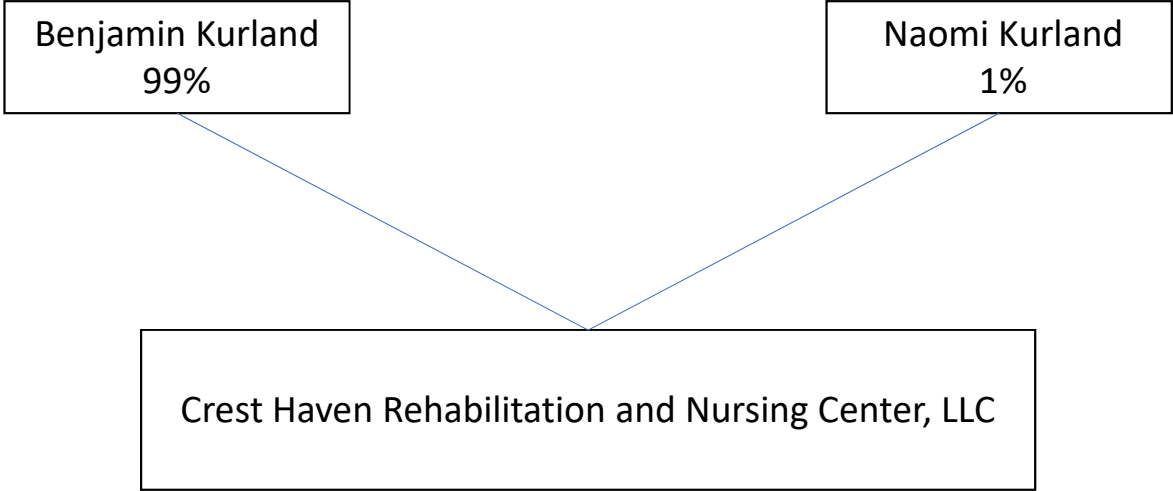


APPLICATION SUMMARY

Date application filed:	11/4/2024
Name of facility:	Crest Haven Rehabilitation and Nursing Center, LLC
License number:	060501
Address:	4 Moore Road, Cape May Court House, NJ 08210
County:	Cape May
Project Description:	This project involves the Transfer of Ownership of the building and operations of Crest Haven Nursing and Rehabilitation Center in Cape May County.
Licensed capacity:	180 LTC
Current Licensed Owner:	Board of Commissioners of the County of Cape May
Proposed Licensed Owner:	Crest Haven Rehabilitation and Nursing Center, LLC
Proposed Management Company and Ownership:	N/A
Ownership of Property:	County of Cape May, New Jersey

**PROPOSED OWNERSHIP OF
CREST HAVEN REHABILITATION AND
NURSING CENTER, LLC**



**CURRENT OWNERSHIP OF
CREST HAVEN ~~VUSI~~ ~~GA~~ ~~REHABILITATION~~
REHABILITATION CENTER**

Board of County Commissioners of the County of Cape May
Leonard C. Desiderio, Commissioner Director
Andrew Bulakowski, Commissioner Vice-Director
Will Morey, Commissioner
Bobby Barr, Commissioner
Melanie Collette, Commissioner

100%

Crest Haven ~~Vu~~ ~~si~~ ~~ga~~ ~~re~~ ~~h~~ ~~ab~~ ~~ilitatio~~ ~~n~~ Center

List of Facilities Owned, Operated, or Managed by Benjamin and Naomi Kurland

Facility	Address
Morris View Healthcare Center	540 W Hanover Avenue Morristown, NJ 07960
Grandview Nursing and Rehabilitation center	78 Woodbine Lane Danville PA 17821
Allaire Rehab and Nursing	115 Dutch Lane Rd Freehold NJ 07728
Morristown Post Acute Rehabilitation and Nursing	77 Madison Ave Morristown NJ 07960
Center for Living and Rehabilitation	160 Hospital Dr Bennington VT 05201
Spring Creek Rehab and Nursing Center	1 Lindbergh Ave Perth Amboy NJ 08861
Grove Park Rehabilitation and Nursing Center	101 N Grove St East Orange NJ 07017
Claremont Nursing and Rehabilitation	1000 Claremont Rd Carlisle PA
Lock Haven Rehabilitation and Senior Living Center	22 Cree Drive Lock Haven, PA
Riverview Estates Rehabilitation and Senior Living Center	303 Bank Ave Riverton NJ 08077
Fallsview at Boonton	199 Powerville Rd Boonton NJ 07005
Allarian Rehabilitation and Senior Living LLC	5300 W 16th Avenue Hialeah FL 33012
Las Palmas Senior Living LLC	5300 W 16th Avenue Hialeah FL 33012
The Center for Rehabilitation and Nursing at Washington Township	535 Egg Harbor Road Sewell NJ 08080
Bradford Hills Nursing & Rehabilitation Center	15900 US 6 Troy PA 16947

LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease”) is executed on ____, 2023 and effective as of January 1, 2024 (the “Effective Date”), by and between the **COUNTY OF CAPE MAY**, a body corporate and politic of the State of New Jersey, with offices located at 4 Moore Road, Cape May Court House, New Jersey 08210 (the “Lessor” or “County”) and **ALLAIRE HEALTH SERVICES, INC.** with its principal offices at 115 Dutch Lane Road, Freehold, New Jersey 07728 (“Allaire” or “Lessee”). The County and Lessee may collectively be called in this Lease the “Parties” and each may be a “Party.”

