

Emerald Hills Rehab And Nursing Center
350 Oxford Rd Oxford, NJ 07863

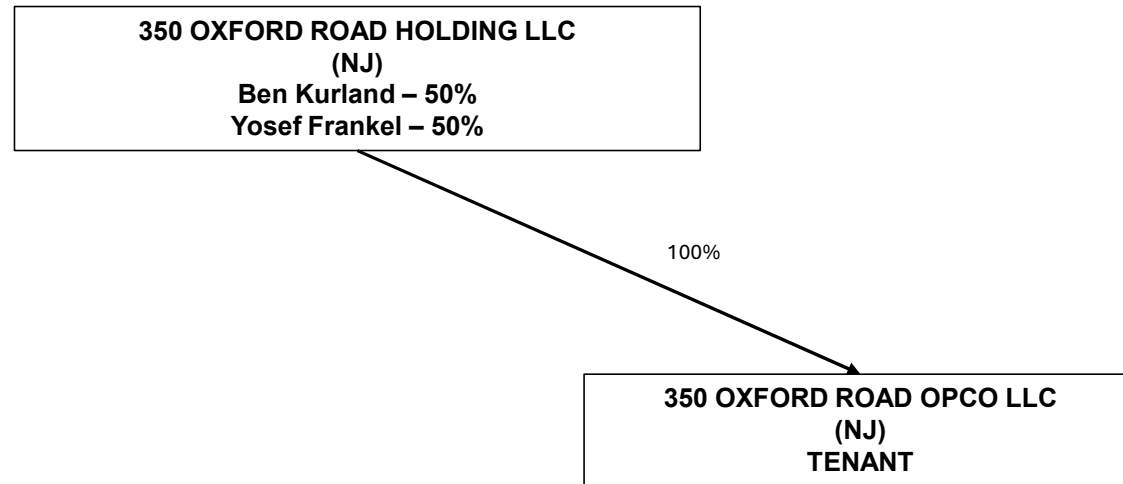
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|---|--|
| Date Application Filed: 07/10/2025 | |
| Name of Facility: | Warren Haven Rehab and Nursing Center |
| New Name of Facility: | 350 OXFORD ROAD OPCO LLC DBA: Emerald Hills Rehab And Nursing Center |
| License No. | 62102 |
| Address: | 350 Oxford Road Oxford, NJ 07863 |
| County: | Warren County |
| Project Description: | This application involves the Transfer of Ownership of Warren Haven Rehab and Nursing Center in Warren County. The new owner will operate the facility through a lease agreement with 350 OXFORD ROAD PROPCO LLC. This transfer also includes a transfer of real estate. |
| Licensed Capacity: | 180 LTC Beds |
| Current License Owner: | See organizational chart on next page |
| Proposed Licensed Owner: | See organizational chart on next page |
| Proposed Management Company: | Diamond Healthcare Management LLC |
| Owner of Real Estate: | 350 OXFORD ROAD PROPCO LLC |
| New Jersey Experience: | See attached facility list of other NJ facilities operated by Applicant. |
| Location of stored medical records post-closing: | 350 Oxford Road Oxford, NJ 07863 |

