

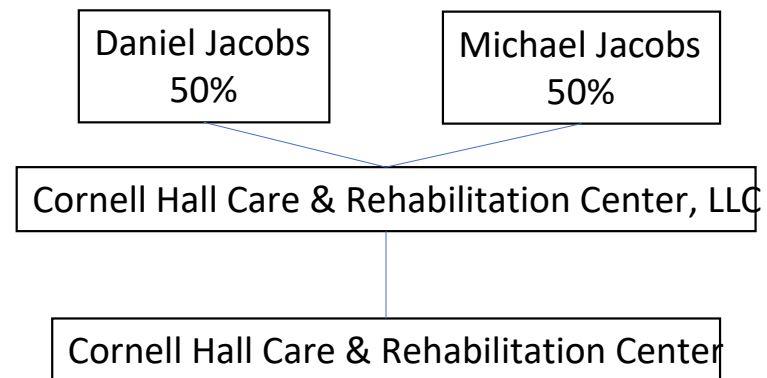
## CHOW APPLICATION SUMMARY

|                         |  |
|-------------------------|--|
| Date application filed: | 4/11/2025  |
| Name of facility:       | Cornell Hall Care & Rehab Center   |
| License number:         | 062004   |
| Address:                | 234 Chestnut Street, Union, NJ 07083   |
| County:                 | Union  |
| Project Description:    | This project involves the transfer of real property of Cornell Hall Care & Rehabilitation Center, located in Union County, from Cornell Hall Realty LLC to Cornell Propco LLC. This project also involves the transfer of ownership of the facility from Cornell Hall Care & Rehab Center, LLC to Cornell Healthcare and Rehab Center LLC. |
| Licensed capacity:      | 177 LTC beds   |
| Current Licensed Owner: | Cornell Hall Care & Rehabilitation Center, LLC   |
| Proposed Operator:      | Cornell Healthcare and Rehab Center LLC.   |
| Current Property Owner: | Cornell Propco LLC   |
| Post-Closing Manager:   | N/A  |

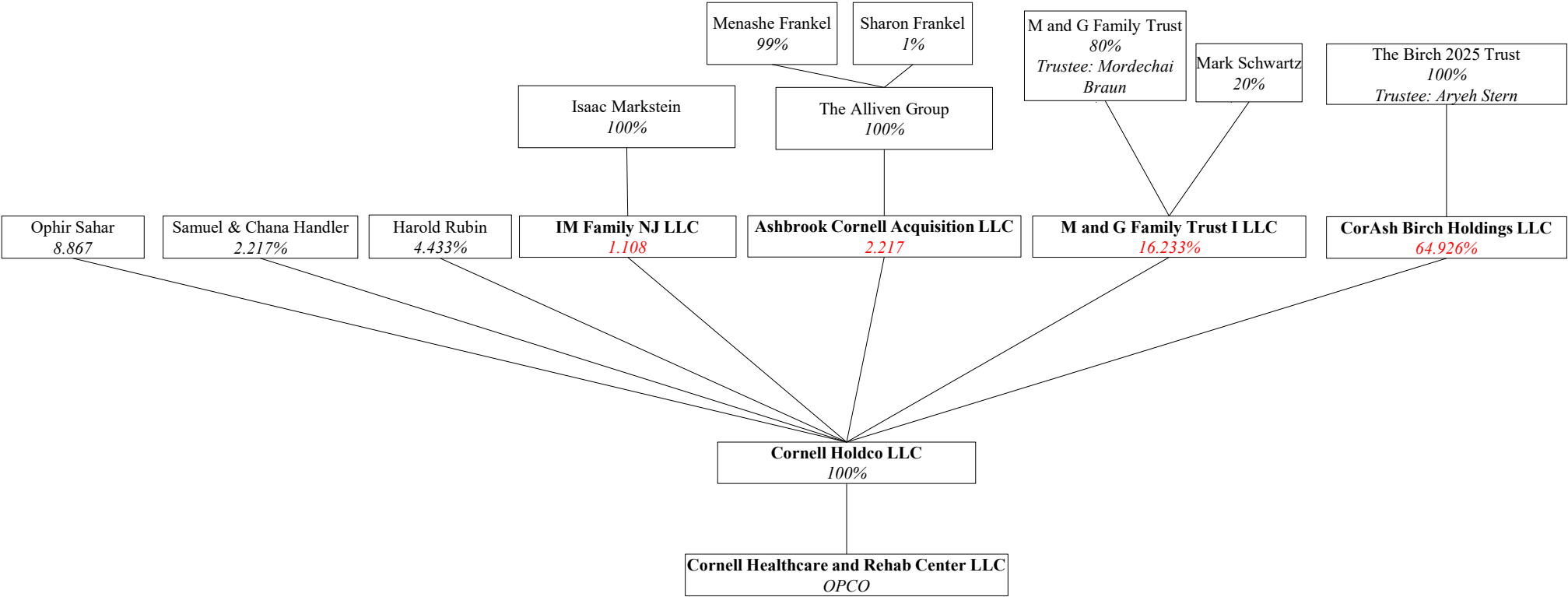
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# Exhibit A

Current Ownership of  
Cornell Hall Care & Rehabilitation Center



**Cornell Healthcare and Rehab Center LLC**  
**Proposed OPCO Ownership**



# Exhibit B

| Owner                   | Provider Name                                  | Provider Address           | City/Town        | State | ZIP Code |
|-------------------------|--|----------------------------|------------------|-------|----------|
| Frankel, Menashe        | WOODLAKE HEALTHCARE AND REHABILITATION CENTER  | 8000 BASS LAKE ROAD        | NEW HOPE         | MN    | 55428    |
| Frankel, Sharon         | WOODLAKE HEALTHCARE AND REHABILITATION CENTER  | 8000 BASS LAKE ROAD        | NEW HOPE         | MN    | 55428    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT ARLINGTON WEST       | 3939 PENHURST AVENUE       | BALTIMORE        | MD    | 21215    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE POST-ACUTE CARE CENTER  | 5009 FRANKFORD AVENUE      | BALTIMORE        | MD    | 21206    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT BALLENGER CREEK      | 347 BALLENGER DRIVE        | FREDERICK        | MD    | 21701    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT BERKELEY HEIGHTS     | 35 COTTAGE STREET          | BERKELEY HEIGHTS | NJ    | 07922    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT BRADFORD OAKS        | 7520 SURRATTS ROAD         | CLINTON          | MD    | 20735    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT CATONSVILLE          | 16 FUSTING AVENUE          | CATONSVILLE      | MD    | 21228    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT CHESAPEAKE WOODS     | 525 GLENBURN AVENUE        | CAMBRIDGE        | MD    | 21613    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT GLADE VALLEY         | 56 WEST FREDERICK STREET   | WALKERSVILLE     | MD    | 21793    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT HOMEWOOD             | 6000 BELLONA AVENUE        | BALTIMORE        | MD    | 21212    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT LOCH RAVEN           | 8720 EMGE ROAD             | BALTIMORE        | MD    | 21234    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT LONG GREEN           | 115 EAST MELROSE AVENUE    | BALTIMORE        | MD    | 21212    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT PARKVILLE            | 8710 EMGE ROAD             | BALTIMORE        | MD    | 21234    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT PERRING PARKWAY      | 1801 WENTWORTH ROAD        | BALTIMORE        | MD    | 21234    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT SPA CREEK            | 35 MILKSHAKE LANE          | ANNAPOLIS        | MD    | 21403    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT VINELAND             | 1640 SOUTH LINCOLN AVENUE  | VINELAND         | NJ    | 08360    |
| Handler, Samuel & Chana | AUTUMN LAKE HEALTHCARE AT WAUGH CHAPEL         | 1221 WAUGH CHAPEL ROAD     | GAMBRILLS        | MD    | 21054    |
| Markstein, Isaac        | AUTUMN LAKE HEALTHCARE AT GREENFIELD           | 5790 S 27TH ST             | MILWAUKEE        | WI    | 53221    |
| Markstein, Isaac        | AUTUMN LAKE HEALTHCARE AT PIKESVILLE           | 7 SUDBROOK LANE            | PIKESVILLE       | MD    | 21208    |
| Markstein, Isaac        | KING DAVID NURSING AND REHABILITATION CENTER   | 4204 OLD MILFORD MILL ROAD | BALTIMORE        | MD    | 21208    |
| Rubin, Harold           | AUTUMN LAKE HEALTHCARE AT VINELAND             | 1640 SOUTH LINCOLN AVENUE  | VINELAND         | NJ    | 08360    |
| Rubin, Harold           | BROOKMONT HEALTHCARE AND REHABILITATION CENTER | 510 BROOKMONT DRIVE        | EFFORT           | PA    | 18330    |
| Rubin, Harold           | GRANDVIEW NURSING AND REHABILITATION           | 78 WOODBINE LANE           | DANVILLE         | PA    | 17821    |
| Rubin, Harold           | LOCK HAVEN REHABILITATION AND SENIOR LIVING    | 22 CREE DRIVE              | LOCK HAVEN       | PA    | 17745    |
| Sahar, Ophir            | AUTUMN LAKE HEALTHCARE AT ARLINGTON WEST       | 3939 PENHURST AVENUE       | BALTIMORE        | MD    | 21215    |
| Sahar, Ophir            | AUTUMN LAKE HEALTHCARE POST-ACUTE CARE CENTER  | 5009 FRANKFORD AVENUE      | BALTIMORE        | MD    | 21206    |
| Schwartz, Mark          | ADVANCED REHAB AT AUTUMN LAKE HEALTHCARE       | 515 BRIGHTFIELD ROAD       | LUTHERVILLE      | MD    | 21093    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT CHEVY CHASE          | 8700 JONES MILL ROAD       | CHEVY CHASE      | MD    | 20815    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT GLEN HILL            | 1 GLEN HILL RD             | DANBURY          | CT    | 06811    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT MADISON              | 34 WILDWOOD AVENUE         | MADISON          | CT    | 06443    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT RUXTON               | 7001 CHARLES STREET        | TOWSON           | MD    | 21204    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT SILVER SPRING        | 2501 MUSGROVE ROAD         | SILVER SPRING    | MD    | 20904    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT THE WILLOWS          | 225 AMITY RD               | WOODBIDGE        | CT    | 06525    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT VOORHEES             | 1086 DUMONT CIRCLE         | VOORHEES         | NJ    | 08043    |
| Schwartz, Mark          | AUTUMN LAKE HEALTHCARE AT WEST HARTFORD        | 1 EMILY WAY                | WEST HARTFORD    | CT    | 06107    |
| Schwartz, Mark          | THE SUBACUTE AT AUTUMN LAKE HEALTHCARE         | 113 ROUTE 73               | VOORHEES         | NJ    | 08043    |

