

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE



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September 2, 2015

Sent by U.S. Mail and Internet

Neal H. Brockmeyer, Esq.
Locke Lord LLP
300 S. Grand Ave., Suite 2600
Los Angeles, CA 90071


RE: Proposed Sale of Keiro Nursing Home, South Bay Keiro Nursing Home, Keiro Intermediate Care Facility, and Keiro Retirement Home

Dear Mr. Brockmeyer:

We have reviewed the May 28, 2015 written request for a waiver of the notice and consent requirements under Corporations Code section 5914, subdivision (c), submitted by Keiro Services, a California nonprofit public benefit corporation, Keiro Nursing Home, a California nonprofit public benefit corporation that owns and operates Keiro Nursing Home and South Bay Keiro Nursing Home, and Japanese Home for the Aged, a California nonprofit public benefit corporation that owns and operates Keiro Intermediate Care Facility and Keiro Retirement Home.

Based on our review of the written request and the information and documents subsequently submitted, the Attorney General hereby conditionally consents to Keiro Services, Keiro Nursing Home, and Japanese Home for the Aged's request for a written waiver to sell the above-referenced facilities to Pacifica Companies, LLC, a California limited liability company and its wholly-owned subsidiaries Pacifica SL Lincoln LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, and Pacifica SL Vermont LLC, a California limited liability company. The Attorney General's consent of the waiver request is subject to the attached conditions that are incorporated by reference herein.

Thank you for your cooperation and that of all the parties throughout the review process.

Sincerely,

SCOTT CHAN
Deputy Attorney General

For KAMALA D. HARRIS
Attorney General

Conditions to Proposed Sale of Keiro Nursing Home, South Bay Keiro Nursing Home, Keiro Intermediate Care Facility, and Keiro Retirement Home, and Approval of the Asset Purchase and Sale Agreement by and among Keiro Services, Keiro Nursing Home, Japanese Home for the Aged, Pacifica Companies, LLC, Pacifica SL Lincoln LLC, Pacifica SL Boyle LLC, and Pacifica SL Vermont LLC

I.

For the purposes of these Conditions, and unless the context indicates otherwise, the term “Buyers” shall mean Pacifica Companies, LLC, a California limited liability company, Pacifica SL Lincoln LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, and Pacifica SL Vermont LLC, a California limited liability company, the proposed acquirers of Keiro Nursing Home¹, South Bay Keiro Nursing Home², Keiro Intermediate Care Facility³, and Keiro Retirement Home⁴, (collectively referred to as “the Four Facilities”) any other subsidiary, parent, general partner, manager, member, affiliate, successor, or assignee of the Buyers, any entity succeeding thereto as a result of consolidation, merger, or acquisition of all or substantially all of the assets of any of the Four Facilities or the real property on which any of the Four Facilities are located. These Conditions shall be legally binding on any and all current and future owners, managers, lessees, licensees, and licensed operators of any of the Four Facilities and owners and lessees of the real property on which any of the Four Facilities are located.

The term “Sellers” shall mean Keiro Services, a California nonprofit public benefit corporation, Keiro Nursing Home, a California nonprofit public benefit corporation, and Japanese Home for the Aged, a California nonprofit public benefit corporation.

¹ Throughout this document, the term “Keiro Nursing Home” shall mean the 300-bed skilled nursing facility located at 2221 Lincoln Park Avenue, Los Angeles, California, included on the license issued by the California Department of Public Health, effective June 30, 2015.

² Throughout this document, the term “South Bay Keiro Nursing Home” shall mean the 98-bed skilled nursing facility located at 15115 South Vermont Avenue, Gardena, California, included on the license issued by the California Department of Public Health, effective March 23, 2015.

³ Throughout this document, the term “Keiro Intermediate Care Facility” shall mean the 90-bed intermediate care facility located at 325 South Boyle Avenue, Los Angeles, California, included on the license issued by the California Department of Public Health, effective February 4, 2015.

⁴ Throughout this document, the term “Keiro Retirement Home” shall mean the 127 independent living units (with a total capacity of 154) at the residential care facility for the elderly located at 325 South Boyle Avenue, Los Angeles, California, included on the license issued by the California Department of Social Services, effective March 29, 1994.

II.

