMENTS.** Lessee shall not enter into any
199 management contract or agreement involving the Healthcare Facility unless such management
200 contract or agreement complies with Program Obligations and contains provisions that, in the
201 event of default under the First Borrower Regulatory Agreement, the Borrower's Regulatory
202 Agreement, First Operator's Regulatory Agreement and/or the Operator's Regulatory
203 Agreement, the management contract or agreement shall be subject to termination upon not more
204 than thirty (30) days notice (a "**Notice of Termination**"), without penalty, upon written request
205 of HUD. Upon such Notice of Termination, Lessee shall immediately arrange to terminate the
206 management contract or agreement within a period of not more than thirty (30) days and shall
207 make arrangements satisfactory to HUD for ensuring that the Healthcare Facility is managed in
208 accordance with Program Obligations.

209 **8. LICENSES; BED AUTHORITY.** Lessee shall ensure that the Healthcare
210 Facility meets all state and/or other licensure requirements and standards at all times. Lessor and
211 Lessee shall not undertake or acquiesce to the modification of any license or Bed Authority of
212 the Healthcare Facility without the prior written approval of HUD.

213 **9. PROVIDER AGREEMENTS.** Lessee shall be responsible for obtaining and
214 maintaining all necessary provider agreements with Medicaid, Medicare and other government
215 third-party payors. Upon request, Lessee shall promptly furnish to First Lender, Lender and/or
216 HUD copies of any applicable provider agreements and all amendments thereto.

217 **10. INSURANCE; CASUALTY; CONDEMNATION.** Lessee shall procure and
218 maintain, or cause to be procured and maintained, all insurance coverage required under the
219 Loan Documents and/or Program Obligations. All proceeds from an insurance or condemnation
220 claim or award, or other compensation paid by reason of a conveyance in lieu of the exercise of
221 such rights, with respect to the Healthcare Facility or the Project shall be applied in accordance
222 with the terms of the Loan Documents and Program Obligations. Any decision to repair,
223 reconstruct, restore or replace the Healthcare Facility following a casualty or condemnation
224 action shall be subject to the terms of the Loan Documents and Program Obligations. On an
225 annual basis, Lessee shall provide to First Lender and Lender a certification that it is in
226 compliance with HUD's professional liability insurance requirements.

227 **11. ASSIGNMENT OF THE OPERATOR LEASE AND SUBLETTING OF**
228 **THE HEALTHCARE FACILITY.**

229 (a) The Operator Lease shall not be assigned and the Healthcare Facility shall not be
230 subleased by Lessee, in whole or in part (including any transfer of title or right to possession and
231 control of the Healthcare Facility, or of any right to collect fees or rents), without the prior
232 written approval of HUD. The prior written approval of HUD shall additionally be required for
233 (i) any change in or transfer of the management, operation, or control of the Healthcare Facility,

234 or (ii) any change in the ownership of Lessee that requires approval from HUD under Program
235 Obligations. Any proposed assignee of Lessee shall be required to execute a Supplemental
236 Healthcare Regulatory Agreement – Operator (Form HUD-92466A-ORCF, modified as required
237 by HUD), a Supplemental Operator Security Agreement (Form HUD-92323-ORCF, modified as
238 required by HUD) and any and all documents required by HUD and/or First Lender with respect
239 to the First Mortgage Documents, each in a form and substance satisfactory to HUD, as a
240 prerequisite for any such approval. Any assignment or subletting of the Healthcare Facility
241 without the approval described in this Section shall be deemed null and void. Notwithstanding
242 the foregoing, all restrictions in this Section pertaining to subletting shall not apply to the leasing
243 of individual units or beds to residents of the Healthcare Facility.

244 (b) Lessee acknowledges that Lessor is assigning the Operator Lease to First Lender
245 and Lender to further secure Lessor’s [and/or Borrower’s] obligations to First Lender and Lender
246 under the Loan Documents. All parties acknowledge that each of First Lender and Lender is
247 authorized to exercise all of the rights and remedies available to Lessor in connection with the
248 assignment of the Operator Lease as First Lender or Lender may determine is reasonably
249 necessary to cure a default by Lessor under any of the Loan Documents.

