SUBLEASE AGREEMENT

(Auburn Ravine Terrace – ALF)

THIS SUBLEASE AGREEMENT (this “Sublease”) is made and entered into as of the 30th day of August, 2022, by and between GLOCKSTON, LLC, a California limited liability company (“Sublandlord”) and GLOCKSTON ALF, LLC, a California limited liability company (“Subtenant”) and AUBURN RAVINE HOLDINGS, LLC, a California limited liability company (“Owner”), hereby joins in this Sublease solely for the purposes of consenting to the Sublease on the terms and conditions as set forth in Section 2 hereof.

RECITALS

A. WHEREAS, Sublandlord is a party to that certain Lease and Operational Control Agreement dated as of June 21, 2022, as amended by that Amendment to Lease and Operational Control Agreement and Shared Services Agreement dated July 7, 2022 (collectively, the “Prime Lease”), by and between Sublandlord, as tenant, and Owner, as landlord, a true and correct copy of which is attached hereto as “Exhibit A”.

B. WHEREAS, pursuant to the Prime Lease, Sublandlord leases from Owner the skilled nursing facility and assisted living facility portions of the real property and improvements housing that certain senior housing community located at 750 Auburn Ravine Road, Auburn, CA 95603, commonly known as “Auburn Ravine Terrace” (the “Property”); and

C. WHEREAS, Sublandlord wishes to sublease the assisted living facility portions of the Property (the “ALF Premises”) to the Subtenant, and Subtenant wishes to sublease from Sublandlord the ALF Premises, all on the terms and conditions set forth herein. All capitalized terms that are not defined herein shall have the same meaning as in the Prime Lease.

AGREEMENT

NOW, THEREFORE, FOR AND IN CONSIDERATION OF TEN AND NO/100 DOLLARS ($10.00) AND THE MUTUAL COVENANTS AND AGREEMENTS CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

Section 1. General Provisions.

1.01 Sublandlord hereby subleases the ALF Premises to Subtenant, pursuant to the terms and provisions of this Sublease and the Prime Lease. The term (as such term may be extended pursuant to this Section 1.01, the “Initial Term”) of this Sublease shall be for a period commencing at 12:00:01 A.M. on the Commencement
Date of the Prime Lease (the “Commencement Date”), and ending on such date that the Term or Extended Term (as such terms are defined in the Prime Lease), as applicable, of the Prime Lease terminates pursuant to its terms (the “Expiration Date”), unless sooner terminated pursuant to the terms and provisions of this Sublease and/or the Prime Lease. Subtenant acknowledges that Sublandlord has two (2) options (each, a “Renewal Option”), to extend the Initial Term of this Sublease for an additional period of five (5) years each (each, an “Extension Term”). The Initial Term together with each Extension Term are collectively referred to herein as the “Term”. Each Renewal Option for each Extension Term may be exercised by Subtenant, by Subtenant giving written notice (an “Option Notice”) to Sublandlord not less than six (6) months nor more than twelve (12) months prior to the expiration of the then current term of this Sublease. Sublandlord hereby covenants and agrees that if Subtenant exercises a Renewal Option under this Sublease, then Sublandlord shall timely and validly exercise its corresponding extension option under the Prime, in accordance with the terms and provisions of the Prime Lease for the valid exercise of such renewal option, subject to Sublandlord having the right to exercise the extension at that time.

1.02 This Sublease is, and shall be at all times, subject and subordinate to the Prime Lease and to all matters to which the Prime Lease is subject and subordinate. Subtenant hereby covenants and agrees to fully comply with and abide by all terms and conditions set forth in the Prime Lease as if Subtenant were the tenant under the Prime Lease with respect to the ALF Premises. Except as otherwise provided herein, the parties agree that all the terms, covenants and conditions contained in the Prime Lease applicable to the ALF Premises shall be applicable to this Sublease and are hereby incorporated herein and made a part hereof. Subtenant hereby expressly assumes and agrees to fully comply with and be bound by, for the benefit of Sublandlord, each and every obligation, liability, responsibility and duty of Sublandlord under the Prime Lease with respect to the ALF Premises (including, without limitation, any and all increases in rent and other charges thereunder). Without limiting the generality of the foregoing, Subtenant shall maintain for the benefit of Owner, Sublandlord, and Subtenant the types of insurance with the minimum coverage amounts required under Section 22 of the Prime Lease. All such insurance policies so maintained shall be in accordance with the requirements of Section 22 in the Prime Lease.