The transaction approved by the Attorney General consists of all agreements and amendments needed to effectuate and enforce the transaction, including but not limited to, the following:

- Asset Purchase and Sale Agreement dated February 19, 2015, Amendment to Asset Purchase and Sale Agreement dated March 13, 2015, Amendment to Asset Purchase and Sale Agreement dated March 26, 2015, and Amendment to Asset Purchase and Sale Agreement dated May 21, 2015, entered into by and among Keiro Services, a California nonprofit public benefit corporation, Japanese Home for the Aged, a California nonprofit public benefit corporation, Keiro Nursing Home, a California nonprofit public benefit corporation, Pacifica Companies, LLC, a California limited liability company, Pacifica SL Lincoln LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, and Pacifica SL Vermont LLC, a California limited liability company;
- Operations Transfer Agreement dated February 19, 2015, entered into by and among Keiro Nursing Home, a California nonprofit public benefit corporation, Pacifica Companies, LLC, a California limited liability company, Pacifica SL Lincoln LLC, a California limited liability company, and Aspen Skilled Healthcare, Inc., a California corporation, and ALAL, LLC, a California limited liability company, pertaining to the operation of the Keiro Nursing Home facility;
- Operations Transfer Agreement dated February 19, 2015, entered into by and among Keiro Services, a California nonprofit public benefit corporation, Pacifica Companies, LLC, a California limited liability company, Pacifica SL Vermont LLC, a California limited liability company, Aspen Skilled Healthcare, Inc., a California corporation, and AGVA, LLC, a California limited liability company, pertaining to the operation of South Bay Keiro Nursing Home;
- Operations Transfer Agreement dated February 19, 2015, entered into by and among, Japanese Home for the Aged, a California nonprofit public benefit corporation, Pacifica Companies, LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, and Pacifica Senior Living Management LLC, a California limited liability company, pertaining to the operation of Keiro Retirement Home facility;
- Operations Transfer Agreement dated February 19, 2015, entered into by and among Japanese Home for the Aged, a California nonprofit public benefit corporation, Pacifica Companies, LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, Pacifica Senior Living Management LLC, a California limited liability company, pertaining to the operation of Keiro Intermediate Care Facility;
- Amendment to Operations Transfer Agreement dated May 21, 2015, by and among Japanese Home for the Aged, a California nonprofit public benefit corporation, Pacifica

Companies, LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, Pacifica Senior Living Management LLC, a California limited liability company, Aspen Skilled Healthcare, Inc., a California corporation, and AICF, LLC, a California limited liability company, pertaining to the operation of the Keiro Intermediate Care Facility;

- Amendment to Operations Transfer Agreement dated May 21, 2015, by and among Japanese Home for the Aged, a California nonprofit public benefit corporation, Pacifica Companies, LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, Pacifica Senior Living Management LLC, a California limited liability company, and Northstar Senior Living, Inc., a Delaware corporation, pertaining to the operation of Keiro Retirement Home; and
- All agreements or documents referenced in or attached as an exhibit, schedule, or appendix to any of these documents, including but not limited to, lease and operational control agreements, operating leases, assignment and assumption agreements, bill of sales, business associate agreements, any and all amendments thereto.

Buyers and Sellers shall fulfill the terms of the Asset Purchase and Sale Agreement and all amendments thereto, each and every Operations Transfer Agreement and all amendments thereto, each and every Lease and Operational Control Agreement and any and all amendments thereto, each and every Assignment and Assumption Agreement, each and every Business Associate Agreement, and any other documents referenced therein or attached thereto. Buyers and Sellers shall notify the Attorney General in writing of any proposed modification or rescission of any of the terms of these agreements. Such notifications shall be provided at least thirty days prior to their effective date in order to allow the Attorney General to consider whether they affect the factors set forth in Corporations Code section 5917.

III.

For five years from the closing date of the Asset Purchase and Sale Agreement, Buyers and Sellers, and all future owners, managers, lessees, or operators of any of the Four Facilities shall be required to provide written notice to the Attorney General and obtain the Attorney General's consent at least ninety days prior to entering into any agreement or transaction to do any of the following:

- (a) Sell, transfer, lease, exchange, option, convey, manage, or otherwise dispose of any of the Four Facilities;
- (b) Transfer control, responsibility, management, or governance of any of the Four Facilities. The substitution or addition of a new corporate member or members of Buyers that transfers the control of, responsibility for or governance of any of the Four Facilities shall be deemed a transfer for purposes of this Condition. The substitution or addition of one or more members of the governing body of any of the Four Facilities or the Buyers, or any arrangement, written or oral, that would transfer voting control of the members of the governing body of any of the Four Facilities or the Buyers, shall also be deemed a transfer for purposes of this Condition.