|                        |   |                              |                  |    |       |
|------------------------|---|------------------------------|------------------|----|-------|
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT ALICE MANOR         | 2095 ROCKROSE AVENUE         | BALTIMORE        | MD | 21211 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT ARLINGTON WEST      | 3939 PENHURST AVENUE         | BALTIMORE        | MD | 21215 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT BALLENGER CREEK     | 347 BALLENGER DRIVE          | FREDERICK        | MD | 21701 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT BELOIT              | 2121 PIONEER DR              | BELOIT           | WI | 53511 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT BERKELEY HEIGHTS    | 35 COTTAGE STREET            | BERKELEY HEIGHTS | NJ | 07922 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT BRADFORD OAKS       | 7520 SURRATTS ROAD           | CLINTON          | MD | 20735 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT BRIDGEPARK          | 4017 LIBERTY HEIGHTS AVENUE  | BALTIMORE        | MD | 21207 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT BUCKS HILL          | 2817 NORTH MAIN STREET       | WATERBURY        | CT | 06704 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT CATONSVILLE         | 16 FUSTING AVENUE            | CATONSVILLE      | MD | 21228 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT CHERRY LANE         | 9001 CHERRY LANE             | LAUREL           | MD | 20708 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT CHESAPEAKE WOODS    | 525 GLENBURN AVENUE          | CAMBRIDGE        | MD | 21613 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT CROFTON             | 2131 DAVIDSONVILLE ROAD      | CROFTON          | MD | 21114 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT CROMWELL            | 385 MAIN STREET              | CROMWELL         | CT | 06416 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT CRYSTAL SPRINGS     | 200 WHITMAN AVENUE           | ELKINS           | WV | 26241 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT GLADE VALLEY        | 56 WEST FREDERICK STREET     | WALKERSVILLE     | MD | 21793 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT GREENFIELD          | 5790 S 27TH ST               | MILWAUKEE        | WI | 53221 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT HOMEWOOD            | 6000 BELLONA AVENUE          | BALTIMORE        | MD | 21212 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT LOCH RAVEN          | 8720 EMGE ROAD               | BALTIMORE        | MD | 21234 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT LONG GREEN          | 115 EAST MELROSE AVENUE      | BALTIMORE        | MD | 21212 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT MEMORIAL BRIDGE     | 201 FIFTH AVENUE             | PENNS GROVE      | NJ | 08069 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT NEW BRITAIN         | 400 BRITTANY FARMS RD        | NEW BRITAIN      | CT | 06053 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT NORWALK             | 34 MIDROCKS DRIVE            | NORWALK          | CT | 06851 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT OAKVIEW             | 2700 BARKER STREET           | SILVER SPRING    | MD | 20910 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT OCEANVIEW           | 2721 ROUTE 9                 | OCEAN VIEW       | NJ | 08230 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT OLD BRIDGE          | 111 ROUTE 516                | OLD BRIDGE       | NJ | 08857 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT PARKVILLE           | 8710 EMGE ROAD               | BALTIMORE        | MD | 21234 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT PERRING PARKWAY     | 1801 WENTWORTH ROAD          | BALTIMORE        | MD | 21234 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT PIKESVILLE          | 7 SUDBROOK LANE              | PIKESVILLE       | MD | 21208 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT RIVERVIEW           | 1 EASTERN BOULEVARD          | ESSEX            | MD | 21221 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT SALEM COUNTY        | 438 SALEM-WOODSTOWN ROAD     | SALEM            | NJ | 08079 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT SOUTHGATE           | 449 S PENNSVILLE-AUBURN ROAD | CARNEYS POINT    | NJ | 08069 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT SPA CREEK           | 35 MILKSHAKE LANE            | ANNAPOLIS        | MD | 21403 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT VINELAND            | 1640 SOUTH LINCOLN AVENUE    | VINELAND         | NJ | 08360 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE AT WAUGH CHAPEL        | 1221 WAUGH CHAPEL ROAD       | GAMBRILLS        | MD | 21054 |
| Stern, Aryeh           | AUTUMN LAKE HEALTHCARE POST-ACUTE CARE CENTER | 5009 FRANKFORD AVENUE        | BALTIMORE        | MD | 21206 |
| Stern, Aryeh           | KING DAVID NURSING AND REHABILITATION CENTER  | 4204 OLD MILFORD MILL ROAD   | BALTIMORE        | MD | 21208 |
| Stern, Aryeh           | NELLA'S AT AUTUMN LAKE HEALTHCARE             | 499 FERGUSON ROAD            | ELKINS           | WV | 26241 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT ARCOLA              | 901 ARCOLA AVENUE            | SILVER SPRING    | MD | 20902 |