WITNESSETH:

WHEREAS, the County owns real property formally known as Block 115.02, Lot 2, consisting of 12.85 acres located at 12 Moore Road, in the Township of Middle, County of Cape May, and the improvements thereon, a depiction of which is attached hereto as **Schedule “A”** (“Leased Premises”) upon which is situated Crest Haven Nursing and Rehabilitation Center (“Crest Haven”);

WHEREAS, Crest Haven is a 180-bed skilled nursing facility operated by the County and provides a broad scope of care ranging from long-term to rehabilitative services;

WHEREAS, the County issued a Request for Competitive Contracting Proposals (2023 Specification 46, Request for Proposals for the Operation and Lease of County Property), pursuant to the New Jersey Local Public Contracts Law, N.J.S.A. 40A:11-4.1 *et seq.*, attached hereto as **Schedule “B”** (the “RFP”);

WHEREAS, the RFP offered experienced private, long-term healthcare organizations the opportunity to submit a proposal to lease and continue operating Crest Haven as a long term care skilled nursing facility and sub-acute rehabilitation facility;

WHEREAS, Allaire submitted a proposal responsive to the RFP and, in Lessor’s determination, was a responsible healthcare organization with a proven record in operating long-term care skilled nursing facilities that submitted the most advantageous proposal to the RFP;

WHEREAS, the County has awarded the contract to Lessee, subject to the terms of this Lease and the Addendum hereto, an Interim Management and Administrative Services Agreement (“Interim Agreement”) and an Operations Transfer Agreement (the “OTA”), with all terms and conditions of the RFP incorporated herein by this reference as if fully set forth verbatim. This

Lease, the Interim Agreement, and the OTA shall be collectively referred to as the "Transaction Documents";

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **RECITALS**

1.01 The recitals above in the preamble of this Lease Agreement are incorporated into this Section 1.01 as though fully set forth herein verbatim.

2. **LEASE OF PREMISES; USE**

2.01 Lessor, for and in consideration of the rent, terms, covenants and agreements herein reserved and contained on the part of Lessee to be paid, kept, observed and performed, shall lease, rent, let and demise the Leased Premises, and Lessee does hereby take the Leased Premises, upon and subject to the conditions and limitations hereinafter expressed in this Lease.

2.02 The Leased Premises shall only be used for the operation of a long-term care facility, as well as other health-related activities that are consistent with the operation of a long-term care facility and in a manner which will not adversely impact current residents, or which might void any policy of insurance covering Crest Haven, or which might render any loss insured thereunder uncollectible, or which would be in violation of any governmental restriction. In the event Lessee wishes to use all or any portion of the Leased Premises for any non-health related use not presently being performed on the Leased Premises, the Lessee shall obtain the prior written consent of Lessor, which it may approve in its sole and absolute discretion. If Lessor consents, Lessor agrees to join with Lessee, at Lessee's expense, in seeking to obtain the consent of any governmental agency having authority over the Leased Premises, to such other use.

2.03 Without limitation of the terms and provisions of the Interim Agreement and OTA, Lessee shall, as of the Commencement Date (as hereinafter defined), have access to and shall be exclusively entitled to use all furniture, fixtures, machinery, equipment, and other items of personal property comprising the assets located at, in or on Crest Haven. All assets are provided for Lessee's use in connection with this Agreement and for no other purpose, and are provided in an "as is" condition. Except as otherwise set forth in this Lease or the OTA, Lessor makes no representations or warranties as to the condition of the assets and Lessor has no responsibility to replace or repair any such assets. Lessee shall not remove any furniture, fixtures or equipment that are used in

connection with the operation of Crest Haven although Lessee may remove such assets from active use and may replace any such items as necessary.

2.04 Concurrently with the execution and delivery of this Lease, Lessor and Lessee have entered into the Interim Agreement and the OTA in the forms attached hereto as **Exhibits “C” and “D”**, and will perform in accordance therewith. Lessee shall not, without the prior written consent of the Lessor: (i) cease to operate Crest Haven as a licensed, long-term care, facility, with at least 180 licensed beds; (ii) merge, sublet, sell or incorporate Crest Haven; or (iii) transfer or release any individual resident who resides at Crest Haven upon the commencement of this Lease unless: (a) documented consent of such resident is received; or, (b) such transfer is for medical necessity, where medical necessity is defined as care not provided at Crest Haven, as determined by a medical professional in accordance with standard industry practice. In accordance with this Section 2.04(iii), residents who reside at Crest Haven upon the commencement of this Lease shall be granted bed holds for hospitalizations regardless of the length of stay.

2.05 Lessee shall use its commercially reasonable efforts to operate and manage Crest Haven by implementing best practices for quality of care and resident and patient safety, utilizing its good faith efforts to obtain a five-star Overall Quality rating from the Centers for Medicare & Medicaid Services. To this end and commencing at such time as the first month's Rent is due, Lessor agrees to reduce the annual lease payment set forth in Section 4.01 below for an increase in Crest Haven's Overall Quality rating as established by the Centers for Medicare & Medicaid Services (“CMS Rating”); more specifically, Crest Haven presently has a CMS Overall Quality Rating of three stars and Lessor agrees to reduce the monthly Rent payment by fifteen percent (15%) if Crest Haven achieves a CMS Overall Quality Rating of four stars, and Lessor agrees to reduce the monthly Rent payment by twenty percent (20%) if Crest Haven achieves a CMS Overall Quality Rating of five stars. Each month, Lessee shall determine the applicable reduction in the monthly Rent payment based upon the CMS Overall Quality Rating prior to payment. In the event CMS materially changes the CMS Rating System, the Parties shall review the revised CMS Rating system and adjust the foregoing provisions accordingly.

Further, Lessee shall use its best efforts to ensure that it uses the Leased Premises and operates Crest Haven in substantial compliance with all applicable federal, state, and local laws, rules, regulations and ordinances and standards of accrediting bodies including municipal land ordinances and the requirements of Medicare and Medicaid. In the event during the Term of this

Agreement that any actions or omissions taken or not taken hereunder by Lessee, at any time, shall fail to substantially comply with any applicable federal, state or local law, rule regulation or ordinance including municipal land use ordinances and the requirements of Medicare and Medicaid, such failure shall be cured as soon as practical by Lessee and, to the extent such failure requires the modification of this Agreement, Lessee and Lessor agree to make such modification to cause this Agreement to comply with all applicable rules, laws, regulations and ordinances including the requirements of Medicare and Medicaid.

