

## DEFINITIONS

**Affiliate.** Persons and entities are affiliates of each other if, directly or indirectly, either one controls or has the power to control the other, or, a third person controls or has the power to control both. Indicia of control include, but are not limited to: interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or a business entity organized following the suspension or debarment of a person which or entity has the same or similar management, ownership, or principle employees as the suspended, debarred, ineligible, or voluntarily excluded person or entity.

**Assisted Living Facility.** A public facility, proprietary facility, or facility of a private non-profit corporation that is licensed and regulated by the State, municipality or other political subdivision where the Project is located. The facility must make available to the residents supportive services necessary to carry out activities of daily living, provide separate dwelling units for the residents and facilities appropriate for the provision of supportive services.

**Bed Authority.** Any and all rights and documentation pertaining to the maximum number of beds allowed, including certificates of need (CoN) where issued, required by and granted to be granted by the State of jurisdiction and its political subdivisions for operation of the project.

**Board and Care Home.** A proprietary residential facility or a residential facility owned by a private nonprofit corporation or association that provides room, board and continuous protective oversight and which facility is regulated by a State.

**Governmental Approval.** Any license, permit or certificate of need or other approval, necessary and required by the State or the municipality or other political subdivision in which the facility is located in order to operate the Project and to receive benefits under a provider agreement with Medicaid, Medicare or other assistance required by HUD's commitment to insure the Security Instrument.

**Health Care Facility.** A Project insured under the National Housing Act, as amended and includes but is not limited to nursing homes, intermediate care facilities, board and care homes, assisted living facilities, and any combination of the above.

**Intermediate Care Facility.** A proprietary facility or a facility of a private nonprofit corporation or association licensed or regulated by the State, municipality or political subdivision where the facility is located. The facility must provide for the accommodation of persons who because of incapacitating infirmities, require minimum, but continuous care, and are not in need of continuous medical or nursing services.

**Lessee of a Health Care Facility, Lessee.** An entity which has a lease or other agreement with the Mortgagor to operate and manage a Health Care Facility to provide housing, medical and related services that are proper and necessary for the care and treatment of the residents.

**Lessor.** The Owner of real or personal property who gives another the right to use it in return for rental payments. Also called the Mortgagor.

**Mortgagor.** All persons or entities identified as "Mortgagor" in the first paragraph of the Security Instrument, together with its successors and assigns. Mortgagor shall include any person or entity taking title to the Mortgaged Property whether or not such person or entity assumes the Note.

**Nursing Home.** A public facility, proprietary facility or a facility owned by a private nonprofit corporation or association licensed or regulated by the State, municipality or political subdivision where the facility is located, for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing and related medical services which are prescribed by or under the direction of persons licensed by the laws of the State where the facility is located. In addition the term nursing home and intermediate care facility may include such additional facilities as may be authorized by HUD for the nonresidential care of elderly individuals and others who are able to live independently, but who require care during the day.

**Operator.** The entity that operates the health care business. The operator may be the mortgagor or lessee.

**Owner.** The Mortgagor and/or Affiliate.

**Project.** A Health Care Facility and land on which the improvements are situated and all major movable and other equipment necessary for operation as a Health Care Facility.

**Project Revenue.** All income derived from private pay, benefits and reimbursements under provider agreements with Medicaid, Medicare, State and local programs, payments from health care insurers and any other assistance providers, all rents, charges and fees received from leasing space on the Mortgaged Property, all contributions, donations, gifts, grants, bequests and endowment funds by donors and all other revenues received from any source paid or unpaid, including but not limited to all accounts receivable, undisbursed funds in Surplus Cash, Residual Receipts, escrow accounts and other assistance available for Project operation.

**Proprietary Facility.** A facility owned by a profit motivated owner which may be a corporation, partnership, limited liability company, trust or any other qualified legal entity.

**Public Facility.** The facility is owned by a Federal or State instrumentality, a municipal corporation instrumentality or one or more States, or a redevelopment housing corporation formed under and restricted by Federal or State laws or regulations of a State department, such as a banking or insurance department as to charges, capital structure, rate of return, or methods of operation.

**UPDATED AND ADDITIONAL PROPERTY INSURANCE REQUIREMENTS****I. Insurance During Construction.**

- A. Public Liability Insurance on a Commercial General Liability form with limits of not less than \$500,000 per occurrence to protect the Owner during the construction phase from claims involving bodily injury and/or death and damage to the property of others. Such Commercial General Liability Insurance shall be endorsed to include owners' and contractors' protective coverage.
- B. Vehicle Liability Insurance with limits of not less than \$300,000 for one person and \$500,000 for more than one person to protect the Owners for claims for bodily injury and/or death, and not less than \$100,000 against claims for damage to property of others arising from the Owner's operation of vehicles. Such insurance shall include coverage for employer's owned, non-owned and/or hired vehicles, where applicable.

**II. Permanent Insurance**

Upon acceptance of the project, or any portion thereof from the contractor, the Owner shall provide a certified duplicate copy of the following insurance coverage. In some instances, continuation of the insurance obtained for the construction period, with proper endorsements thereto, will be acceptable. In any event, the Owner shall assure that there is no gap period in insurance protection during the transition from the Insurance During Construction to the Permanent Insurance.

- A. Public Liability Insurance on a Commercial General Liability form with limits of not less than \$500,000 per occurrence protect to the Owner from claims involving bodily injury and/or death and property damage which may arise from the Owner's operations, including any use or occupancy of its facilities, grounds and structures, and shall include independent contractors coverage, where applicable.
- B. Vehicle Liability Insurance. If the Owner owns or a vehicle in the operation of the project, including non-owned and/or hired vehicles operated for the benefit of the Owner, the Owner shall

procure and maintain Vehicle Liability Insurance. Such insurance shall provide for limits of liability of not less than \$300,000 for one person and \$500,000 for more than one person to protect the Owner from claims for bodily injury and/or death, and not less than \$100,000 against claims for damage to property of others.