1.03 The parties further agree that the Subtenant shall have each and every of the rights and privileges of the Sublandlord under the Prime Lease with respect to the ALF Premises. For the purposes of this Sublease of the ALF Premises, wherever in the Prime Lease the word “Landlord” or “Owner” is used it shall be deemed to mean the Sublandlord herein and wherever in the Prime Lease the term “Tenant” or “Operator” is used it shall be deemed to mean the Subtenant herein. The rights and obligations of Sublandlord and Subtenant to each other under this Sublease shall be the rights and obligations of the Owner and Sublandlord to each other under the Prime Lease, which is incorporated herein by reference, except for those provisions in the Prime Lease which are directly contradicted by this Sublease (in which event the terms of the Prime Lease shall control over this Sublease).
1.04 This Sublease is not an assignment of the Prime Lease by Sublandlord to Subtenant, and Subtenant does not assume and shall not be liable to any person or entity for obligations arising under the Prime Lease with respect to the period prior to the Commencement Date of this Sublease.

1.05 Sublandlord hereby authorizes Subtenant to deal directly with the Owner with respect to any and all matters arising under the Prime Lease insofar as they involve the ALF Premises; provided that Subtenant shall keep Sublandlord apprised, in a timely fashion, of all such dealings.

1.06 In the event that Subtenant receives a written notice from Owner stating that a default or an event of default has occurred under the Prime Lease or that an event or circumstance has occurred which with notice and/or passage of time would constitute a default or event of default under the Prime Lease, Subtenant may without further consent or instruction of Sublandlord pay all Base Rent and other sums due under this Sublease directly to the Owner or as the Owner may direct.

1.07 Rent. For the duration of the Term, Subtenant shall pay to Sublandlord rent for the ALF Premises (the “Base Rent”) in such amounts as set forth in Section 3(a)(1) of the Prime Lease, which Base Rent for the ALF Premises shall initially start at Eleven Thousand Dollars ($11,000.00) per month for the first twelve (12) months of the Initial Term, and commencing on the first (1st) anniversary of the Commencement Date, the Base Rent will be increased by two and one-half percent (2.5%) over the Base Rent for the ALF Premises for the previous lease year. All rent payments shall be made by Subtenant to Sublandlord prior to such date that Sublandlord is required to pay Rent to Owner under the Prime Lease. To the extent that any such Base Rent or any other sums due hereunder is delivered or paid after the deadlines set forth in the Prime Lease, Subtenant shall be responsible for any and all penalties, fees and interests charged to Sublandlord by Prime Landlord under the terms of the Prime Lease.

1.08 Triple Net Obligations; SSA. Subtenant expressly acknowledges that the Prime Lease is a triple net lease, requiring that Sublandlord pay all amounts necessary to operate and maintain the Leased Premises (as defined in the Prime Lease), including without limitation, all property taxes, assessments, repairs, maintenance and replacement and insurance for the Leased Premises, and that from and after the Commencement Date hereof, Subtenant shall be solely responsible for all such triple net obligations arising under the Prime Lease for the ALF Premises, for the benefit of Sublandlord and Owner for the duration of the Term. Additionally, Subtenant acknowledges that Sublandlord has executed a Shared Services Agreement dated June 21, 2022 with Owner, and that Subtenant shall be solely responsible with respect to all shared services to be performed at the ALF Premises.

1.09 Consent of Guarantors. In connection with the Prime Lease, each of Jack Sanofsky, Robert Jackson and Matthew Jackson (each a “Guarantor” and collectively “Guarantors”) executed and delivered that certain Unconditional and Continuing Lease Guaranty dated as of June 21, 2022 (the “Lease Guaranty”). By their signatures to this Sublease, each Guarantor hereby expressly consents to the execution and
Section 2 Owner Consent to Sublease. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, by its signature to this Sublease, Owner hereby consents to Sublandlord subletting the ALF Premises to Subtenant, pursuant to the terms and conditions set forth in this Sublease, and subject to the following provisions:

2.01 This Sublease is expressly subject to the provisions of the applicable underlying Prime Lease, a full, correct and complete copy of which the Subtenant acknowledges it has received.