Lessee shall promptly provide to Lessor as and when received by Lessee, all notices, reports or correspondence from governmental agencies and accrediting bodies that assert non-compliance, deficiencies or charges against Crest Haven that, if not remedied within the applicable cure period, will result in the suspension, revocation, or any other action adverse to any approval, authorization, certificate, termination, license, permit or accreditation required or necessary to own or operate Crest Haven, including municipal land use compliance and the participation in Medicare and Medicaid programs. Lessee may appeal any action taken by any governmental agency against Crest Haven, provided that such contest shall not result in the suspension or termination of operations of Crest Haven; and provided that Lessee shall adequately secure and protect the Lessor from loss, cost, damage or expense by bond or other means reasonably satisfactory to Lessor in order to contest by proper legal proceedings the validity of any such statute, ordinance, law, regulation or order.

2.06 Lessee shall, during the Term, maintain the following requirements in its operation of Crest Haven: (i) continue to provide the same services presently provided by the County at Crest Haven including continuing long-term and rehabilitative care to every resident and patient receiving same by the County at Crest Haven at the time of the Term; (ii) ensure that Cape May County residents have the first option to utilize twenty-five (25%) percent of the beds of Crest Haven regardless of the source of payment (e.g. Medicaid, Medicare, insurance or self-pay) and ensure that the policies of Crest Haven reflect such preference (to the extent permitted by applicable law) it being understood that depending upon the occupancy and prior residency of Crest Haven at any point in time, less than twenty-five (25%) percent of the beds may be utilized by Cape May County residents with the Lessee not being required to hold beds in case of the possibility that Cape May County residents may wish to use them in the future; (iii) provide visiting/family rights to family members throughout the week, at a minimum from 8AM to 8PM except in the event of

health emergencies or as otherwise required under Department of Health regulations and guidance; (iv) develop comprehensive emergency management program for Crest Haven to include the development and maintenance of facility Emergency Operations Plan and other preparedness plans outlining scalable protocols and procedures to undertake during a variety of potential emergencies and disasters (which may include evacuation and relocation plans, utility interruption plans, severe weather protocols, etc.); (v) provide for on-site security staff to control access to the building and support individual events that might arise which demand more assistance and/or oversight than is available by the medical/care staff; (vi) keep the County informed on all industry and Federal and State regulatory changes that materially affect the operations of Crest Haven and/or the Lessee's ownership of the long term care facility license ("License") for Crest Haven in good standing, as well as promptly advising the County of any material correspondence, communications, and/or adverse findings or serious complaints regarding audit, sanction or inspection, Medicare ratings and/or any other communication having a material adverse monetary or regulatory impact; and (vii) permit the County to conduct inspections of the Leased Premises no less than quarterly to be conducted by the County, its designees, and/or consultants hired by the County, upon reasonable prior notice and in a manner which does not interfere with the operations of Crest Haven and otherwise complies with all applicable patient privacy and other laws, rules and regulations.

2.07 Lessee agrees, as a condition to the Lessor entering into this Lease Agreement, that the Interim Agreement shall: (i) provide all existing County employees who were employed at Crest Haven at January 1, 2024, and whose County employment is being terminated as a result of the Interim Agreement, and who are willing, interested and able, an opportunity to apply for employment with the Lessee; (ii) offer employment first to such employees identified in Section 2.07(i), who are not restricted by any condition of their former County employment, or retirement status, from employment opportunities at Crest Haven; and (iii) offer all full-time employees hired in connection with Section 2.07(ii) the right to participate in Lessee's employer-sponsored health benefits program and a retirement savings program.

3. TERM; COMMENCEMENT DATE

3.01 The Parties acknowledge that the Transaction Documents require that the Parties undertake certain actions necessary to transition operation of the Facility prior to commencement of the Term, including the receipt of approval of the New Jersey Department of Health to the transfer of the License to Lessee. The Parties agree to commence such transition activities promptly upon

the execution of the Transaction Documents. The initial term (the "Initial Term") of this Lease shall be for a period of ten (10) years commencing on the License Closing Date (as defined in the OTA) (the "Commencement Date"). On or about the Commencement Date, the parties shall execute and deliver a Commencement Date Rider setting forth the Commencement Date which shall be attached to and become part of this Lease.

3.02 Lessee shall have the right to renew the Initial Term for up to four (4) consecutive ten (10) year terms (each a "Renewal Term") by providing written notice not less than one hundred eighty (180) days prior to the end of the Initial Term or any Renewal Term, and each such renewal shall be under and subject to the terms and conditions of this Lease, except that the fourth Renewal Term shall be for nine (9) years and there shall be no renewal following the 49th year without the Lessor's prior written approval, which shall not be unreasonably withheld, delayed or conditioned. The Initial Term and the Renewal Terms may collectively be called the "Term."

3.03 This Lease shall automatically terminate upon the termination or expiration of the OTA prior to the Commencement Date or upon the termination of the Interim Agreement in a manner which does not result in the License being transferred to Lessee

4. RENT; ADDITIONAL RENT

4.01 In consideration of this Lease, Lessee covenants and agrees to pay Lessor annual rent in the amount of [REDACTED], commencing on the six month anniversary of the Commencement Date ("Rent Commencement Date"). The Rent shall increase two percent (2%) on the anniversary of the Rent Commencement Date of each even year (e.g., assuming the Rent Commencement Date is on July 1, 2024, then the increase shall occur on July 1 in each of 2026, 2028, 2030, and 2032) following the Rent Commencement Date, including each year of the Renewal Terms (2034, 2036, 2038, 2040, 2042, etc.). Rent shall be made payable monthly in equal installments and received by Lessor within fifteen (15) days of becoming due and owing.

4.02 Except as may be specifically authorized in this Lease, there shall be no abatement, apportionment or suspension of the Rent payable hereunder except as otherwise specifically provided in this Lease.