|                        |  |                               |              |    |       |
|------------------------|--|-------------------------------|--------------|----|-------|
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT BALLENGER CREEK      | 347 BALLENGER DRIVE           | FREDERICK    | MD | 21701 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT BALTIMORE WASHINGTON | 313 HOSPITAL DRIVE            | GLEN BURNIE  | MD | 21061 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT BELOIT               | 2121 PIONEER DR               | BELOIT       | WI | 53511 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT BIRCH MANOR          | 7309 SECOND AVENUE            | SYKESVILLE   | MD | 21784 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT BRADDOCK HEIGHTS     | 6012 JEFFERSON BOULEVARD      | FREDERICK    | MD | 21703 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT BRADFORD OAKS        | 7520 SURRATTS ROAD            | CLINTON      | MD | 20735 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT CALVERT MANOR        | 1881 TELEGRAPH ROAD           | RISING SUN   | MD | 21911 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT CATONSVILLE          | 16 FUSTING AVENUE             | CATONSVILLE  | MD | 21228 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT CHERRY LANE          | 9001 CHERRY LANE              | LAUREL       | MD | 20708 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT CHESAPEAKE WOODS     | 525 GLENBURN AVENUE           | CAMBRIDGE    | MD | 21613 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT CROFTON              | 2131 DAVIDSONVILLE ROAD       | CROFTON      | MD | 21114 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT CRYSTAL SPRINGS      | 200 WHITMAN AVENUE            | ELKINS       | WV | 26241 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT GLADE VALLEY         | 56 WEST FREDERICK STREET      | WALKERSVILLE | MD | 21793 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT GLEN BURNIE          | 7355 FURNACE BRANCH ROAD EAST | GLEN BURNIE  | MD | 21060 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT HOMEWOOD             | 6000 BELLONA AVENUE           | BALTIMORE    | MD | 21212 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT LOCH RAVEN           | 8720 EMGE ROAD                | BALTIMORE    | MD | 21234 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT LONG GREEN           | 115 EAST MELROSE AVENUE       | BALTIMORE    | MD | 21212 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT LONG VIEW            | 3332 MAIN STREET              | MANCHESTER   | MD | 21102 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT OAK MANOR            | 3415 GREENCASTLE ROAD         | BURTONSVILLE | MD | 20866 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT OVERLEA              | 6116 BELAIR ROAD              | BALTIMORE    | MD | 21206 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT PARKVILLE            | 8710 EMGE ROAD                | BALTIMORE    | MD | 21234 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT PATUXENT RIVER       | 14200 LAUREL PARK DRIVE       | LAUREL       | MD | 20707 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT PERRING PARKWAY      | 1801 WENTWORTH ROAD           | BALTIMORE    | MD | 21234 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT SPA CREEK            | 35 MILKSHAKE LANE             | ANNAPOLIS    | MD | 21403 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT SUMMIT PARK          | 1502 FREDERICK ROAD           | CATONSVILLE  | MD | 21228 |
| Stern, Aryeh (Trustee) | AUTUMN LAKE HEALTHCARE AT WAUGH CHAPEL         | 1221 WAUGH CHAPEL ROAD        | GAMBRILLS    | MD | 21054 |
| Stern, Aryeh (Trustee) | NELLA'S AT AUTUMN LAKE HEALTHCARE              | 499 FERGUSON ROAD             | ELKINS       | WV | 26241 |



# Exhibit C

## **AGREEMENT OF LEASE**

THIS AGREEMENT OF LEASE (this "Lease") is made as of **March 31, 2025**, by and between **Cornell Propco LLC**, a New Jersey limited liability company ("Landlord") and **Cornell Healthcare and Rehab Center LLC**, a New Jersey limited liability company ("Tenant").

### **W I T N E S S E T H**

#### **ARTICLE I**

##### **Premises: Term of Lease**

Section 1.1. Landlord, for and in consideration of the rents, covenants and agreements hereinafter reserved, mentioned and contained on the part of Tenant, its permitted successors and assigns, to be paid, kept and performed, by these presents does lease, rent, let and demise unto Tenant, and Tenant does hereby take and hire, in each case, upon and subject to the terms and conditions hereinafter expressed, the Premises (as hereinafter defined);

TO HAVE AND TO HOLD the same unto Tenant, its permitted successors and assigns, subject to all the provisions hereof for a term (the "Initial Term") commencing at 12:00 a.m. as of the date Tenant receives its license to operate the Facility (as hereafter defined) from the New Jersey Department of Health (the "Effective Date") and expiring at 11:59 p.m. on the day immediately preceding the Ten (10) year anniversary of the Effective Date, unless sooner terminated or extended as hereinafter provided.

Section 1.2 Notwithstanding any other term to the contrary, at any time prior to expiration of the then Term, Lessees may elect at their sole discretion, by providing written notice, to extend the lease for an additional Ten (10) Year period. Following the Initial Term, and any subsequent extension thereto as applicable, the term of this Lease may be extended by Tenants on or prior to each subsequent Ten (10) year anniversary date, by providing written notice and continually and upon the same terms and conditions as contained in this Lease, until such time as the Tenant and Landlord no longer desire to renew the lease and provide written notice to the other party of same. (Each term of the lease shall be references as the "Term")

Section 1.3. As used herein, the following terms shall have the following meanings:

"Premises" shall mean the Land, Improvements (each, as hereinafter defined) and all furniture, fixtures, equipment, licenses, approvals and other personal property to be used in connection with the operation of the Facility (as hereinafter defined), all of which to the extent acquired by the Landlord pursuant to the PSA.

"Facility" shall mean the 177 bed nursing facility located at 234 Chestnut Street, Union, NJ 07083.

"Improvements" shall mean the buildings and improvements constructed upon the Land with which the Facility is operated in full compliance of all applicable laws, rules and regulations.

“Land” shall mean the real property more particularly described on Exhibit A annexed hereto.

## **ARTICLE II**

### **Rent**

Section 2.1. Tenant shall pay to Landlord during the Term the amounts set forth on Schedule A attached hereto (the “Rent”) and any Additional Rent as set on Schedule B attached hereto (the “Additional Rent”).

Section 2.2. The Rent shall be paid to Landlord without notice or demand and without abatement, deduction or setoff, except as otherwise specifically provided herein.

## **ARTICLE III**

### **Surrender**

Section 3.1. Tenant shall on the last day of the Term or upon any earlier termination of this Lease, or upon any proper reentry by Landlord upon the Premises pursuant to Section 18.2 hereof, well and truly surrender and deliver up the Premises into the possession and use of Landlord without fraud or delay and in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings and occupancies other than patients of the Facility and free and clear of all liens and encumbrances other than liens for governmental charges which relate to a period after the termination of this Lease, and liens and encumbrances existing prior to the Term or created by Landlord, or any affiliate thereof or subsequent owners of the Premises. The Premises shall be surrendered in “broom clean” condition.

Section 3.2. Notwithstanding anything to the contrary contained herein, the personal property of the Tenant or any subtenant (other than patients of the Facility) which shall remain in the Premises after the termination of this Lease and the removal of Tenant or such subtenant from the Premises may, at the option of Landlord on written notice giving Tenant or such subtenant a reasonable opportunity (not less than ten (10) days) to remove the same, be deemed to have been abandoned by Tenant or such subtenant and either may be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit.

Section 3.3. Landlord shall not be responsible for any loss or damage occurring to any property owned by Tenant or any subtenant, except for loss or damage arising from any grossly negligent or intentional act or omission of Landlord.

Section 3.4. Tenant shall keep available and not destroy or dispose of all books and records (including without limitation patient records) reasonably necessary to the operation by Landlord of the Facility following the expiration or earlier termination of this Lease. It is the intention of the parties that the Tenant return to the Landlord or Landlord’s designee, upon the expiration or earlier termination of this Lease, for whatever reason, a fully functioning, equipped and licensed Facility, in conformance with the terms and conditions of this Lease and the applicable statutes, rules and regulations in such cases made and provided and Tenant shall fully cooperate with Landlord in respect thereof in the manner provided herein. To that end, Tenant shall assign to Landlord or its designee all rights in any and all long term care beds, certificates of

need and long term care and other licenses, and, at least thirty (30) days prior to the expiration of the Term, shall sign all such consents or applications prepared by the Landlord to be submitted to the applicable governmental authority attesting to its transfer of all rights to operate the Facility to Landlord or its designee. Landlord or its designee shall have sole responsibility for obtaining all licenses required for the continued operation of the Facility after termination of this Lease, and Tenant shall not be responsible for any operating liabilities of the Facility after termination of the Lease.

In addition to the foregoing, Rents, insurance premiums, prepaid charges and other income and expenses of the Facility shall be equitably prorated between the Landlord and Tenant as of the last date the Facility is operated by Tenant based on the amounts of such items attributable to time periods during which the Facility was operated by Tenant and the amounts of such items attributable to the time periods following the time the Facility was operated by Tenant.

#### **ARTICLE IV**

##### **Insurance**

Section 4.1. Tenant shall maintain, at Tenant's sole cost and expense, at all times during the term of this Lease, insurance against such claims, liabilities and losses arising from the operation of the Premises as is customary in the operation of facilities similar to the Facility for protection against claims, liabilities and losses arising from the operation of the Premises.

Section 4.2. Landlord and Tenant hereby waive their respective rights of subrogation against each other under any policies of fire insurance, including extended coverage, now issued or that may hereafter be issued on the Premises or the Improvements or the personal property and each shall undertake to obtain and furnish the other, upon request of the other party, evidence of the consent thereto by the carrier or carriers involved.