POST CLOSE OPCO ORG CHART

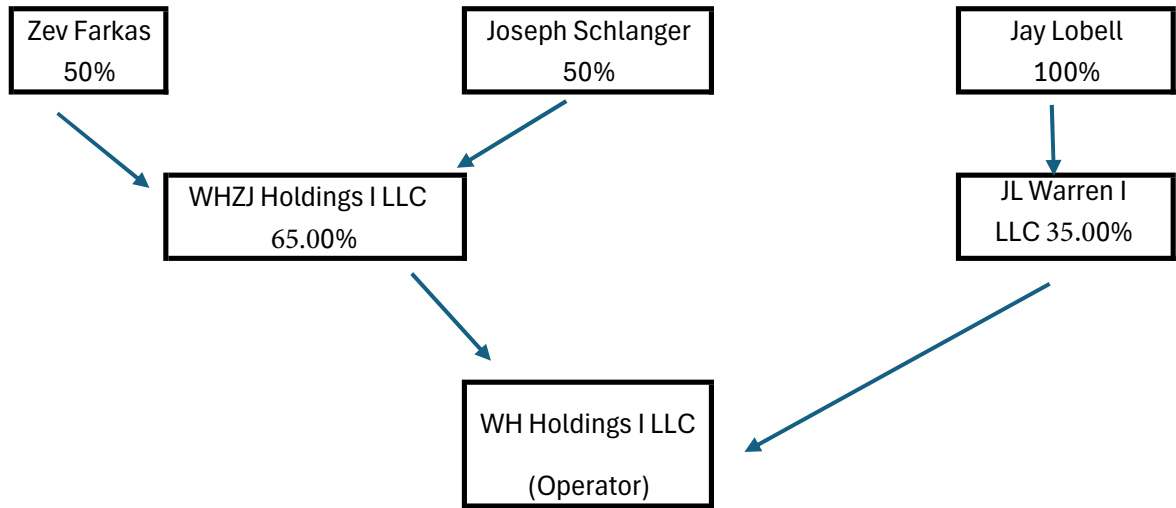
FHA No.: 031-22114

Project Name: Warren Haven Rehab and Nursing Center

Project Address: 350 Oxford Road, Oxford, NJ 07863



PRE-CLOSE OPCO ORG CHART



Diamond Healthcare Nursing Homes

| Name Legal | DBA | License # | Address |
|--------------------------------------|---------------------------|------------------|--------------------------------------|
| Diamond Healthcare at Brookmont LLC | Brookmont Healthcare | Lic # 023002 | 510 Brookmont Drt Effort PA |
| Diamond Healthcare at West Allen LLC | Jewel Health and Rahab | Lic # 121802 | 535 N 17th Street Allentown PA |
| Diamond Healthcare at Stroud LLC | Sapphire Health and Rehab | Lic # 194002 | 221` E Brown ST. East Stroudsburg PA |

Allaire Health Services**Facilities under Ownership or Management****New Jersey**

| Facility | Location | Beds | Medicare No. |
|--|-----------------|-------------|---------------------|
| Allaire Rehab & Nursing | Freehold, NJ | 174 | 315387 |
| Morris View Healthcare Center | Morristown, NJ | 283 | 315303 |
| Grove Park Healthcare & Rehabilitation Center | East Orange, NJ | 185 | 315147 |
| Morristown Post Acute Rehabilitation & Nursing Center | Morristown, NJ | 287 | 315157 |
| Spring Creek Healthcare Center | Perth Amboy, NJ | 179 | 315305 |
| Fallsview Rehabilitation & Nursing | Boonton, NJ | 117 | 315492 |
| Riverview Estates Rehabilitation & Nursing Center | Riverton, NJ | 60 | 315448 |
| The Center for Rehabilitation & Nursing at Washington Township | Sewell, NJ | 190 | 315231 |

Pennsylvania

| Facility | Location | Beds | Medicare No. |
|--|------------------|-------------|---------------------|
| Grandview Nursing & Rehabilitation Center | Danville, PA | 172 | 395623 |
| Claremont Nursing & Rehabilitation Center | Carlisle, PA | 282 | 395660 |
| Lock Haven Rehabilitation & Senior Living | Lock Haven, PA | 146 | 395616 |
| Bradford Hills Nursing & Rehabilitation Center | Troy, PA | 200 | 339586 |
| West Park Rehabilitation & Healthcare Center | Philadelphia, PA | 176 | 395686 |
| Sunset Ridge Rehabilitation & Nursing Center | Bloomsburg, PA | 66 | 395953 |
| Brookmont Healthcare & Rehabilitation Center | Effort, PA | 119 | 395462 |
| Jewel Healthcare & Rehabilitation Center | Allentown, PA | 146 | 395264 |
| Mountain View Rehabilitatyon and Senior Living | Coal Township PA | 271 | |
| Haven Place | Lock Haven, PA | 90 | 395031 |

Vermont

| Facility | Location | Beds | Medicare No. |
|--|-------------------|-------------|---------------------|
| The Center for Living & Rehabilitation | Bennington, VT | 130 | 475029 |
| Rutland Center for Living & Rehabilitation | Rutland, VT | 103 | 475039 |
| Springfield Center for Living & Rehabilitation | Springfield, VT | 96 | 475025 |
| St. Johnsbury Center for Living & Rehabilitation | St. Johnsbury, VT | 99 | 475019 |

Florida

| Facility | Location | Beds | Medicare No. |
|------------------------------|-------------|------|--------------|
| Las Palmas Senior Living | Hialeah, FL | 124 | AL |
| Susanna Wesley Health Center | Hialeah, FL | 120 | 105498 |
| The Palms of Sebring | Sebring, FL | 120 | 105037 |

AL

HEALTH CARE CENTER FACILITY LEASE

between

350 Oxford Road Propco LLC

(Landlord)

and

350 Oxford Road Opco LLC

(Tenant)

dated as of

[____], 2025

HEALTH CARE CENTER FACILITY LEASE

THIS LEASE (“**Lease**”) made as of [____], 2025, by and between 350 Oxford Road Propco LLC, a New Jersey limited liability company (“**Landlord**”) and 350 Oxford Road Opco LLC, a New Jersey limited liability company (the “**Tenant**”).