4.03 Lessee shall pay and discharge at Lessee's sole cost and expense, during the Term, the following additional rent: (i) all real property taxes, if any, levied against the Leased Premises, assessments and water rents, rates and charges, sewer rents, charges of utilities and communication

services serving the Leased Premises (as set forth in the RFP), and any other governmental impositions and charges of every kind and nature whatsoever, general and special, extraordinary as well as ordinary, foreseen and unforeseen and each and every installment thereof (except those due before the Commencement Date which is responsibility of Lessor) and all fees and charges of public and governmental authorities for construction, maintenance, occupation or use of the Leased Premises or in respect of the construction, maintenance or use of any part of any building, demised hereunder within the limits of any street, be charged, laid, levied, assessed or imposed upon or against, or otherwise become due and payable in respect of, the Leased Premises or any part thereof, or of any buildings, appurtenances or equipment thereon or therein or any part thereof; (ii) all sales, value added, use and similar taxes levied, assessed or payable on account of the leasing or use of the Leased Premises; and (iii) all taxes charged, laid, levied, assessed or imposed in lieu of any of the matters described in clauses (i) and (ii) aforesaid, together with all interest and penalties thereon, under or by virtue of all present or future laws, ordinances, requirements, orders, directions, rules or regulations of the federal, state, county and municipal government and of all other governmental authorities whatsoever ("Additional Rent"). Lessee shall, within ten (10) days after its receipt of the same, produce and exhibit to Lessor receipted bills or sufficient and adequate copies of same, as proof of payment of the items enumerated above. Without affecting Lessee's obligation to make payment as aforesaid, Lessee shall indemnify and hold the Lessor harmless from and against any liability with respect to the foregoing charges to the extent that Lessee is responsible therefor under this Lease.

4.04 Upon written notice to Lessor, Lessee shall have the right to contest or review by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, Lessee shall conduct promptly at its own expense and free of any expense to Lessor, and, if in Lessee's opinion necessary, in the name of Lessor), and compromise or settle any tax, assessment, provided that such contesting or review will not subject Lessor to civil or criminal penalties of any nature and upon condition that before instituting any such proceedings, if the contested items shall not have been paid, Lessee shall furnish to Lessor a surety bond written by a corporate surety company duly licensed to do business in the State of New Jersey and reasonably acceptable to Lessor, sufficient to cover the full amount of the contested items together with all interest and penalties for the period which such proceedings may reasonably be expected to take, securing payment of such contested items, interest and penalties and all costs in connection therewith, and upon the furnishing of such

surety bond Lessee shall not be deemed to be in default in the payment or such contested items. Notwithstanding the provisions of the foregoing sentence or the furnishing of any such surety bond, Lessee shall promptly pay all such items if at any time the Leased Premises or any part thereof or any of the Rent, any of the Additional Rent or any other amounts payable hereunder shall be in danger of being forfeited or lost by reason of such nonpayment, or if such nonpayment would subject Lessor to civil or criminal penalties of any nature, and upon such payment in full any such surety bond may be canceled and discharged. The legal proceedings herein referred to shall include appropriate certiorari proceedings and appeals from orders therein and appeals from any judgments, decrees or orders, but all such proceedings shall be begun as soon as is reasonably possible after the imposition or assessment of any contested item and shall be prosecuted to final adjudication in good faith and with due diligence. Lessor shall, upon request of Lessee, join as a party in any such proceedings and shall execute, at the request of Lessee, all of such documents as shall be reasonably necessary to prosecute such proceedings; provided that Lessee shall reimburse Lessor for any out-of-pocket expenses (including reasonable attorneys' fees) incurred by Lessor in connection therewith. In the event of a final adjudication or settlement of any such contested item, Lessee shall promptly pay the amount finally levied or assessed against the Leased Premises or adjudicated to be due and payable on any such contested item plus any interest and penalty to be paid on the entire amount unpaid, and upon such payment in full and proof of such payment to Lessor within twenty (20) days after such payment, any such bond may be canceled and discharged, and if there shall be any refund with respect thereto Lessee shall be entitled to such refund.

4.05 Except as otherwise set forth in this Lease, all Rent and Additional Rent shall be payable without prior notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction conditioned by the absence of default by Lessor, after notice and opportunity to cure, at Lessor's address as set forth above, or such other location as may be designated by Lessor in writing from time to time. Lessee may make payments of rent and any of sums which may come due by electronic fund transfer to County of Cape May as follows: Account #2742971, TD Bank, Marmora, New Jersey, ABA #031201360, ATTN: Marmora Branch, NJ.

4.06 Lessee shall pay to Lessor interest at the rate of six percent (6%) per annum on all overdue Rent and Additional Rent not received within the time set forth in Section 4.01 above.

5. **MAINTENANCE AND IMPROVEMENTS**

5.01 Lessor shall be solely responsible to keep, maintain, and replace as necessary, the structural components (foundation, columns, load bearing walls, and all outdoor elements, including the exterior façade) of the Leased Premises, all utility lines and pipes to the point of entry to the Leased Premises, all paved areas including sealing and striping such that there are no potholes or other condition that may compromise its utility and safety, and all exterior landscaping on the Leased Premises, including snow removal.

5.02 The Leased Premises are provided for Lessee's use in connection with this Agreement and for no other purpose, and are provided in an "as is" condition, Lessee having acknowledged the condition of the Leased Property as contained in the Property Condition Evaluation attached to the RFP as Schedule D thereof. The maintenance, repair, and replacement of the major building systems (boiler room, HVAC, fire sprinkler system, and elevator) are the responsibility of the Lessee.

5.03 Except as set forth in Sections 5.01 above or Section 10 below, Lessor shall not be required to make any expenditure whatsoever in connection with the Leased Premises or to repair or maintain the Leased Premises and/or the equipment and assets provided in Section 2.03 (to the extent used by Lessee) during the Term. Subject to Sections 5.01, Lessee shall at all times, and its sole cost and expense, be responsible for all ongoing upkeep, maintenance, and improvements upon the commencement of the Term, including all capital improvements, and shall plan, supervise, and conduct a program of regular maintenance, repair and improvement, and maintain a log of all material repairs, replacements or improvements made to the Leased Premises.

5.04 Except for Lessor's obligations under Sections 5.01, Lessee shall be responsible for obtaining the all permits and approvals from any governmental agencies as required to maintain, repair, and/or improve the Leased Premises.

5.05 Lessee shall defend, indemnify and hold harmless Lessor from and against any and all claims, demands, losses, actions, causes of action, suits, judgments, liability, reasonable expenses and damages arising out of any act, failure to act or negligence on the part of Lessee and Lessee's contractors, subcontractors, agents, or servants, arising out of or connected with the maintenance, repair, and/or improvements to the fullest extent permitted by law, the RFP and in compliance with its obligations set forth in this Lease.