Section 4.3. All such insurance shall be written in such manner and by such companies as required by any mortgagee and shall include a standard "mortgagee" clause providing that all losses payable thereunder shall be payable to any mortgagee(s), as their interests may appear, and then Landlord and Tenant, as their interests may appear. Tenant will deliver copies of such policy or policies, and any renewals thereof to the Landlord, upon request. All such policies shall provide that Landlord and any mortgagee shall receive fifteen (15) days prior written notice of any modification, termination or cancellation thereof. Landlord shall cooperate with Tenant and consult with Tenant in connection with the adjustment of any losses covered under said policies.

Section 4.4. At the request of the mortgagee of the Premises, Tenant shall pay insurance premiums to the Mortgagee rather than directly to the insurer. Such payments shall be made in such amounts and at such times as required by the Mortgagee. The amount of the insurance premiums paid by Tenant to the Mortgagee shall be deemed to be Additional Rent within the purview of this Lease and shall be collectible as such. The amount of the monthly deposits required to be made hereunder shall be deemed to be Additional Rent within the purview of this Lease and shall be collectible as such.

Section 4.5. Any insurance required to be carried by Tenant pursuant to the terms of this Lease may be effected by a policy or policies of blanket insurance, or under so-called “all risk” or “multi-peril” insurance policies, provided that the amount of the total insurance allocated to the Premises shall be such as to furnish in protection the equivalent of a separate policy or policies in the amounts required pursuant to the terms of this Lease.

## **ARTICLE V**

### **Landlord’s Right to Perform Tenant’s Covenants**

If Tenant shall at any time fail to make any payments due in accordance with this Lease, or shall fail to pay for any of the insurance as required by Article IV hereof, any mechanic’s lien or other statutory lien attaching to the Premises or any part thereof, or shall fail to make any other payment or perform any of the covenants on its part to be made or performed under this Lease within the time limited therefor herein (collectively, the “Impositions”), then Landlord, after ten (10) days written notice to Tenant, may make advances or payments to pay any such Impositions, or to perform any of such other covenants; and all sums so advanced or paid by Landlord shall bear interest at the prime rate of JP Morgan Chase, plus 2%; but no such advance or payment will relieve Tenant from any default hereunder.

## **ARTICLE VI**

### **Repairs and Maintenance of Premises**

Section 6.1. Commencing on the Effective Date and throughout the Term, Tenant, at its sole cost and expense, will take good care of the Premises, the furniture, furnishings, fixtures and equipment used therein, and any sidewalks, curbs, lawns, roadways, landscaping, parking lots and vaults adjoining or appurtenant to the Premises and will keep and maintain the same in good order and condition and make all necessary repairs, replacements and renewals thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, and unforeseen and foreseen.

Section 6.2. Tenant shall keep and maintain all portions of the Premises and any sidewalks, curbs, lawns, roadways, landscaping, parking lots, detention ponds and passageways adjoining or appurtenant to the same in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions.

Section 6.3. Landlord shall not be required to furnish any services or utilities (including, without limitation, heat, electricity, water, sewer, telephone, or any other utility) or to make any repairs, replacements, or alterations in or to the Improvements, Tenant hereby assuming the full and sole responsibility for the operation, repair, replacement, maintenance and management of the Premises and the Improvements during the term of this Lease.

Section 6.4. All personal property constituting part of the Premises, including replacements and renewals thereof, shall be deemed the property of the Landlord and subject to the terms of this Lease.

## **ARTICLE VII**

### **Compliance with Laws, Ordinances, Etc.**

Section 7.1. Tenant at its sole cost and expense will (a) comply with and cause the Premises to comply with and shall assume all obligations and liabilities with respect to all statutes, codes, licenses, permits, rules, laws, ordinances and regulations, and other governmental rules, orders and determinations and all orders, rules and regulations of the National Board of Fire Underwriters or any other body exercising similar functions presently in effect or hereafter enacted, made or issued, both foreseen and unforeseen and ordinary and extraordinary applicable to the Premises or the ownership, operation, use or possession thereof, all health, building, fire, safety and other codes, ordinances and requirements, in each case as amended, and any judicial or administrative interpretations thereof, including any judicial order, consent, decree or judgment, and all contracts (including, but not limited to, insurance policies (including, without limitation, to the extent necessary to prevent cancellation thereof and to insure full payment of any claims made under such policies)), agreements, covenants, conditions and restrictions now or hereafter applicable to the Premises or any part thereof, or to the use or manner of use, occupancy, possession, operation, maintenance, alteration, repair, replacement or reconstruction of the Premises or any part thereof (including, without limitation, laws governing the sorting, collection, storage and disposal of medical waste) (collectively, "Legal Requirements"), including but not limited to all such Legal Requirements, contracts, agreements, covenants, conditions and restrictions which require structural, unforeseen or extraordinary changes, and (b) obtain and maintain in full force and effect all governmental licenses and permits required for the operation of the Facility and comply with all laws, orders, rules, regulations and requirements of the New Jersey Department of Health ("DOH") and any other governmental agency having jurisdiction over the Facility.

Section 7.2. Tenant shall have the right to contest by appropriate legal proceedings, diligently conducted in good faith, the validity or application of any such Legal Requirement, and to delay compliance with such Legal Requirement pending the completion of such proceedings, provided that no civil or criminal liability would be incurred by Landlord and no civil or criminal liability would be incurred by Tenant which could have a material adverse effect on the business or financial condition of the Tenant and that no lien or charge would be imposed upon or satisfied out of the Premises by reason of such delay and the commencement of such contest does not result in or cause the suspension or termination of Tenant's license to operate the Facility.

Section 7.3. Tenant will not violate nor permit or suffer to be violated any of the conditions, provisions or requirements of any policy of insurance or any covenants, restrictions, easements, mortgages or other agreements and instruments (whether or not of record) affecting the Premises, provided that Tenant has knowledge thereof and is otherwise obligated to perform, comply or observe the same under the provisions of this Lease.

Section 7.4. Landlord will execute and deliver any appropriate documents which may be necessary or proper to permit Tenant to contest the validity or application of any Legal Requirement, provided that no civil or criminal liability would be incurred by Landlord, that no lien or charge would be imposed upon or satisfied out of the Premises by the commencement of such contest and such contest does not result in or cause the suspension or termination of Tenant's license to operate the Facility.

Section 7.5. During the Term, the Tenant shall:

(a) Conduct only the use of the property for a Nursing Home and its ancillary services (the “Permitted Use”), except that Tenant may expand upon or change this use with the prior written approval of the Landlord, which approval shall not be unreasonably withheld or delayed;

(b) (i) Conduct its operations at the Premises in compliance with the requirements of all applicable environmental laws, (ii) secure, maintain and comply with all permits, consents and authorizations required under applicable environmental laws for Tenant’s operations at the Premises (the “Environmental Permits”), and (iii) file on a timely basis all reports, disclosures, notifications, manifests, applications and plans required under applicable environmental laws or the Environmental Permits in connection with Tenant’s operations at the Premises;

(c) Unless required for the Permitted Use, not use, handle or store any hazardous materials in connection with its operations at the Premises, and will not generate, treat, recycle or release any hazardous materials on, at or under the Premises;

(d) Promptly notify Landlord of any existing, pending or, if known by Tenant, threatened investigation, claim, proceeding, directive, notice, order or action by any Governmental Authority, or by any third party, under or pursuant to environmental laws, concerning any environmental matters respecting the Premises or Tenant’s operations at the Premises, including without limitation: (i) Tenant’s or any subtenant’s use or operations at the Premises; (ii) Tenant’s or any subtenant’s compliance or failure to comply with Environmental Laws; (iii) any Release of any Hazardous Materials on, at, under or emanating from the Premises caused by Tenant or any of its subtenants or any of their respective employees, agents, representatives, contractors, licensees or invitees; or (iv) any Environmental Conditions on, at, under or emanating from the Premises;

(e) In the event Tenant or any of its subtenants or any of their respective employees, agents, representatives, contractors, licensees or invitees causes a release of hazardous materials on, at or under the Premises, promptly notify the Landlord of the same and perform all remedial actions required by applicable environmental laws with respect to such release; and

(f) Comply with and cause all subtenants, occupants, licensees and invitees of the Premises to comply with (i) all applicable environmental laws, and (ii) all of the covenants set forth in this Article.