RECITALS

WHEREAS, concurrently herewith, Landlord is purchasing that certain real property, which is more particularly described on Exhibit A attached hereto and made a part hereof (the “**Real Property**”); and

WHEREAS, Tenant desires to operate a skilled nursing facility (the “**Facility**”) upon the Real Property; and

WHEREAS, Landlord desires to lease the Leased Premises (as hereinafter defined) to Tenant and Tenant desires to lease the Leased Premises from Landlord pursuant to the terms, conditions and covenants set forth herein; and

NOW, THEREFORE, in consideration of the mutual covenants, agreements, promises, representations and warranties set forth herein and for TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I INCORPORATION OF RECITALS

1.1 Incorporation of Recitals. The aforesaid Recitals are hereby incorporated into this Lease as if fully set forth herein. The Landlord and Tenant are hereinafter sometimes individually referred to as a “**Party**” and collectively referred to as “**Parties**.”

ARTICLE II LEASED PREMISES

2.1 Leased Premises. Effective upon the date hereof (herein, the “**Commencement Date**”), Landlord hereby leases to Tenant, and Tenant leases from Landlord, on the terms and conditions set forth in this Lease, the following assets:

(A) All of the Landlord’s right, title, and interest in and to the Real Property and the Facility, including, without limitation, all buildings, structures, erections, improvements, appurtenances, easements and fixtures, including fixed machinery and fixed equipment situated thereon or forming a part thereof; and

(B) All machinery, equipment, fixtures, furniture, furnishings owned by Landlord and used in the operation of the Facility.

All of the items listed in Sections 2.1(A) and 2.1(B) herein are hereinafter collectively referred to as the “**Leased Premises**.” Landlord and Tenant acknowledge and understand that all of the items which comprise the Leased Premises, as repaired, rebuilt, replaced, restored, altered or added to as

permitted or required by provisions of this Lease, shall be transferred back to Landlord upon expiration or earlier termination of this Lease.

ARTICLE III TERM AND RENT

3.1 Term of Lease and Rent.

(A) Initial Term. The initial term of this Lease shall be for a period of thirty (30) years commencing at 12:00:01 A.M. on the Commencement Date, and ending at 11:59:59 P.M. on the thirtieth (30th) anniversary of the Commencement Date (the “**Initial Term**”). As used herein with respect to the Term and the periods for payment of rent (unless the context otherwise requires) the term “year” or “lease year” shall mean a 365 day period (or 366 day period in the case of a leap year), first commencing on the Commencement Date and thereafter on successive anniversaries thereof, and ending on the day prior to the next succeeding anniversary of the Commencement Date.

(B) Extension Term. Tenant shall have the option to extend the term of this Lease, upon the same terms and conditions set forth herein (except that there shall be no additional option to extend the term hereof) and for the applicable annual Rent described in Section 3.2, for two (2) extension terms of ten (10) years (each, an “**Extension Term**”) (the Initial Term and the Extension Term(s), if exercised, are hereinafter collectively referred to as the “**Term**”); provided, however, that the foregoing option shall be effective only if (i) Tenant has not assigned the Lease or sublet all or substantially all of the Leased Premises, nor has any third party succeeded to the rights of Tenant hereunder, (ii) Tenant has fully and timely performed all of its obligations under this Lease, including, without limitation, payment of Rent and other charges, and (iii) Tenant is not in default of any of its obligations under this Lease at the time the option is exercised or at the time of commencement of the Extension Term, and upon the failure of any of the foregoing conditions, the option shall be null and void. If Tenant desires to exercise the foregoing option to extend the term of this Lease, then, unless waived by Landlord, Tenant must do so by delivering written notice thereof to Landlord no later than one (1) year prior to the end of the Initial Term or any Extension Term. If Tenant fails to exercise the option herein provided for the first Extension Term, the option shall be terminated and tenant shall have no right to exercise the option for the second Extension Term.

(C) Rent. Beginning in the first (1st) year of the Term and for each succeeding year thereafter, Tenant shall pay Landlord rent as set forth on Exhibit B attached hereto and all other charges, fees, costs and expenses due hereunder (the “**Rent**”) during the Term, without deduction or setoff and without demand. Rent shall be due and payable in advance in equal monthly installments during each year on the first (1st) day of each calendar month thereof throughout the Term, except as otherwise provided herein. Rent for any period which is less than a full calendar month or full year, as the case may be, during the Term, shall be prorated on a daily basis. Rent shall be paid to Landlord at Landlord’s address set forth in Section 13.1 hereof or at such other place as Landlord designates from time to time by written notice to Tenant.