IV.

For five years from the closing date of the Asset Purchase and Sale Agreement unless otherwise stated, the Four Facilities shall be operated and maintained as currently licensed:

- 1) Keiro Nursing Home: a skilled nursing facility with 300 skilled nursing beds;
- 2) South Bay Keiro Nursing Home: a skilled nursing facility with 98 skilled nursing beds;
- 3) Keiro Intermediate Care Facility: an intermediate care facility with 90 intermediate care beds; and
- 4) Keiro Retirement Home: residential-elderly (residential care facility for the elderly) with a total capacity of 154 (currently 127 independent living units).

Buyers shall not place all or any portion of its licensed-bed capacity or services in voluntary suspension or surrender its license for any beds or services.

V.

For five years from the closing date of the Asset Purchase and Sale Agreement, Buyers shall:

- a) Be certified to participate in the Medi-Cal program at Keiro Nursing Home, South Bay Keiro Nursing Home, Keiro Intermediate Care Facility, and to provide the same types and levels of services to Medi-Cal beneficiaries (both Traditional Medi-Cal and Medi-Cal Managed Care) as currently⁵ provided at each facility; and
- b) Have a Medicare Provider Number to provide the same types and levels of services at Keiro Nursing Home and South Bay Keiro Nursing Home to Medicare beneficiaries (both Traditional Medicare and Medicare Managed Care) as currently provided at each facility.

VI.

Buyers shall provide placement priority to the residents of the Four Facilities who require either higher or lower levels of services and care over residents admitted from outside the Four Facilities. Buyers shall accept “old-tier” rent amounts currently accepted at Keiro Retirement Home.

VII.

For five years from the closing date of the Asset Purchase and Sale Agreement, Buyers shall provide an annual amount of Community Benefit Services at the Four Facilities in an amount equal to or greater than \$237,883 (the “Minimum Community Benefit Services Amount”) for similar community benefit services as currently provided by Sellers. Buyers’ compliance with Condition VIII is not considered a community benefit service.

⁵ The term “currently provided” means types and levels of services provided as of January 1, 2015.

For the second year from the closing date of the Asset Purchase and Sale Agreement and each subsequent year, the Minimum Community Benefit Services Amount shall be increased (but not decreased) by an amount equal to the Annual Percent increase, if any, in the 12 Months Percent Change: All Items Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange County Consolidated Metropolitan Statistical Area Base Period: 1982-84=100” (CPI-LA, as published by the U.S. Bureau of Labor Statistics).

If the actual amount of community benefit services provided at the Four Facilities for any year is less than the Minimum Community Benefit Services Amount (as adjusted pursuant to the above-referenced Consumer Price Index) required for such year, Buyers shall pay an amount equal to the deficiency to one or more tax-exempt entities that provide community benefit services to elderly Japanese Americans in Los Angeles County. Such payment shall be made within four months after the annual anniversary of the closing date of the Asset Purchase and Sale Agreement.

VIII.

For five years from the closing date of the Asset Purchase and Sale Agreement, Buyers shall maintain and operate the Four Facilities in a culturally sensitive manner of the Japanese American community. A “culturally sensitive manner” means the existence of an environment that fosters an awareness and acceptance of the cultural characteristics, history, values, belief systems and behaviors of the Japanese American residents and families and community. Buyers should continue to provide:

- A) Menus that contain traditional Japanese dishes, and alternative Japanese dishes with notes about dietary factors,
- B) NHK TV, operated by Japan Broadcasting Corporation, and other broadcasts of Japanese and Asian news and lifestyle and cultural programming,
- C) Traditional Japanese activities, such as *ikebana* (the art of floral arrangements), the *koto* (a stringed musical instrument), *origami* (the art of paper folding) and *shigin* (reciting/singing),
- D) Observance of Japanese Holidays such as the Respect for the Aged Day (Keiro no Hi), which since 1966 has been celebrated annually in September to honor elderly persons, and
- E) Libraries that contain books, videos and discs in the Japanese language, and Japanese books, videos and discs in the English language.

IX.