5.06 Each of Lessor's and Lessee's work as required in this Section 5 shall be performed in a good and workmanlike manner and shall comply in all respects with the RFP and with all lawful requirements applicable to the Leased Premises.

5.07 Lessee shall be responsible for the management, operation and maintenance of the Leased Premises in compliance with federal, state and municipal laws, ordinances and regulations relative to the leasing, management, operation, repair and maintenance of the Leased Premises, and with the rules, regulations or orders of the local fire inspection department, the agency or board (state or local) of casualty insurance underwriters or other similar body. Lessee shall promptly remedy any violation of any such law, ordinance, rule, regulation or order which comes to its attention to the extent such remedy is within the control of Lessee.

5.08 Lessee shall attend to the making and supervision of all ordinary and extraordinary repairs, decorations, and alterations to the Leased Premises.

5.09 Lessee shall physically inspect the Leased Premises' sprinkler system and fire alarm system (detectors, booster panels and other parts) annually or in such other earlier time frame required by applicable law, regulation, ordinance or license with visual inspections performed no less than quarterly throughout the Term.

5.10 Lessee shall undertake to make the Repairs, as defined in the Addendum executed contemporaneously with this Lease, as soon as practicable.

6. **NEGATIVE COVENANTS OF LESSEE**

6.01 Lessee shall operate and manage the Leased Premises in a first-class manner, and shall not, without limitation:

- (a) damage the Leased Premises, or any part of the Leased Premises;
- (b) bring into or permit to be kept in the Leased Premises any dangerous, explosive or obnoxious substances;
- (c) conduct themselves or permit their agents, servants, employees or invitees to conduct themselves in a manner that in Lessor's judgment reasonably exercised is improper or unsafe;
- (d) abandon the Leased Premises;
- (e) allow any sign, advertisement or notice to be fixed to the Leased Premises, except as shall be specifically approved in writing by Lessor, which approval may not be

unreasonably withheld, conditioned or delayed and as shall be consistent with applicable land use or other laws, regulations or ordinances;

(f) other than in the ordinary course of maintaining the Leased Premises, cut, injure or remove any trees or shrubs, nor make or allow any physical change in the natural conditions of the Leased Premises without written approval of Lessor; or

(g) violate any applicable laws, rules, regulations, or ordinances now or hereafter in effect, or use the Leased Premises in any manner inconsistent with the terms and conditions of the Lease or otherwise in violation of any applicable laws, rules, regulations, or ordinances now or hereafter in effect, including without limitation the Township of Middle Zoning Ordinance.

7. UTILITIES; REAL ESTATE TAXES

7.01 Lessor represents, warrants, and covenants that as of the Commencement Date and at all times during the Term, the Leased Premises shall be served by electric, potable water and sanitary sewer public services. Lessee shall have the right to select its utility service providers, and shall pay for all utilities used by it in the Leased Premises during the Term. Lessee may install any utility improvements reasonably necessary to Lessee's Use of the Leased Premises.

7.02 Lessee shall be responsible for all real estate taxes, assessments and any other municipal, county and state charges that may be attributable to the Leased Premises which may become a lien against the Leased Premises. Lessor acknowledges Lessee's right to appeal the taxes on the Leased Property and shall provide Lessee, upon receipt, with all forms, notices and/or instructions, including, but not limited to, Chapter 91 requests from the municipality, that relate to real estate taxes for the Leased Premises. Lessor shall fully cooperate with Lessee if Lessee determines, in its sole discretion, to file a tax appeal for the Leased Premises.

7.03 The Parties shall use their best efforts to prevent any liens from being levied against the Leased Premises which arise from any maintenance, repairs, alterations, improvements, renewals or replacements in or to the Facility, other than to secure the financing thereof. Both Parties shall cooperate fully in obtaining the release of any such liens, and the cost thereof, if the lien was not occasioned by the fault of either Party, shall be treated the same as the cost of the matter which it relates. If the liens arise as a result of the fault of either Party, then the Party at fault shall bear the cost of obtaining the lien release.

8. COMPLIANCE WITH LAWS

8.01 Lessee shall promptly comply with all laws, ordinances, rules, regulations, requirements and directives of federal, state and municipal governments or public authorities and all departments thereof applicable to and affecting the Leased Premises, and shall promptly comply with all orders, regulations, requirements and directives of the Board of Fire Underwriters or similar authority and of any insurance carriers which have issued or are about to issue policies of insurance covering the Leased Premises and their contents, for the prevention of fire or other casualty, damage or injury, at Lessee's sole cost and expense.

9. ASSIGNMENT, MORTGAGING, SUBLETTING

9.01 Lessee shall not assign, create a security interest in, pledge or encumber this Lease, in whole or in part, or sublet the whole or any part of the Leased Premises or permit the use of the whole or any part thereof by any licensee or concessionaire without the prior written approval of Lessor, which approval shall not be unreasonably withheld, conditioned or delayed.

9.02 Subject to the terms herein and Lessor's prior written approval of the form and substantive content of any sublease prior to submission for signature, all Subleases are to be prepared by Lessee in accordance with the Use and requirements established in this Lease Agreement.

10. DESTRUCTION AND DAMAGE

10.01 During the Term, if the structure or improvements are destroyed or damaged in whole or in part by fire or other cause, Lessee shall give to Lessor within three (3) business days after such occurrence, notice thereof by courier guaranteeing overnight delivery. Upon receipt of such notice the Lessee and the Lessor shall have such rights and obligations as set forth in this Section 10.