Section 7.6. In the event Tenant performs any remedial actions at the Premises pursuant to this Article 7, Tenant agrees to:

(a) Perform, and cause all consultants and contractors to perform, such remedial actions in a workmanlike manner and consistent with applicable environmental laws and to obtain all permits, authorizations and consents required under applicable environmental laws in order to implement such remedial actions at the Premises;

(b) Provide Landlord with at least ten (10) days prior notice of the initiation of any remedial actions at the Premises;

(c) Provide Landlord with a reasonable opportunity to: (i) review and comment upon any work plans or reports respecting any remedial actions and other submissions to any governmental authority prior to submission and implementation; (ii) have a representative present at the Premises during the performance of any remedial actions; and (iii) obtain a split sample of any soil or ground water sample (or sample of any other environmental media) obtained by Tenant;

(d) Select, propose and implement with the approval of the applicable governmental authority only such remedial actions to which Landlord has given its consent, which consent shall not be unreasonably withheld or delayed;

(e) Upon completion of the remedial action, restore the Premises to substantially the same condition it was in prior to the performance of such remedial action;

(f) Provide Landlord with copies of all documents that Tenant: (i) submits to any governmental authority in connection with the Premises at the same time Tenant submits such documents; and (ii) receives from any governmental authority in connection with the Premises within three (3) business days of Tenant's receipt of the same;

(g) Cause all consultants and contractors performing remedial actions at the Premises to provide and maintain comprehensive general liability insurance, automobile liability insurance, workers' compensation and employers' liability insurance, excess liability and professional liability insurance in full force and effect with limits of coverage that are customary for the performance of comparable work or services until sixty (60) days following the completion of the remedial action. Tenant shall provide copies of insurance certificates indicating that the Landlord has been named as an additional insured under such policies before such consultants and contractors shall be permitted to perform such remedial actions at the Premises; and

(h) Obtain and provide to the Landlord a No Further Action Letter and Covenant Not to Sue issued by the governmental authority evidencing the implementation and completion of such remedial action to the satisfaction of the governmental authority.

Section 7.7 Without in any way limiting Landlord's right of access to the Premises under Article 12 hereof, at all times during the Term, the Landlord and its agents, consultants and contractors shall have the right to enter upon the Premises for the purposes of conducting such environmental audits or inspections and such soil and ground water sampling (or sampling of any other environmental media) or other invasive or noninvasive tests, investigations, examinations and inspections ("Investigation") as the Landlord may reasonably desire.

Section 7.8. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all Losses imposed on, incurred by or asserted against Landlord or for which Landlord may be liable or obligated relating to or arising from: (a) Tenant's failure to comply with any of its covenants or obligations set forth in this Article 7; (b) any Environmental Conditions on, at, under or emanating from the Premises first existing or occurring during the Term; and (c) Environmental Conditions on, at, under or emanating from the Premises to the extent such Environmental Conditions are exacerbated by or contributed to by Tenant or any of its subtenants or any of their respective employees, agents, representatives, contractors, licensees or invitees, or result from any use, operations, occupancy or activities of any of the same at the Premises during the Term.



Section 7.9. Landlord shall indemnify, defend and hold harmless Tenant from and against any and all losses imposed on, incurred by or asserted against Tenant or for which Tenant may be liable or obligated relating to or arising from any environmental conditions on, at, under or emanating from the Premises first existing or occurring prior to the Term.

Section 7.10. The provisions of this Article 7 shall survive the expiration or earlier termination for any reason of this Lease.

## **ARTICLE VIII**

### **Changes and Alterations by Tenant**

Section 8.1. Tenant will not abandon, tear down or demolish any of the Improvements nor permit or suffer the same to be torn down or demolished without the consent of the Landlord, which shall not be unreasonably withheld.

Section 8.2. Tenant shall not make or suffer or permit to be made any changes, alterations or additions to the Premises without the consent of the Landlord; provided, however, that minor nonstructural changes, alterations and additions (such as painting, wall coverings, carpeting, refurbishing, redecorating or ordinary maintenance, repair and replacement) may be made by the Tenant to the extent that the Tenant shall deem such changes necessary or desirable for the operation of the Facility.

Section 8.3. The Improvements and any change, alteration or addition erected or made upon the Premises shall be and remain the property of the Landlord.

Section 8.4. Any change, alteration or addition shall be made promptly (unavoidable delays excepted), in a good and workmanlike manner and in compliance with (a) all applicable permits and authorizations, (b) building and zoning laws, c) all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, including, without limitation, the DOH, and (d) the orders, rules and regulations of the National Board of Fire Underwriters, or any other body or bodies hereafter exercising similar functions.

Section 8.5. The cost of any such change, alteration or addition shall be paid or provided for by Tenant in cash or its equivalent, so that the Premises and the Improvements shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Premises or the Improvements (except for statutory liens for claims which are not yet due or payable).

## **ARTICLE IX**

### **Discharge of Liens**

Section 9.1. Tenant will keep the Premises free from all statutory liens and claims of every kind and nature (including but not limited to mechanic's, laborer's or materialman's liens and the lien of Impositions), and Tenant will not permit any lien to accrue or remain on the Premises or any part thereof, in each case, except for inchoate liens for claims and amounts not yet due or payable.

Section 9.2. Nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the Premises or any part thereof.

## **ARTICLE X**

### **No Waste**

Tenant will not cause or suffer any material waste or damage, disfigurement or injury to the Premises or any part thereof.

## **ARTICLE XI**

### **Use and Purposes**

Section 11.1. Tenant covenants and agrees that during the Term, Tenant shall use or occupy the Premises only for the operation of the Facility. This Article, concerning the use and management of the Premises, is of the essence of this Lease.

Section 11.2. Tenant further covenants and agrees to keep said Premises open and in business at all times, except during such times as it may be necessary to close temporarily the same or part thereof to repair damage or destruction by fire or other casualty, to make alterations or changes in the Improvements, or on account of strikes, lockouts or other causes beyond the control of Tenant.

Section 11.3. Tenant will not suffer any act to be done or any condition to exist on the Premises or any part thereof or any articles to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may in law constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto. Tenant shall not use the Premises for any unlawful purpose or in violation of its nursing home license issued by the DOH or any other governmental or regulatory certificate of occupancy, use, compliance or need.

## **ARTICLE XII**

### **Entry on Premises by Landlord, Etc.**

Section 12.1. Tenant will permit Landlord, any mortgagee, and their authorized representatives, to enter the Premises at all reasonable times after prior reasonable notice for the purpose of inspecting the same.

Section 12.2. Landlord shall have the right to enter the Premises at all reasonable times during usual business hours after reasonable prior notice for the purpose of showing the same to prospective purchasers thereof and, at any time within four (4) months prior to the expiration of the Term, for the purpose of showing same to prospective tenants.

### **ARTICLE XIII**

#### **Damage or Destruction**

Section 13.1. If the Premises shall be damaged by fire or other casualty, the Tenant shall notify the Landlord thereof promptly after obtaining knowledge thereof, and, subject to the Tenant's right to terminate the Lease under Section 13.4 below, Tenant, at the Landlord's cost and expense, shall promptly repair, replace and rebuild the same with building(s), structure(s), improvements and equipment of substantially the same character, quality and condition as existed immediately prior to such occurrence. If the lease is not terminated pursuant to Section 13.4 below, Tenant shall commence such repairs, replacements or rebuilding (hereinafter sometimes referred to as the "Restoration") promptly after the occurrence of any such destruction or damage and shall diligently prosecute same to completion. All such work shall be performed in compliance with, and shall be subject to, the terms and conditions of Section 8.4 of this Lease.

Section 13.2. In the event of any damage or destruction, the Landlord shall release any proceeds of property insurance held by it to the Tenant to pay for the cost of any Restoration.

Section 13.3. If, as the result of any casualty, the Facility is damaged to the extent that (a) it is rendered unsuitable for its primary intended use, (b) insurance proceeds are not made available to the Tenant by the holder of any Prior Interest to effect the Restoration, and/or (c) Restoration of the Facility shall require more than 12 months to complete, then Tenant may terminate this Lease, in which event Landlord shall be entitled to receive and retain all insurance proceeds. Except for the foregoing, no destruction of or damage to the Premises or any part thereof by fire or any other casualty shall permit Tenant to surrender this Lease or shall relieve Tenant from its liability to pay the full Rent and other charges payable under this Lease or from any of its other obligations under this Lease

### **ARTICLE XIV**

#### **Condemnation**

Section 14.1. Should title or ownership of all or a material part of the Premises be condemned or taken through eminent domain proceedings, or sold under threat of eminent domain proceedings to a governmental authority, all of the award or proceeds shall be the sole property of Landlord.