Sellers shall hold, use, and distribute any and all funds received from the sale of assets pursuant to the Asset Purchase and Sale Agreement dated February 19, 2015, solely and exclusively for healthcare and residential care services to Japanese American older adults. Such healthcare and residential care services shall include providing direct health care services, wellness programs, health screening, health research, health education, health fairs, and other programs to improve

the health and wellness, directly and through grant-making, of or for Japanese American older adults.

Within ninety days of the closing date of the Asset Purchase Agreement, Keiro Services shall replace Article of II (B) of its Articles of Incorporation (attached hereto as Exhibit 2) with the following:

The specific and primary purpose of this corporation is to engage in charitable activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law, and more specifically, for the benefit of Japanese American older adults. Any and all funds received from the sale of assets pursuant to the Asset Purchase and Sale Agreement dated February 19, 2015, shall be held, used, and distributed solely and exclusively for healthcare and residential care services to Japanese American older adults. Such healthcare and residential care services shall include providing direct health care services, wellness programs, health screening, health research, health education, health fairs, and other programs to improve the health and wellness, directly and through grant-making, of or for Japanese American older adults.

Within ninety days of the closing date of the Asset Purchase Agreement, Keiro Services shall include the following at the end of Article I of the Bylaws of Keiro Services (attached hereto as Exhibit 3):

The specific and primary purpose of this corporation is to engage in charitable activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law, and more specifically, for the benefit of Japanese American older adults. Any and all funds received from the sale of assets pursuant to the Asset Purchase and Sale Agreement dated February 19, 2015, shall be held, used, and distributed solely and exclusively for healthcare and residential care services to Japanese American older adults. Such healthcare and residential care services shall include providing direct health care services, wellness programs, health screening, health research, health education, health fairs, and other programs to improve the health and wellness, directly and through grant-making, of or for Japanese American older adults.

Any changes to Article of II (B) of Keiro Services' Articles of Incorporation and Article I of Bylaws of Keiro Services must be approved by the Attorney General after thirty days notice has been given to the Attorney General and at least thirty days before any changes become effective.

Within ninety days of the closing date of the Asset Purchase Agreement, Japanese Home for the Aged shall replace Article of II (B) of its Amended and Restated Articles of Incorporation (attached hereto as Exhibit 4) with the following:

The specific and primary purpose of this corporation is to engage in charitable activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law, and more specifically, for the benefit of Japanese American older adults. Any and all funds received from the sale of assets pursuant to the Asset Purchase and Sale Agreement dated February 19, 2015, shall be held, used, and distributed solely and exclusively for healthcare and residential care services to Japanese American older adults. Such healthcare and residential care services shall include providing direct health care services, wellness programs, health screening, health research, health education, health fairs, and other programs to improve the health and wellness, directly and through grant-making, of or for Japanese American older adults.

Within ninety days of the closing date of the Asset Purchase Agreement, Japanese Home for the Aged shall replace Article I, Section 2 of the Bylaws of Japanese Home for the Aged (attached hereto as Exhibit 5) with the following:

The specific and primary purpose of this corporation is to engage in charitable activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law, and more specifically, for the benefit of Japanese American older adults. Any and all funds received from the sale of assets pursuant to the Asset Purchase and Sale Agreement dated February 19, 2015, shall be held, used, and distributed solely and exclusively for healthcare and residential care services to Japanese American older adults. Such healthcare and residential care services shall include providing direct health care services, wellness programs, health screening, health research, health education, health fairs, and other programs to improve the health and wellness, directly and through grant-making, of or for Japanese American older adults.

Any changes to Article of II (B) of Japanese Home for the Aged's Amended and Restated Articles of Incorporation and Article I, Section 2 of its Bylaws must be approved by the Attorney General after thirty days notice has been given to the Attorney General and at least thirty days before any changes become effective.

X.