250 **12. ACCOUNTS RECEIVABLE FINANCING.** Lessee shall not pledge nor permit
251 to be pledged, any Accounts Receivable to a third party lender without the prior written approval
252 of First Lender, Lender and HUD. In the event that First Lender, Lender and HUD grant such
253 approval, (i) all holders of such lien shall enter into an Intercreditor Agreement with First Lender
254 and Lender (Form HUD-92322-ORCF), and any riders and/or amendments thereto (the
255 “**Intercreditor Agreement**”), on such terms and conditions as may be required by HUD, and (ii)
256 Lessee shall agree to comply with the requirements imposed by First Lender, Lender and HUD
257 in connection therewith.

258 **13. TERMINATION OF THE OPERATOR LEASE.** The Operator Lease shall
259 not be terminated prior to its expiration date without the prior written approval of HUD. Lessor
260 and Lessee acknowledge and agree that if requested to do so by HUD, Lessor shall terminate the
261 Operator Lease within such time as specified by HUD, without penalty to Lessor, under the
262 following circumstances: (i) for any violation of the Operator Lease that is not cured within any
263 applicable notice and cure period provided in the Operator Lease, (ii) for any violation of the
264 First Operator’s Regulatory Agreement or the Operator’s Regulatory Agreement pursuant to its
265 terms, (iii) for any violation of Program Obligations that is not cured within thirty (30) days after
266 receipt by Lessee of written notice of such violation, or (iv) if HUD, as a result of the occurrence
267 of any of the events described in the foregoing items (i), (ii) or (iii), is required to advance funds
268 for the operation of the Healthcare Facility.

269 **14. MASTER LEASE.** In accordance with Program Obligations, HUD may require
270 Lessor to enter into a master lease if the Project is affiliated by common ownership with the
271 borrowers and/or operators of other projects financed or proposed to be financed under Section
272 232 of the National Housing Act. Such master lease shall (i) be approved by HUD, First Lender
273 and Lender, (ii) only cover HUD-insured projects, and (iii) comply with all applicable Program
274 Obligations.

275 **15. INDEMNIFICATION.** Notwithstanding any provisions contained in the
276 Operator Lease, HUD shall have no obligation to indemnify a party to the Operator Lease under
277 the terms of the Operator Lease or this Addendum-. In addition, any payment obligations of
278 HUD pursuant to the Operator Lease shall be limited to actual amounts received by HUD, and
279 otherwise not prohibited by applicable law or regulation, including without limitation, the Anti-
280 Deficiency Act, 31 U.S.C. § 1341, *et seq.*

281 **16. MODIFICATION; TERMINATION.** Neither the provisions of this Addendum
282 nor the provisions of the Operator Lease may be amended without the prior written approval of
283 HUD, First Lender and Lender. The Operator Lease may not be terminated without the prior
284 written approval of HUD, First Lender and Lender, and shall only be terminated if such
285 termination complies with the terms of any HUD-required subordination agreements.

286 **17. NOTICES TO FIRST LENDER, LENDER AND HUD OF DEFAULT.**
287 Lessee and Lessor shall copy First Lender, Lender and HUD on all notices of default under the
288 Operator Lease. Such copies shall be provided at the same time and in the same manner as
289 provided by Lessee or Lessor to the other party. Each of First Lender and Lender shall have the
290 right, but not the obligation, to cure any default by Lessor under the Operator Lease. For the
291 purpose of effecting such cure, Lessee grants First Lender, Lender and Lessor such period of
292 time as may be reasonable to enable First Lender, Lender and/or Lessor to cure (or cause to be
293 cured) any default, in addition to the time given to Lessor to cure the default. In the event of any
294 act or omission of Lessor which would give Lessee the right, immediately or after lapse of a
295 period of time, to cancel or terminate the Operator Lease, or to claim a partial or total eviction,
296 Lessee shall not exercise such right (i) until it has given written notice of such act or omission to
297 First Lender, Lender and HUD, and (ii) unless such act or omission shall be one which is not
298 capable of being remedied by First Lender, Lender or Lessor within a reasonable period of time,
299 until a reasonable period for remedying such act or omission shall have elapsed following the
300 giving of such notice and following the time when First Lender or Lender shall have become
301 entitled under the Loan Documents in connection therewith, as the case may be, to remedy the
302 same (which reasonable period shall in no event be less than the period to which Lessor would
303 be entitled under the Operator Lease or otherwise, after similar notice, to effect such remedy).