Section 14.2. In the event of any taking as aforesaid, this Lease shall terminate and expire on the date of such taking and the Rent and prepaid charges provided to be paid by Tenant shall be apportioned and paid to the date of such taking, and any payments made in advance shall be equitably refunded to Tenant.

Section 14.3. If at any time during the Term title to less than a material part of the Premises shall be taken as aforesaid (a "Taking"), the Tenant shall proceed with reasonable diligence to repair and restore the Premises on such property remaining. No such Taking of a non-material part of the Premises shall permit Tenant to surrender this Lease or shall relieve Tenant from its liability to pay the full Rent and other charges payable under this Lease or from any of its other obligations under this Lease, and Tenant waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this Lease or the Premises or any part thereof or to any

suspension, diminution, abatement or additional reduction of Rent on account of any such taking of a non-material part of the Premises, except as otherwise set forth herein.

Section 14.4. For purposes of this Article “a material part of the Premises” shall be deemed to have been taken if the remaining premises shall not substantially suitable for the Permitted Use substantially equal to the size and scope of such use prior to the Taking.

Section 14.5. If the temporary (defined as not more than 90 days) use of the whole or any part of the Premises shall be taken by any lawful power or authority, by the exercise of the right of condemnation or eminent domain or, in lieu of anticipation thereof, by agreement between Tenant and those authorized to exercise such right, (a) Tenant shall give prompt notice thereof to Landlord and any mortgagee(s) known to Tenant, (b) the Term shall not be reduced or affected in any way, (c) Tenant shall continue to pay in full the Rent and other charges therein reserved without reduction or abatement, and (d) Tenant shall be entitled to receive for itself any award or payment made for such use, provided, however, that if the taking is for a period extending beyond the Term and such award or proceeds shall be paid in a lump sum, such award or proceeds shall be apportioned between Landlord and Tenant as of the expiration date of said Term.

Section 14.6. Except as provided herein, no Taking shall permit Tenant to surrender this Lease or shall relieve Tenant from its liability to pay the full Rent and other charges payable under this Lease or from any of its other obligations under this Lease, and Tenant waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this Lease or the Premises or any part thereof or to any suspension, diminution, abatement or reduction of Rent on account of any such Taking, except as otherwise set forth herein.

## **ARTICLE XV**

### **Mortgages**

Section 15.1. Subject to the provisions set forth below, this Lease and all rights of Tenant hereunder are subject and subordinate to all existing and future mortgages and all renewals, modifications, consolidations, replacements and extensions of any of the foregoing (“Prior Interests”). This clause shall be self-operative and no further instrument shall be required by any ground or underlying landlord or by any lender, affecting this Lease or the Real Property.

Section 15.2. Landlord shall have the right to (a) refinance or recast any Prior Interest which is at any time a lien or encumbrance on the Premises, (b) cause a new or increased Prior Interest to be substituted for any Prior Interest then encumbering on the Premises, or (c) combine or consolidate all or any part of any Prior Interests into or with any other Prior Interest on the Premises or (d) effect any of the foregoing by causing the creation of any other Prior Interest, by extension, in whole or in part, with or into any other such Prior Interests, or by any combination of such methods.

Section 15.3. Tenant’s subordination shall be self-operative but Tenant covenants and agrees on demand at any time or times to execute, acknowledge and deliver to Landlord any and all instruments which may be necessary or proper to confirm such subordination to any Prior Interest. Upon Tenant’s refusal to execute such instrument of subordination within five (5) days after written demand by Landlord, Tenant hereby irrevocably constitutes and appoints Landlord,

its successors and assigns, the Tenant's attorney-in-fact to execute any such certificate or document for and on behalf of Tenant.

## **ARTICLE XVI**

### **Assignment and Subletting**

Tenant shall not have the right to assign or encumber this Lease or to sublease (excluding occupancy or possession by patients or persons providing services at the Facility) the whole or a portion of the Premises without the prior written consent, which may be granted or withheld in Landlord's absolute and unregulated discretion.

## **ARTICLE XVII**

### **Default Provisions; Remedies**

Section 17.1. If one or more of the following events (herein called "Events of Default") shall happen:

(a) Failure in the payment of Rent hereunder within seven (7) days after the same shall be due and payable hereunder; or

(b) Default in the payment, before the same becomes delinquent, of any Imposition of every kind and nature which is or may be assessed, levied, imposed upon or become due and payable out of or in respect of or become a lien on the Premises or any part thereof, and such default shall continue for a period of fifteen (15) days after written notice and demand from Landlord; or

(c) Default in reimbursing Landlord for any advance or payment made by Landlord pursuant to Section 5 hereof and such default shall continue for a period of fifteen (15) days after written notice or demand; or

(d) The commencement without Landlord's prior written consent of the demolition or removal of any Improvement or the making of any material structural change, alteration or addition without complying with the provisions of Article 8 of this Lease; or the violation of any of the conditions, provisions or requirements of any policy of insurance applicable to the Premises, which violation is not corrected prior to the cancellation of such policy; or

(e) Any court of competent jurisdiction shall make a final order not vacated or stayed within ninety (90) days from the date of entry thereof (i) adjudicating Tenant bankrupt, (ii) appointing a trustee or receiver of the Premises, (iii) approving a petition for, or effecting an arrangement in, bankruptcy or a reorganization of Tenant pursuant to the current Federal Bankruptcy Code or any other judicial modification or alteration of the rights of Tenant; or if Tenant shall itself (iv) file any petition or (v) take or consent to any other action seeking any such judicial order; or if Tenant shall make an assignment for the benefit of creditors; or

(f) Tenant shall default in the observance or performance of one or more of the other covenants, agreements and conditions on the part of the Tenant to be observed or performed under this Lease, and such default shall continue for a period of 30 days after written notice specifying such default, provided, however, that Tenant shall have an additional reasonable period

to cure such default if (i) such default is incapable of being cured within said 30 day period, (ii) during such 30 day period steps shall have been taken to commence curing the default, and (iii) such cure shall thereafter be completed with due diligence and, in all events, within 60 days; provided, however, that habitual or repeated violations of any provision of this Lease, including, without limitation, the provisions of Section 7.1, shall constitute an event of default hereunder and give the Landlord the right to enforce all its remedies hereunder;

(g) The license granted to Tenant to operate the Facility shall be suspended for more than 14 days, admissions to the Facility shall be curtailed with respect to 10% or more of the licensed beds by any governmental agency for more than 30 days, or Facility shall be suspended from participation in the Medicaid or Medicare Program for more than 60 days, provided that if the Tenant has taken all action necessary to have the admissions curtailment lifted but such curtailment is pending a revisit or inspection, then it shall not be a default hereunder pending such revisit or inspection. None of the foregoing shall be deemed to be an Event of Default if solely attributable to the fact that the Facility is undergoing repair or renovation. The cure provisions of sub-paragraph (f) shall be applicable to Events of Default arising under this sub-paragraph (g);

THEN, in any such event Landlord, at any time thereafter and while such Event of Default is continuing, may give written notice to Tenant specifying such Event or Events of Default and stating that this Lease and the Term shall expire and terminate on the date specified in such notice, and upon the date specified in such notice, subject to the provisions of Section 17.4 hereof, this Lease and the Term and all rights of the Tenant under this Lease shall expire and terminate;

PROVIDED, HOWEVER, that no Event of Default shall be deemed to occur if any of the foregoing shall result from, or be caused by, the Landlord.