For five years from the closing date of the Asset Purchase and Sale Agreement, the governing bodies of Pacifica Companies, LLC, a California limited liability company, Pacifica SL Lincoln LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, and Pacifica SL Vermont LLC, a California limited liability company, Aspen Skilled Healthcare, Inc., a California corporation, ALAL, LLC, a California limited liability

company, AGVA, LLC, a California limited liability company, AICF, LLC, a California limited liability company, and Northstar Senior Living, Inc., a Delaware corporation, and any other operator, including but not limited to Pacifica Senior Living Management LLC, a California limited liability company, of the Four Facilities shall consult with a Community Advisory Board (as described in Exhibit 1) before making any changes to its community benefit programs, making any determination of which tax-exempt entity will receive the deficiency amount(s) under Condition VII, and making any changes involving “culturally sensitive” matters and compliance with Condition VIII. Such consultation shall occur at least thirty days prior to the effective date of such changes or actions unless done so on an emergency basis. A copy of the Community Advisory Board’s governance structure and policies will be provided to the Attorney General’s Office within six months of the transaction closing. The Community Advisory Board shall also approve all reports submitted to the Attorney General regarding compliance with these Conditions.

XI.

For five years from the closing date of the Asset Purchase and Sale Agreement, Buyers and Sellers shall submit to the Attorney General, no later than four months after the conclusion of each annual anniversary of the closing date of the Asset Purchase and Sale Agreement, a report describing in detail compliance with each Condition set forth herein. The Chief Executive Officers or their equivalents of Pacifica Companies, LLC, a California limited liability company, Pacifica SL Lincoln LLC, a California limited liability company, Pacifica SL Boyle LLC, a California limited liability company, and Pacifica SL Vermont LLC, a California limited liability company, Aspen Skilled Healthcare, Inc., a California corporation, ALAL, LLC, a California limited liability company, AGVA, LLC, a California limited liability company, AICF, LLC, a California limited liability company, and Northstar Senior Living, Inc., a Delaware corporation, and any other operator, including but not limited to Pacifica Senior Living Management LLC, a California limited liability company, the top Administrators of the Four Facilities, and the Chairman of the Community Advisory Board shall each certify that the report is true, accurate, and complete. The Chief Executive Officer, Chief Financial Officer, and Chairman of the Board of each of the Sellers shall each certify that each of the Sellers’ reports are true, accurate, and complete.

XII.

At the request of the Attorney General, Buyer and Sellers shall provide such information as is reasonably necessary for the Attorney General to monitor compliance with these Conditions and the terms of the transaction as set forth herein. The Attorney General shall, at the request of a party and to the extent provided by law, keep confidential any information so produced to the extent that such information is a trade secret or is privileged under state or federal law, or if the private interest in maintaining confidentiality clearly outweighs the public interest in disclosure.

XIII.

Once the Asset Purchase and Sale Agreement is closed, Buyers and Sellers are deemed to have explicitly and implicitly consented to the applicability and compliance with each and every

Condition and to have waived any right to seek judicial relief with respect to each and every Condition.

The Attorney General reserves the right to enforce each and every Condition set forth herein to the fullest extent provided by law. In addition to any legal remedies the Attorney General may have, the Attorney General shall be entitled to specific performance, injunctive relief, and such other equitable remedies as a court may deem appropriate for breach of any of these Conditions. Pursuant to Government Code section 12598, the Attorney General's office shall also be entitled to recover its attorney fees and costs incurred in remedying each and every violation.

COMMUNITY ADVISORY BOARD

Keiro Nursing Home and Japanese Home for the Aged have agreed to sell the real estate, improvements and operating assets of the facilities known as Keiro Nursing Home, South Bay Keiro Nursing Home, Keiro Intermediate Care Facility and Keiro Retirement Home (collectively, the "Facilities") to Pacifica Companies, LLC ("Pacifica"). Following the sale, Keiro Intermediate Care Facility and Keiro Retirement Home will be owned and operated by subsidiaries of Pacifica, and Keiro Nursing Home and South Bay Keiro Nursing Home will be leased by Pacifica to, and operated by subsidiaries of, Aspen Skilled Healthcare, Inc. (collectively, the "Operators").

Purpose

The purpose of the Community Advisory Board ("CAB") is to support the Operators with advice and feedback which will assist them in providing a consistent experience and ensure continuity during and after the transition and up to five years thereafter and in providing quality care for the residents. Volunteers serving on the CAB are the link between the Operators and the community.

Membership

The number of members of the CAB shall be no less than 7 nor more than 10.

Composition

The CAB will be primarily composed of members from the Japanese American community representing residents, families and the supporting community. At least one member shall be a director of Keiro Services. The members will be appointed by Keiro Services, with the approval of Pacifica, as representing the Operators. Once appointed, the CAB will work with the Operators to develop a governance structure and policies for its operation.