10.02 In the event the damage due to fire or other casualty is so substantial that in Lessee's good faith opinion the damage would: (i) make the Leased Premises unusable for its intended Use; or (ii) reduce the number of licensed resident beds to less than 120, then Lessee shall have the option to cancel this Lease by giving written notice (the "Cancellation Notice") to Lessor within ninety (90) days following any such occurrence. Then on the first day of the month following the month on which the Cancellation Notice was received, this Lease shall be terminated, except that Lessee shall be liable to Lessor for the Rent and all other obligations accrued prior to the date of the casualty as aforesaid. In the event that the Leased Premises shall be partially damaged by fire, the elements or other casualty, the Lessor shall repair the same as speedily as practicable, and the

Lessee's obligation to pay the Rent and Additional Rent hereunder shall abate until restoration is complete in proportion to inutility of the Leased Premises. However, if, in the opinion of the Lessor reasonably exercised, the Leased Premises are so substantially damaged that the Lessor decides not to rebuild, then the Rent shall be paid up to the time of such destruction and thenceforth this Lease shall come to an end. If the Lessee shall have been insured against any of the risks herein covered, then the proceeds of such insurance shall be paid over to the Lessor to the extent of the Lessor's costs and expenses to make the repairs hereunder, and such insurance carriers shall have no recourse against the Lessor or Lessee.

10.03 If, at any time during the last two (2) years of the Term, the Leased Premises shall be so destroyed or damaged by fire and cannot, in the good faith opinion of the Lessee be repaired within six (6) months of the date of the casualty, the Lessee may, within the period of thirty (30) days after the date on which such destruction or damage occurs, give notice of its election to terminate this Lease, and this Lease and the Term shall cease and expire on the date of expiration of the period of ten (10) days after the date on which such notice is given with the same force and effect as if such date were the date originally set forth in this Lease for the expiration of this Lease and the Term except that Lessee shall be liable to Lessor for the Rent and all other obligations under this Lease which shall have accrued prior to the date of such damage or destruction and the proceeds of all insurance obtained and maintained by Lessor shall be paid to and belong to Lessor, but free and clear of all other claims, liens or encumbrances.

11. DEFAULT

11.01 The occurrence of any of the following shall constitute a material default and breach of this Lease or the OTA by Lessee (an "Event of Default"):

(a) A failure by Lessee to pay, when due, any installment of Rent or Additional Rent hereunder or any such other sum herein required to be paid by Lessee where such failure continues for twenty (20) days after the same is due.

(b) A failure by Lessee to observe and perform any non-monetary terms or conditions of this Lease or the OTA to be observed or performed by Lessee including, but not limited to the use and performance requirements set forth in Sections 2.05 and 2.06 above, or suspension, termination or other debarment of Crest Haven's or Lessee's participation in Medicare or Medicaid, where such failure to observe or perform the terms or conditions continues for more than twenty (20) days (the "Cure Period") after written

notice thereof from Lessor to Lessee, (unless another period of time has been specifically designated elsewhere in this Lease). If the nature of the default is such that it cannot reasonably be cured within the Cure Period, Lessee shall not be deemed to be in default if Lessee shall reasonably commence curing the default and use commercially reasonable, continuous efforts to diligently pursue the same to completion;

(c) The making by Lessee of any assignment for the benefit of creditors; an adjudication that Lessee is bankrupt, insolvent, or unable to pay its debts; the filing by or against Lessee of a petition in bankruptcy or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days after the filing thereof); the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located in the Leased Property or of Lessee's interest in this Lease (unless possession is restored to Lessee within thirty (30) days after such appointment); or the attachment, execution or levy against, or other judicial seizure of, substantially all of Lessee's assets located in the Leased Property or of Lessee's interest in this Lease (unless the same is discharged within twenty-one (21) days after issuance thereof); and

(d) Subject to the terms and conditions of Section 11.01(b) above, a failure of the Lessee to comply with any of the terms and provisions of this Lease or the Operations Transfer Agreement where such failure continues for twenty (20) days after Lessor provides written notice to cure and if the nature of the default is such that it cannot reasonably be cured within the Cure Period, Lessee shall not be deemed to be in default if Lessee shall use commercially reasonable, continuous efforts to diligently pursue the same to completion; and

(e) If Lessee's authority or license to operate Crest Haven shall be revoked or if the Lessee is convicted of a crime or enters into an agreement whereby it admits liability or culpability which materially impairs the operation of Crest Haven and the License.

(f) If the License of the Facility is revoked;

(g) The making by Lessee of any intentional misrepresentation or material omission in this Lease.

11.02 Upon the occurrence of an Event of Default as set forth in 11.01(b) above, Lessor may, at its option, at any time thereafter, during the continuance of such Event of Default, give written notice to Lessee stating that this Lease and the Term shall expire and terminate. Upon the giving of such notice, the Term and all rights of the Lessee hereunder, shall expire and terminate as if that date were the date herein definitely fixed for the termination of the Term, and the Lessee hereof shall quit and surrender the Leased Premises, but Lessee shall remain liable as hereinafter provided.

11.03 In the event of the termination of the Lease Agreement, either upon expiration of the Term or Renewal Term, by operation of law (by issuance of a dispossessory warrant, or by termination as provided above or otherwise) or if an Event of Default shall occur, Lessee shall, if required by Lessor to do so and to the extent permitted under applicable law, immediately surrender to Lessor the Leased Premises and quit the operation of Crest Haven, and Lessor may enter upon and repossess the Leased Premises by summary proceedings, ejectment or otherwise, without being liable to indictment, prosecution or damages therefor, and may remove Lessee and any and all of the equipment owned by Lessee from the Leased Premises, subject to the rights of any residents or patients of Crest Haven and to any requirements of applicable law. Subsequent to taking possession of the Leased Premises pursuant to this Article 11, including but not limited to the transfer of the License or other authority from the Lessee to the Lessor or its designee or the transition of the residents to another facility in the event Crest Haven is closed by the New Jersey Department of Health and/or other entity with applicable jurisdiction, Lessor shall have the sole right, to the greatest extent permissible under applicable law, to operate Crest Haven and/or appoint a designee to operate Crest Haven and Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, with full power of substitution, to seek all applicable approvals, and to effect the transfer of any licenses, permits, or contracts necessary or desirable, to permit Lessor to do so. No taking of possession of the Leased Premises by or on behalf of Lessor, and no other act done by or on behalf of Lessor, shall constitute an acceptance of surrender of the Leased Premises by Lessee or reduce Lessee's obligations under this Lease, and Lessee shall nevertheless remain and continue liable to Lessor for a sum equal to all Rent, Additional Rent and other payment and charges reserved herein for the remainder of the Term, unless otherwise expressly agreed to in a written document signed by an authorized officer or agent of Lessor. If Lessor shall so