2.02 Sublandlord and/or Subtenant shall deliver a fully executed copy of this Sublease to Landlord within five (5) business days after the execution hereof by the parties.

2.03 Sublandlord’s obligations as the “Operator” under the Prime Lease, and the lease guarantor obligations under the Prime Lease, shall not be affected by Owner’s consent to this Sublease.

2.04 The provisions of the Prime Lease respecting assignment and subletting are not waived with respect to future assignments and sublettings.

2.05 Sublandlord and Subtenant each acknowledge and agree that the Prime Lease is in full force and effect.

2.06 This Sublease and Owner’s consent to the Sublease, shall not relieve Sublandlord of its obligations as the “Operator” under the Prime Lease, to pay the Base Rent and additional rent and to perform all of the other obligations to be performed by the Sublandlord as the “Operator” under the Prime Lease. The liability of Sublandlord as the “Operator” under the Prime Lease, and the due performance of the obligations of the Sublandlord on Subtenant’s part to be performed or observed, shall not in any way be discharged, released or impaired by any (i) agreement which modifies any of the rights or obligations of the parties under the Prime Lease, (ii) stipulation which extends the time within which an obligation under the Prime Lease is to be performed, (iii) waiver of the performance of an obligation required under the Prime Lease, or (iv) failure to enforce any of the obligations set forth in the Prime Lease. If any Subtenant defaults in any performance due hereunder, Landlord may proceed directly against the Sublandlord named herein, without exhausting Landlords remedies against the defaulting Subtenant.

2.07 Each of Sublandlord and Subtenant hereby agree that, if Subtenant shall be in default of any of Subtenant’s obligations under the, which default also constitutes an Event of Default by the Sublandlord under the Prime Lease, then the Owner shall be permitted to avail itself of all of the rights and remedies available to Sublandlord under the Sublease against Subtenant in connection therewith. Without limiting the generality of the foregoing, the Owner shall be permitted (by assignment of a
cause of action or otherwise) to institute an action or proceeding against the defaulting Subtenant in the name of the Sublandlord in order to enforce Sublandlord’s rights under the Sublease, and also shall be permitted to take all ancillary actions (e.g., serve default notices and demands) in the name of the Sublandlord as Owner reasonably shall determine to be necessary. Sublandlord agrees to cooperate with Owner, and to execute such documents as shall be reasonably necessary, in connection with the implementation of the foregoing rights of Owner. Each of the undersigned expressly acknowledges and agrees that the exercise by Owner of any of the foregoing rights and remedies shall not constitute an election of remedies, and shall not in any way impair Owner’s entitlement to pursue other rights and remedies directly against the Sublandlord or Subtenant.

Section 3  Miscellaneous.

3.01 In the event that any party to this Sublease brings suit to enforce any provision of this Sublease or is required to defend any action, the defense to which is any provision of this Sublease, the unsuccessful party agrees to pay to the prevailing party its actual third party costs and reasonable attorneys’ fees.

3.02 This Sublease is made and entered into in the State of California, and shall in all respects be interpreted, enforced, and governed by and under the laws of that State. In connection with a breach or default by Subtenant in the payment and performance of any of its obligations and liabilities under this Sublease, Sublandlord shall have all of the rights and remedies of Landlord under the Prime Lease in connection with a breach and default under the Prime Lease, as if Sublandlord was the landlord/lessor under the Prime Lease and Subtenant was the tenant/lessee under the Prime Lease. The rights and remedies set forth under this Sublease are in addition to all other rights and remedies afforded to Sublandlord under any of the other documents contemplated under this Sublease or at law or in equity, all of which are hereby reserved by Sublandlord, and this Sublease is made and accepted without prejudice to any such rights and remedies. All of the rights and remedies of Sublandlord under this Sublease shall be separate and cumulative and may be exercised concurrently or successively in Sublandlord’s sole and absolute discretion.

3.03 This Sublease together with the Prime Lease contain the entire agreement and understanding between the parties concerning the subject matter hereof, and supersedes and replaces all prior negotiations, proposed agreements, and agreements, whether written, oral or implied. Each of the parties hereto acknowledges that no other party, nor any agent or attorney of any other party, has made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce it to execute this Sublease in reliance upon any such promise, representation, or warranty not contained herein.