Meetings

The CAB will meet on at least a quarterly basis, with the initial meeting to take place shortly before the completion of the sale of the Facilities. Such meetings shall be held at the Facilities.

1241794 ENDORSED
FILED

In the office of Secretary of State
of the State of California

MAR 23 1984

MARCH FONG CU, Secretary of State
By MaryAnn Mayhugh
Deputy

ARTICLES OF INCORPORATION

OF

JAPANESE COMMUNITY HEALTH ENTERPRISES

Article I

The name of the corporation is Japanese Community Health Enterprises.

Article II

A. The corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The corporation is organized, and at all times shall be operated exclusively for the benefit of, to perform the functions of, and to carry out the charitable purposes of qualified organizations. An organization is a "qualified organization" for purposes of these Articles only if it is described in Section 501(c)(3) and Section 509(a)(1) or (a)(2) of the Internal Revenue Code of 1954, as amended (the "Code").

C. In order to carry out its charitable purposes, the corporation shall have all of the powers granted to a nonprofit public benefit corporation under California law.

ARTICLE I

OBJECTIVES AND PURPOSE

Keiro Services (the "Corporation") and all of its business activities are to be operated and conducted in the promotion of its charitable activities and purposes as specified in its Articles of Incorporation. The Corporation is a not-for-profit Corporation certified under the laws of the State of California providing quality residential, assisted living, intermediate, skilled nursing care, and community based services and governed by a volunteer Board of Directors. The vision of the Corporation is to be recognized in Our Community as the provider of choice for compassionate, dignified and culturally-sensitive senior healthcare. Also, to build and maintain enthusiasm and loyalty among employees, volunteers, Keiro supporters and the community. The mission of Keiro Services is to enhance the quality of senior life in Our Community. Said charitable objectives and purposes include, but are not limited to, providing health care and related services to members of the Japanese and other communities. In the conduct of its affairs, the management shall at all times be mindful of these charitable objectives and purposes. The Corporation will operate in an ethical, professional, caring, and fiscally responsible manner to maintain the integrity of the vision and mission.

17230

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
JAPANESE HOME FOR THE AGED

ENDORSED
FILED
In the office of the Secretary of State
of the State of California
JUL 10 1984
MARCH FONG EU, Secretary of State
By BILL HOLDEN
Deputy

John N. Fukushima and Ruth K. Watanabe

certify that:

1. They are the President and Secretary, respectively, of Japanese Home for the Aged, a California nonprofit public benefit corporation.
2. The Articles of Incorporation of this corporation shall be amended and restated in full as follows:

ARTICLE I

The name of the corporation is Japanese Home for the Aged.

ARTICLE II

A. The corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. This corporation elects to be governed by all of the provisions of the Nonprofit Corporation Law of 1980 not otherwise applicable to it under Part 5 thereof.

B. Without limiting the general purposes set forth in Article IIA., the specific purposes for which the corporation

is formed are to engage in and operate a board and care facility for the aged and a nursing home for the reception and care of the sick and for their medical and hygenic treatment.

C. In order to carry out its charitable purposes, the corporation shall have all of the powers granted to a nonprofit public benefit corporation under California law.

ARTICLE III

The corporation has no capital stock, is not formed for profit and is a corporation that does not contemplate the distribution of accumulations, gains, profits or dividends to any person. The corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (the "Code"). No part of the net earnings of the corporation shall inure to the benefit of any person having a personal or private interest in the activities of the corporation, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes set forth in Article II.

ARTICLE IV

The corporation shall not carry on propaganda, or otherwise attempt to influence legislation, to such extent as would result

ARTICLE I
OBJECTIVES AND PURPOSE

Section 1.

Keiro Retirement Home (the "Corporation") and all of its business and other activities are to be operated and conducted in the promotion of its charitable objectives and purposes as specified in its Articles of Incorporation and these Bylaws; and in the conduct of its affairs, management shall at all times be mindful of these objectives and purposes.

Section 2.

Without limiting the charitable purposes set forth in its Articles of Incorporation, the Corporation's specific charitable purposes are to promote the welfare of the aged by providing and furnishing board and care, convalescent nursing facilities and services and rehabilitation and convalescent care, treatment and services to persons of all races, without regard to color, creed or religion, and to provide such services with or without compensation to the Corporation.

Section 3.

The Mission Statement of the Corporation is to enhance the quality of senior life in Our Community.