re-enter, Lessor may, at its option, repair and alter the Leased Premises in such manner as the Lessor may deem necessary or advisable, and/or let or relet the Leased Premises or any parts thereof for the whole or any part of the remainder of the Term, or for a longer period, in Lessor's name or as agent of Lessee, and out of any rent collected or received as a result of such letting or reletting Lessor shall: first, pay to itself the cost and expense of retaking and repossessing the Leased Premises and the cost and expenses of removing all persons and property therefrom; second, pay to itself the cost and expense sustained in securing a new lessee, and if Lessor shall maintain and operate the Leased Premises, the cost and expense of operating and maintaining the Leased Premises; and, third, pay to itself any balance remaining on account of the liability of Lessee to Lessor for the sum equal to all Rent, Additional Rent and other payments and charges reserved herein and unpaid by Lessee for the remainder of the Term. Lessor shall in no way be responsible or liable for any failure to relet the Leased Premises or any part thereof, or for any failure to collect any rent due on any such reletting. Should any rent so collected by Lessor after the aforementioned payments be insufficient fully to pay Lessor a sum equal to all such Rent, Additional Rent and other payments and charges reserved herein, the deficiency shall be paid by Lessee on the applicable Rent Days herein specified, that is, upon each of such Rent Days Lessee shall pay to Lessor the amount of the deficiency then existing; and the Lessee shall be and remain liable for any such deficiency and the right of Lessor to recover from Lessee the amount thereof, or a sum equal to all such Rent, Additional Rent and other payments and charges reserved herein, if there shall be no reletting, shall survive the issuance of any dispossessory warrant or other termination hereof, and Lessor shall be entitled to retain any surplus; and Lessee hereby expressly waives any defense that might be predicated upon the issuance of such dispossessory warrant or other termination hereof.

11.04 Suit for the recovery of such deficiency or damages, or for a sum equal to any installment or installments of rent, taxes, insurance and other charges hereunder, may be brought by Lessor, from time to time at Lessor's election, and nothing herein contained shall be deemed to require Lessor to await the date whereon this Lease or the Term would have expired had there been no such default by Lessee or termination.

11.05 No receipt of money by Lessor from Lessee or any other person after termination of this Lease, or after the giving of any notice of termination of this Lease, shall reinstate, continue or extend

the Term or affect any notice theretofore given to Lessee, or operate as a waiver of the right of Lessor to enforce the payment of Rent, Additional Rent and other sums of money and other charges herein reserved and agreed to be paid by Lessee then due or thereafter falling due, or operate as a waiver of the right of Lessor to recover possession of the Leased Premises by proper remedy, except as herein otherwise expressly provided, it being agreed that after the service of notice to terminate this Lease or the commencement of suit or summary proceedings, or after final order or judgment for the possession of the Leased Premises, Lessor may demand, receive and collect from Lessee any monies due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, except as herein otherwise specifically provided, all such monies being collected being deemed payments on account of the use and occupation of the Leased Premises or, at the election of Lessor, on account of Lessee's liability hereunder. Lessee hereby expressly waives any right to a jury trial in the event of summary proceedings.

11.06 Lessee hereby expressly waives the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings toward that end. The terms "enter", "re-enter", "entry" or "re-entry" as used in this Lease are not restricted to their technical legal meaning.

11.07 In the event of a termination of this Lease Agreement by reason of the occurrence of an Event of Default by Lessee hereunder: (a) all unexpired insurance premiums, all deposits theretofore made by Lessee with utility companies, all rights of Lessee under all insurance policies, any claims for refund of any impositions, any pending claims for insurance proceeds or condemnation awards, all monies and securities of Lessee then held by Lessor and all fuel and supplies of the Leased Premises, shall be deemed to be and are hereby assigned to and transferred to Lessor in consideration for payment by Lessor to Lessee (or credit by Lessor against obligations of Lessee to Lessor) of the amount of such unexpired premiums and deposits; and (b) Lessee shall deliver to Lessor for redelivery to any successor operator of the Facility all agreements with residents and advance payments then held by Lessee with respect to any and all residents not previously turned over to Lessor.

11.08 No failure by Lessor or Lessee 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 or payment of other charges 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 Lessor or Lessee, and no breach thereof, shall be waived, altered or modified except by a written

instrument executed by Lessor or Lessee, as the case may be. 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.

12. MUTUAL COOPERATION REGARDING LICENSE

12.01 The Parties acknowledge and agree that it is the intent of the Parties that each of the resident beds may and shall be operated by Lessee only in accordance with the terms and conditions of this Lease and the Operations Transfer Agreement and in accordance with all applicable laws and regulations relating to long term nursing care facilities. The Parties agree that: (i) they will cooperate in good faith with each other and use their best efforts to expedite the issuance/transfer of such permissions for Lessee to operate the Facility (e.g., by promptly responding to requests for additional information and documents from the Department of Health and Senior Services). In the event this Lease either expires at the end of any Term, or terminates due to a breach by the Lessee, Lessor shall have the sole right to operate under the License and the right to apply for the transfer of the License or other authority to Lessor or its designee and, provided that Lessor in good faith applies for, and diligently pursues the transfer of the License or other authority to Lessor or its designee, then Lessee shall cooperate and take all steps required, at no cost to Lessee, with such application by Lessor.

13. SURRENDER

13.01 At the termination or end of the Term of this Lease, Lessee shall surrender the Leased Premises to Lessor, together with all alterations, additions and improvements thereto, in broom clean condition and in good order and repair except for ordinary wear and tear and except as provided in Section 10. Lessee shall surrender the Leased Premises to Lessor at the end of the Term hereof, without notice of any kind, and Lessee waives all right to any such notice as may be provided under any laws now or hereafter in effect. If Lessee shall fail to remove Lessee owned equipment, furniture, trade fixtures or other personal property, Lessor may keep same as abandoned property.

14. QUIET ENJOYMENT

14.01 Lessor covenants that Lessee upon paying Rent and Additional Rent and performing the terms, conditions and covenants required to be kept and performed by Lessee under this Lease shall and may peaceably and quietly have, hold and enjoy the Leased Premises for the Term hereof.