3.04 All notices or other communications required or permitted hereunder shall be addressed to the respective parties at the address set forth below, in writing, and shall be personally delivered (including by means of professional messenger service or reputable air express service utilizing receipts) or sent by (i) telecopy, receipt
confirmed, or (ii) PDF via electronic mail (e-mail), or (iii) nationally-recognized overnight courier service (e.g., Federal Express), or (iv) United States mail, certified, and postage fully prepaid, return receipt requested, and in each case (except as expressly set forth below) shall be deemed received upon the date of receipt thereof if received prior to 5:00 p.m. of the recipient's business day, provided that (A) in the case of (ii) above, either (x) the other party (or its counsel) acknowledges receipt thereof by return e-mail, or (y) an additional notice is sent pursuant to clause (i), (iii) or (iv) herein, (B) in the case of (iii) above, notice shall be deemed received one (1) business day after deposit with such nationally recognized overnight courier service, and (C) in the case of (iv) above, notice shall be deemed received five (5) business days after deposit with the United States mail.

Notice of change of address shall be given by written notice in the manner detailed in this Section 3.04:

If to Sublandlord: c/o Cypress Healthcare Group LLC
2266 Lava Ridge C.t., Ste 105
Roseville, CA 95661
Attn: Jack Sanofsky
Email: jack@cypressh.com

If to Subtenant: Glockston ALF, LLC
2266 Lava Ridge C.t., Ste 105
Roseville, CA 95661
Attn: Jack Sanofsky
Email: jack@cypressh.com

3.05 Whenever in this document the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular to refer to and include the plural.

3.06 This Sublease may not be modified except by a writing signed by all parties hereto.

3.07 Each of the parties hereto agrees to undertake its best efforts, including all steps and efforts contemplated by this Sublease, and any other steps and efforts which may become necessary by order or otherwise, to effectuate this Sublease, including, without limitation, the preparation and execution of any documents reasonably necessary to do so.

3.08 The parties may execute this Sublease in two or more counterparts which shall, in the aggregate, be signed by all of the parties; each counterpart shall be deemed an original instrument as against any party who has signed it. Executed copies of this Sublease may be delivered by telecopier, email, Docusign or other electronic means and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.
3.09 If any provision of this Sublease or the application thereof to any person or circumstance shall to any extent be finally determined by the applicable fact finder to be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each provision of this Sublease shall be valid and enforceable to the fullest extent permitted by law.

[SEE ATTACHED SIGNATURE PAGE]
IN WITNESS WHEREOF, the Parties have executed or caused the execution of this Sublease by their respective officers duly authorized as of the day and year first above written.

SUBLANDLORD:

GLOCKSTON, LLC,
a California limited liability company

By: ________________________________
Name: Jack Sanofsky
Title: Manager

SUBTENANT:

GLOCKSTON ALF, LLC,
a California limited liability company

By: ________________________________
Name: Jack Sanofsky
Title: Manager

GUARANTORS:

By: ________________________________
Name: Jack Sanofsky

By: ________________________________
Name: Robert Jackson

By: ________________________________
Name: Matthew Jackson

By its signature to this Sublease, the undersigned Owner hereby consents to this Sublease, on the terms and conditions as set forth in Section 2 above.

OWNER:

AUBURN RAVINE HOLDINGS, LLC,
a California limited liability company

By: ________________________________
Name: Deepak Israni
Title: General Manager
IN WITNESS WHEREOF, the Parties have executed or caused the execution of this Sublease by their respective officers duly authorized as of the day and year first above written.

SUBLANDLORD:

GLOCKSTON, LLC,
a California limited liability company

By: __________________________
Name: Jack Sanofsky
Title: Manager

SUBTENANT:

GLOCKSTON ALF, LLC,
a California limited liability company

By: __________________________
Name: Jack Sanofsky
Title: Manager

GUARANTORS:

By: __________________________
Name: Jack Sanofsky

By: __________________________
Name: Robert Jackson

By: __________________________
Name: Matthew Jackson

By its signature to this Sublease, the undersigned Owner hereby consents to this Sublease, on the terms and conditions as set forth in Section 2 above.

OWNER:

AUBURN RAVINE HOLDINGS, LLC,
a California limited liability company

By: __________________________
Name: Deepak Irani
Title: General Manager
Exhibit “A”

Prime Lease

Lease and Operational Control Agreement dated June 21, 2022 and Amendment to Lease and Operational Control Agreement and Shared Services Agreement dated July 7, 2022

[see attached]