Section 17.2. In the event of cancellation or termination of this Lease either by operation of law, by issuance of a dispossessionary warrant, by service of notice of cancellation or termination as herein provided, or otherwise, Landlord may reenter and repossess the Premises, using such force for that purpose as may be permitted by law, and Tenant shall nevertheless remain and continue liable to Landlord for all Rent reserved herein for the remainder of the Term. If Landlord shall so re-enter, Landlord may repair the Premises in such manner as to Landlord may seem necessary or advisable and/or let or relet the Premises or any parts thereof for the whole or any part of the remainder of the Term herein originally demised or for a longer period, in Landlord's name or as the agent of Tenant, and out of any rent collected or received as a result of such letting or reletting, Landlord shall first pay to itself the cost and expense of retaking, repossessing and repairing the Premises, and the cost and expense of removing all persons and property therefrom; second, pay to itself the cost and expense sustained in securing any new tenants and, if Landlord shall maintain and operate the Premises, the cost and expense of operating and maintaining the Premises (giving credit, however, to any income or revenue derived therefrom); and, third, pay to itself any balance remaining on account of the liability of Tenant to Landlord for all Rent reserved herein and unpaid by Tenant for the remainder of the Term. No re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall absolve or discharge Tenant from liability hereunder.

Section 17.3. Should any rent so collected by Landlord after the aforementioned payments be insufficient to fully pay to Landlord a sum equal to all such Rent reserved herein, the

balance or deficiency shall be paid by Tenant on the rent days herein specified, that is, upon each of such rent days Tenant shall pay to Landlord the amount of the deficiency then existing, and Tenant shall be and remain liable for any such deficiency; and the right of Landlord to recover from Tenant the amount thereof, or a sum equal to all such Rent reserved herein, if there shall be no reletting, shall survive the issuance of any dispossession warrant or other cancellation or termination hereof, and Landlord shall be entitled to retain any surplus; and Tenant hereby expressly waives any defense that might be predicated upon the issuance of such dispossession warrant or other cancellation or termination hereof.

Section 17.4. In any of the circumstances hereinabove mentioned in which Landlord shall have the right to hold Tenant liable upon the several days that Rent is due hereunder as above provided, Landlord shall have the election, in place and instead of holding Tenant so liable, forthwith to recover against Tenant as damages for loss of the bargain and not as a penalty, in lieu of any other damages becoming due under this Lease, an aggregate sum which at the time of such termination of this Lease or of such recovery of possession of the Premises by Landlord, as the case may be, represents the then present worth of the excess, if any, of the aggregate of the Rent and all other charges payable by Tenant hereunder that would have accrued for the balance of the term over the aggregate rental value of the Premises to be received by the Landlord (such rental value to be computed on the basis of a tenant paying not only a rent to the Landlord for the use and occupation of the Premises, but also such additional rent and other charges as are required to be paid by Tenant under the terms of this Lease) for the balance of such Term.

Section 17.5. A suit or suits for the recovery of such deficiency or damages, or for a sum equal to any installment or installments of Rent hereunder, may be brought by Landlord from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this Lease or the Term would have expired by limitation had there been no such default by Tenant or no such cancellation or termination.

Section 17.6. Nothing in this Article 17 contained shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by any statute or rule of law governing such proceeding and in effect at the time when such damages are to be provided, whether or not such amount be greater, equal to or less than the amount of the damages referred to herein.

Section 17.7. No failure by Landlord or Tenant to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Landlord or Tenant and no breach thereof shall be waived, altered or modified except by a written instrument executed by Landlord or Tenant. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 17.8. In the event of any breach by Tenant of any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to enjoin such breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided in this Lease.

Section 17.9. Each right and remedy of Landlord provided in this Lease shall be cumulative and shall be in addition to every other right or remedy provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 17.10. In all cases hereunder, and in any suit, action or proceeding of any kind between the parties, it shall be presumptive evidence of the fact of the existence of a charge being due if Landlord shall produce a bill, notice or certificate of any public official entitled to give the same to the effect that such charge appears of record on the books in his office and has not been paid.

Section 17.11. Except as otherwise provided by law, no receipt of moneys by Landlord from Tenant, after the cancellation or termination hereof in any lawful manner, shall (a) reinstate, continue or extend the Term of this Lease or (b) affect any notice theretofore given to Tenant or (c) operate as a waiver of the right of Landlord to enforce the payment of Rent then due or thereafter falling due or (d) operate as a waiver of the right of Landlord to recover possession of the Premises by proper suit, action, proceeding or other remedy, it being agreed that, after the service of notice to cancel or terminate as herein provided and the expiration of the time therein specified, after the commencement of any suit, action, proceeding or other remedy, or after a final order or judgment for possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, suit, action, proceeding, order or judgment; and any and all such moneys so collected shall be deemed to be payments on account of Tenant's liability hereunder in any order or manner as Landlord may elect in its sole discretion.

Section 17.12. If a court of competent jurisdiction shall determine that notwithstanding the provisions of Article 17 hereof the Term shall not have been terminated and that a trustee (or Tenant) in a proceeding or case under Title 11 of the United States Bankruptcy Code (the "Code") has the right to assign this Lease under the conditions specified in Section 365(f) of the Code and if there is an assignment by such trustee or by Tenant pursuant to Section 365(f) of the Code (or otherwise as authorized by a court order in such a proceeding or case), then all proceeds and other consideration received by the trustee (or Tenant) from, in connection with, or attributable to the assignment of this Lease, shall constitute the property of, and be turned over upon receipt to, Landlord. It is agreed that none of the proceeds of any such assignment shall become the property of the Tenant or any debtor's estate created by Section 541 of the Code. Any such proceeds in excess of Tenant's outstanding aggregate obligations hereunder shall be paid to Tenant.



Section 17.13. Tenant shall pay to Landlord interest at the rate of two (2%) percentage points per annum above the prime rate then charged by JP Morgan Chase, from time to time, but in no event less than six (6%) percent per annum on all overdue Rent or Additional Rent from the due date thereof until paid and in addition thereto with respect to any Rent which is due and payable, but remains unpaid for more than ten (10) days.

Section 17.14. In the event that Landlord shall fail in the performance and observance of any of the agreements, conditions and terms herein contained on its part to be performed, or observed, and if such failure shall continue for fifteen (15) days after service of written notice by Tenant, provide that if such failure is not susceptible to cure within said fifteen (15) days, then Landlord shall have such additional time as granted by Tenant to effect such cure as may reasonably be necessary provided Landlord immediately undertakes and diligently pursues such cure; Tenant shall have the right, at its option, to terminate the Lease or continue the Lease and to seek reimbursement of Rent for any damages suffered as a result of Landlord's default.

### **ARTICLE XIII**

#### **Representations by Landlord**

Section 18.1 Tenant acknowledges that the Landlord does not currently own the Demise Premises, but is a contract purchaser of the Premises under the PSA. Landlord hereby assigns to the Tenant all of the representations and warranties and other covenants made to the Landlord under the PSA by the seller therein (the "Representations, Warranties and Covenants"). To the extent that such assignment does not allow the Tenant to directly enforce the Representations, Warranties and Covenants, the Landlord agrees that it will, at Tenant's request, and on Tenant's behalf, and at Tenant's sole cost and expense, enforce all of the Representations, Warranties and Covenants for the benefit of the Tenant in the Landlord's name and any and all amount received in any such enforcement actions shall be the sole property of the Tenant. Except as otherwise set forth in this Lease or any other written agreement between Landlord and Tenant, Tenant covenants that no representations, statements, warranties, express or implied, have been made by or on behalf of Landlord in respect of the Premises or any matter related thereto.

Section 18.2. Landlord makes the following representations and warranties as of the date hereof:

(a) Landlord is duly organized, validly existing and in good standing under the laws of the State of New Jersey. Landlord has the full power and authority necessary to execute, deliver and perform its obligations under this Lease.

(b) The execution, delivery and performance of the Lease will have been duly authorized by all necessary limited liability company action on the part of Landlord. The Lease to be executed and delivered by Landlord has been or will be, as the case may be, duly executed and delivered by Landlord and constitute or will constitute the legal, valid and binding obligations of Landlord, enforceable in accordance with its respective term, except as may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, or as may be modified by a court of equity.

(c) Except as set forth in the Lease, the execution, delivery and performance by Landlord of the Lease to be executed and delivered: (i) will not conflict with any provision of Landlord's organizational documents; (ii) will not conflict with or result in a violation of any law, ordinance, regulation, ruling, judgment, order or injunction of any court or governmental instrumentality to which Landlord is subject or by which Landlord or any of its assets or properties are bound, which could have a material adverse effect on this Premises or the enforceability of this Lease; (iii) will not create any Lien upon the Premises.