15. LESSOR'S ACCESS

18.01 Lessor, its employees and agents shall have the right to enter the Leased Premises at all reasonable times for the purpose of examining or inspecting the Leased Premises, showing the

Leased Premises to prospective purchasers, lessees or mortgagees, and making such alterations, repairs, improvements or additions to the Leased Premises as Lessor may deem necessary or desirable. Except in case of emergency, any such entry shall be after reasonable notice to Lessee and shall be conducted in a manner so as not to interfere with the ordinary operations of Crest Haven and shall be subject to all applicable patient privacy and other laws, rules and regulations. If a representative of Lessee shall not be present to permit entry into the Leased Premises at any time when such entry by Lessor is necessary or permitted hereunder, Lessor may enter by means of a master key (or forcibly in the event of an emergency) without liability to Lessee and without constituting an eviction of Lessee or termination of this Lease. No locks, burglar alarms or similar devices shall be attached to any doors or windows or placed otherwise within the Leased Premises without the prior written consent of Lessor. All keys must be returned to Lessor at the expiration or termination of this Lease.

16. NOTICES

20.01 All notices, demands, requests, approvals or other communications which may be or are required to be given, served or sent by either party or their respective counsel to the other shall be in writing and shall be deemed to have been properly given or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier and effective upon receipt, addressed as follows:

(a) If intended for Lessee, addressed to Lessee at the address hereinabove set forth, to the attention of:

Ben Kurland
Allaire Health Services
115 Dutch Lane
Freehold, New Jersey 07728

with a copy to:

CSG Law
105 Eisenhower Parkway
Roseland, NJ 07068
Att: Morris Bienenfeld

(b) If intended for Lessor, addressed to Lessor at the address hereinabove set forth, to the attention of:

Clerk of the Board of County Commissioners
County of Cape May
4 Moore Road, DN-107
Cape May Court House, New Jersey 08210

with a copy to:

County Counsel
County of Cape May
4 Moore Road, DN-104
Cape May Court House, New Jersey 08210

Each Party may designate by notice in writing a new address to which any notice, demand, request, approval or communication may hereafter be so given, served or sent. Each notice, demand, request, approval or communication which shall be mailed by registered or certified mail or delivered by a nationally recognized overnight courier to Lessor or Lessee in the manner aforesaid shall be deemed sufficiently given, served or sent for all purposes hereunder at the time such notice, demand, request, approval or communication shall be mailed by United States registered or certified mail, return receipt requested, postage prepaid, in any post office or branch post office regularly maintained by the United States Government, as the case may be.

17. NEW JERSEY LAW, CAPE MAY COUNTY COURTS

17.01 This Lease shall be governed by and construed in accordance with the laws of the State of New Jersey, excluding choice of law rules and the application thereof. Any and all actions to enforce or to interpret this Lease shall be brought in the Superior Court of New Jersey, Cape May County.

18. INVALIDITY OF PARTICULAR PROVISIONS; NO WAIVERS

18.01 If any term or provision of this Lease or the application thereof to any person or circumstances 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.

18.02 Failure of either Party to complain of any act or omission on the part of the other Party or to take any action in response to such act or omission, no matter how long the same may continue, shall not be deemed to be a waiver of any of its rights hereunder. No waiver by either Party at any time, express or implied, of any breach of any provision of this Lease shall be deemed

a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision.

19. ENTIRE AGREEMENT

19.01 The terms and conditions of this Lease Agreement and the attached Operations Transfer Agreement are conditioned upon, and subordinate to, the terms and conditions of 2023 Specification No. 46 (Request for Proposals for the Operation and Lease of County Property) and Lessee's proposal thereto. 2023 Specification No. 46, Lessee's proposal in response to 2023 Specification No. 46, this Lease Agreement, and the Operations Transfer Agreement represent the entire agreement between the Parties hereto and there are no other or collateral oral agreements or understandings. No addition, modification or variation shall be enforceable unless the same shall be in writing and signed by the Parties hereto.

19.02 In the event of a conflict between the RFP, this Lease and any of the Transaction Documents, the following documents shall have priority in the order listed: (i) the RFP, (ii) the Lease, (iii) the OTA , and (iv) the Interim Agreement.

19.03 All references in this Lease to numbered Articles and Sections and to lettered Exhibits are references to the Articles and Sections of this Lease and the Exhibits annexed to and made a part of this Lease, unless expressly otherwise designated in context.

19.04 The titles to Sections of this Lease are for convenience of reference only, and are not to be construed as defining, limiting or modifying the scope or intent of any of the terms and conditions of this Lease.

20. MEMORANDUM OF LEASE/MEMORANDUM OF OPERATIONS

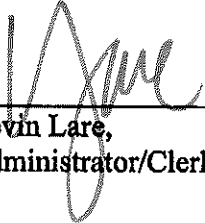
20.01 Neither Lessor nor Lessee shall record this Lease or the Operations Transfer Agreement in its entirety.

20.02 Upon request of either Party, Lessor and Lessee agree to execute and deliver a memorandum of this Lease and/or Operations Transfer Agreement, and a memorandum of any modification of this Lease and/or Operations Transfer Agreement , in recordable form at the cost of the requesting Party.

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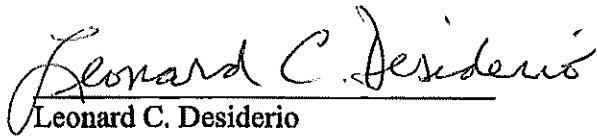
IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be executed the day and year first above written.

ATTESTED:



Kevin Lare,
Administrator/Clerk of the Board

LESSOR:



Leonard C. Desiderio
Commissioner Director

ATTESTED:



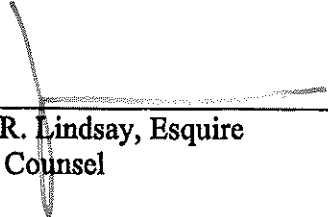
Mark Polich

LESSEE:



Ben Kurland
President

APPROVED AS TO FORM:



Jeffrey R. Lindsay, Esquire
County Counsel