304 **18. SPECIAL PURPOSE ENTITY.** Lessee, its successors and assigns, is, shall be,
305 and shall continue to be a Special Purpose Entity (as defined by Program Obligations).

306 **19. CROSS-DEFAULT GUARANTY OF LESSEE.** If the Healthcare Facility is or
307 becomes subject to a Master Lease, Lessee shall execute a Cross-Default Guaranty of Subtenants
308 (Form HUD-92331-ORCF) (individually and collectively, the “**Cross Default Guaranties**”) in
309 favor of Lessor, in a form and substance required by HUD, by which Lessee shall guarantee the
310 performance of the obligations of each its affiliates under all applicable subleases of healthcare
311 facilities. Lessor hereby assigns such Cross Default Guaranties to First Lender and Lender.

312 **20. TRANSFER OF OPERATIONS.** Upon the expiration or earlier termination of
313 the Operator Lease for any reason whatsoever, the Operator Lease shall become and be
314 construed as an absolute assignment for purposes of vesting in Lessor (or Lessor’s designees) all
315 of Lessee’s right, title, and interest in and to the following, to the extent assignable by law: (a)
316 the licenses, any Medicare or Medicaid provider agreements and any CON, (b) all documents,

317 charts, personnel records, patient records, and other documents relating to the Healthcare Facility
318 or operations at the Healthcare Facility, (c) all existing agreements with residents of the
319 Healthcare Facility, and any guarantors of such agreements, and any and all patient trust fund
320 accounts and (d) all other assignable intangible property not enumerated above that is now or in
321 the future used in connection with the operation of the Healthcare Facility. Lessee shall sign and
322 deliver to Lessor any documents that may be reasonably necessary to transfer the foregoing to
323 Lessor.

324 **21. LESSEE COOPERATION.** Lessee agrees to cooperate with Lessor [and/or
325 Borrower] in providing, and upon request by [Borrower,] Lessor, First Lender, Lender, or
326 HUD, Lessee shall provide or cause to be provided, such documents, information, financial
327 reports, and other items as may be required by First Lender, Lender or HUD. When applicable,
328 Lessee agrees to execute subordination agreements in form and substance required by First
329 Lender, Lender or HUD. Lessee further agrees to cooperate with Lessor [and/or Borrower]
330 and with its lender(s) who are processing and will be making Loans to Lessor.

331 **22. COUNTERPART SIGNATURES.** This Addendum may be executed in
332 counterpart.

333 **23. GOVERNING LAW.** This Addendum and all rights and obligations under this
334 Addendum, including matters of construction, validity and performance, shall be governed by
335 the laws of the state in which the Healthcare Facility is located, without giving effect to conflicts
336 of laws principles.

337 **24.** HUD is not a party to this Addendum and has no obligations hereunder; however,
338 it is a third party beneficiary for the sole purpose of enforcing its rights hereunder.

339

340 **IN WITNESS WHEREOF**, the parties hereto have set their hands as of the date first herein
341 above written.

342 **LESSOR:**

343 _____

344 By: _____

345 Name: _____

346 Title: _____

347 **LESSEE:**

348 _____

349 By: _____

350 Name: _____

351 Title: _____

352 _____

353 _____

DRAFT