(d) Prior to the Effective Date, Landlord shall have good and marketable title to, a valid leasehold interest in, or a valid license to use the Premises covered by this Lease and to transfer or assign same to Tenant.

#### **ARTICLE XIX**

##### **New Jersey Law Governs**

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

#### **ARTICLE XX**

##### **Waiver of Trial by Jury**

IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THE RESPECTIVE PARTIES HERETO SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR CLAIM OF INJURY OR DAMAGE.

#### **ARTICLE XXI**

##### **Successors and Assigns**

The agreements, terms, covenants and conditions herein shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, legal representatives, successors and, except as otherwise provided herein, their assigns.

#### **ARTICLE XXII**

##### **Invalidity of Particular Provisions**

If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

#### **ARTICLE XXIII**

##### **Notices; Covenant to Provide Mail**

Section 23.1. All notices, demands and requests under this Lease shall be deemed to have been properly given if sent by United States certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier addressed to the addresses set forth in the first page hereof, or upon acknowledged receipt of the other party. Any party may designate a change of address by written notice to the other party given at least ten (10) days before such change of address is to become effective.

Section 23.2. Notices, demands, requests and deliveries shall be served or made in the manner aforesaid and shall be deemed sufficiently served, given or made for all purposes hereunder (a) upon receipt, (b) in the case of certified mail, three business days after deposited in any Post Office, Branch Post Office, mail box or mail chute regularly maintained by the United States Government, or (c) in the case of overnight courier, one business day after deposited with such courier with instructions for next-day delivery.

#### **ARTICLE XXIV**

##### **Quiet Enjoyment; Conveyance by Landlord**

Section 24.1. Tenant, upon paying the Rent and other charges herein provided for and observing and keeping all covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Term, without hindrance or molestation by anyone claiming by or through Landlord, subject, however, to the exceptions, reservations and conditions of this Lease.

Section 24.2. In case Landlord hereto or any successor owner of the Premises shall convey or otherwise dispose of the Premises, Landlord or such successor owner shall be and remain liable only for such liabilities and obligations on the part of Landlord or such successor owner as shall have accrued under this Lease prior to such conveyance or disposal. Upon such conveyance or disposal, any and all liabilities and obligations thereafter imposed upon Landlord under this Lease shall be binding solely upon the new landlord of the Premises.

#### **ARTICLE XXV**

##### **Limitation of Liability**

Section 25.1. Notwithstanding anything to the contrary contained in this Lease, it is specifically understood and agreed that all liabilities of Landlord hereunder shall be limited to the interest of Landlord in the Premises and Tenant hereby agrees that any judgment it may obtain against Landlord as a result of any breach of any of the terms, covenants or conditions hereof by the Landlord shall be enforceable solely against the Landlord's fee interest in the Premises.

#### **ARTICLE XXVI**

##### **Brokerage**

Section 26.1. Landlord and Tenant mutually represent and warrant that they have dealt with no broker in connection with this lease, and neither Landlord nor Tenant knows of any broker who has claimed or may have the right to claim a commission in connection with this transaction. Landlord and Tenant shall indemnify and defend each other against any costs, claims or expenses, including attorney's fees, arising out of the breach on their respective parts of any

representation, warranty or agreement contained in this Section. The representations and obligations under this Section shall survive the expiration or earlier termination of this Lease.

## **ARTICLE XXVII**

### **Entire Agreement; Modification**

Section 27.1. This Lease contains the entire agreement of Landlord and Tenant with respect to the letting of the Premises, and any oral agreements with respect to such letting are superseded by this Lease. This Lease may only be modified by an express writing indicating such modification signed by Landlord and Tenant.

## **ARTICLE XXVIII**

### **Surrender**

Section 28.1. Tenant shall and will on the last day of the Term, or upon any re-entry by Landlord on the Premises and the Facility pursuant to the provisions of this Lease, well and truly surrender to, and deliver up into the sole possession and use of, Landlord, without further delay: (a) all right, title and interest in and to the right to operate the Facility's licensed long-term care beds; (b) all right, title and interest in and to the operation of the Facility Beds; and (c) the Premises, which Premises shall be surrendered in good repair, order and condition, except for ordinary wear and tear, broom clean and free and clear of all liens and encumbrances other than those, if any, created by Landlord. To the extent that, during the Term of the Lease, Tenant shall have replaced all or any of the personal property constituting part of the Premises on the Effective Date, or brought additional personal property constituting furniture, fixtures, equipment or similar personal property onto the Premises for the purpose of the Facility's operation, all of such replacement or additional personal property shall be deemed to be part of the Premises and shall remain on the Premises after the termination of the Lease. All such Equipment shall be free and clear of all liens, charges and encumbrances.

Section 28.2. The Parties acknowledge and agree that it is the intent of the parties herein that each of the Facility's beds (the "Facility Beds") may and shall be operated by Tenant only in accordance with the terms and conditions of this Lease. Tenant further acknowledges and agrees that (a) Tenant had no authority or right to obtain the License for any of the Facility Beds, except as a result of Tenant's limited interest in the Facility pursuant to this Lease; and (b) Landlord has, and will continue to have, upon the expiration or earlier termination of this Lease an ownership interest in the Facility and each of the Facility Beds sufficient to defeat any attempt by Tenant to either: (i) sell, assign, lease or otherwise convey an interest in any portion, or all, of the Facility Beds to a third party; (ii) operate any portion, or all, of the Facility Beds at a location other than on the Premises at the Facility, even if such location is situate within the County the facility is located or any adjacent county; or (iii) seek permission to, or actually, replace the Facility, whether with all or any of the Facility Beds, with a facility at any location other than the Premises, even if such location is situate within the same County or any adjacent county, for the operation of any portion, or all, of the Facility Beds. It is the intention of the parties that the Tenant deliver to Landlord or Landlord's designee, upon the expiration or earlier termination of this Lease, for any reason whatsoever, a fully functioning, equipped and licensed Facility, in conformance with the terms and conditions of this Lease and the applicable statutes, rules and regulations. To that end, at least 30 days prior to the termination of this Lease, Tenant shall assign to Landlord or

to its designees all rights in any and all certificate of need and rights to operate and conduct all health care activities conducted on the Premises, and all long term, residential care and other licenses, and, shall sign all such consents or applications to the applicable governmental authority attending to its consent to the transfer of all right to operate the Facility to Landlord or its designee. Tenant hereby irrevocably designates Landlord as its attorney-in-fact to execute and deliver, on behalf of Tenant, all such consents, applications and instruments of assignment. Such designation shall be deemed to be a power coupled with an interest to protect Landlord's right to re-acquire the license to operate the Facility.

## **ARTICLE XXIX**

### **Memorandum of Lease**

Section 29.1. Neither Landlord nor Tenant shall record this Lease in its entirety.

Section 29.2. Upon request of either party, Landlord and Tenant agree to execute and deliver a memorandum of this Lease, and a memorandum of any modification of this Lease, in recordable form at the cost of the requesting party.

Section 29.3. In the event that a party requests a memorandum of this Lease, such party, as a condition of the execution and delivery of a memorandum of this Lease, will place in escrow with the other party's counsel, a discharge of the memorandum of this Lease ("Discharge"), to be held in escrow until the end of the Term, or until this Lease is earlier terminated. If a party claims that the Lease has terminated and that the Discharge should be released from escrow and filed, the party shall send a written notice to the other party ("Notice"), with a copy to counsel holding the Discharge in escrow, requesting a release from escrow of the Discharge. If the counsel does not receive a written notice objecting ("Objection Notice") to the release from escrow of the Discharge within five (5) business days after the receipt of the Notice, the counsel shall release the Discharge from escrow. If the counsel receives an Objection Notice within the five (5) day period, the counsel shall continue to hold the Discharge in escrow until directed by both parties or a court of competent jurisdiction.

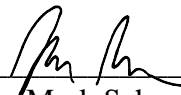
*[Signature Page Follows]*

[SIGNATURE PAGE TO LEASE]

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed as of the date first written above.


LANDLORD:

**Cornell Propco LLC**

By: \_\_\_\_\_  
Name: Mark Schwartz  
Title: Authorized Signatory

TENANT:

**Cornell Healthcare and Rehab Center  
LLC**

By: \_\_\_\_\_  
Name: Mark Schwartz  
Title: Authorized Signatory