3.2 Dispute. If a dispute arises between Landlord and Tenant (each acting reasonably and in good faith) regarding the calculation of the amount of Rent due during any time period under this Lease, Tenant shall nonetheless pay to Landlord the full amount of Rent that Landlord asserts is due and by the date when due hereunder.

3.3 Net Lease Provisions. Landlord and Tenant intend that the Rent herein specified shall be net to Landlord in each year during the Term, and that all costs, expenses and obligations of every kind relating to the Leased Premises (except Landlord's income taxes and except as otherwise specifically provided in this Lease) which may arise or become due during the Term shall be timely paid by Tenant and that Landlord shall be indemnified by Tenant against such costs, expenses and obligations. Tenant's obligation to pay Rent is independent of all, and is in no manner conditioned upon any, other covenants, conditions and obligations of Landlord or Tenant under this Lease.

3.4 Rent Tax. If any governmental taxing authority levies, assesses, or imposes any tax, excise or assessment (other than income or franchise taxes) upon or against the rentals payable by Tenant to Landlord, including without limitation sales tax on rents, either by way of substitution for or in addition to any existing tax on land and buildings or otherwise, then Tenant shall be responsible for and shall pay such tax, excise or assessment, or, if Landlord pays same, Tenant shall reimburse Landlord for the amount thereof within thirty (30) days after demand by Landlord.

ARTICLE IV UTILITIES AND TAXES

4.1 Utilities. From and after the Commencement Date, Tenant shall pay or cause to be paid all charges next coming due and payable for electricity, telephone, cable, gas, oil, water, sewer and all other such services or utilities used on or related to the Leased Premises (the "**Utilities**") during the Term. Tenant covenants to place all Utilities in Tenant's name as of the Commencement Date. Adjustment shall be made for Utilities applicable to any period prior to the Commencement Date. In the event Landlord is billed directly by any utility company for any Utilities or services supplied to Tenant during the Term, Landlord shall send Tenant the bill and Tenant shall promptly pay the same. Landlord shall have no obligation or liability with respect to any interruption or failure in the supply of any such Utilities.

4.2 Taxes. Tenant shall be solely responsible for the payment, prior to delinquency, of all general and special real estate taxes, assessments, fire district taxes, liens, impositions, personal property taxes and any and all other taxes attributable to the Leased Premises (the "**Impositions**") that accrue from the Commencement Date through the expiration of the Term. Adjustment shall be made for Impositions applicable to any period prior to the Commencement Date. Tenant shall pay all of the Impositions directly to the applicable taxing authorities in order to receive the maximum allowable discount, if any, and Tenant shall promptly forward proof of payment to Landlord in such form as shall be reasonably acceptable to Landlord unless Landlord elects to require escrow deposits in accordance with Section 4.3 hereof. Landlord shall promptly forward any tax bills which it may receive to the Tenant. Landlord shall only bill Tenant for any of the Impositions if Tenant does not pay any of the Impositions before delinquency and Landlord is obligated or elects (in Landlord's sole and absolute discretion) to pay any of the Impositions directly to remain current with all taxing authorities. Tenant shall pay the full amount of any increases in any of the Impositions resulting from alterations or improvements made by or for the benefit of Tenant. After the expiration or termination of this Lease, Tenant shall pay all bills for any of the Impositions which become due and

payable after the expiration or termination of the Lease covering any period through the expiration or earlier termination of the Lease. If any governmental taxing authority acting under any present or future, ordinance or regulation, shall levy, assess or impose a tax, excise and/or assessment (other than an income or franchise tax) upon Landlord or Tenant for rental payable by Tenant to Landlord, either by way of substitution for or in addition to any existing tax on land, buildings or otherwise, then Tenant shall be responsible for and shall pay such tax, excise and/or assessment or shall reimburse Landlord for the cost and expense thereof, as the case may be. Tenant shall be responsible for any and all late payment fees or penalties, including interest, imposed by applicable taxing authorities for late payment of Impositions.

4.3 Escrow Deposits.

(A) Escrow. At the option of Landlord, which may be exercised at any time by Landlord if required to do so by the terms of any mortgage encumbering the Real Property, Tenant shall, on the first day of the first calendar month commencing after notice from Landlord, and on the first day of each calendar month thereafter during the Term (each of which dates is referred to as a “**Monthly Deposit Date**”), pay to and deposit with Landlord or mortgagee a sum equal to one-twelfth (1/12th) of the Impositions to be levied, charged, filed, assessed or imposed upon or against the Leased Premises within one (1) year after said Monthly Deposit Date, and a sum equal to one-twelfth (1/12th) of the premiums for the insurance policies required pursuant to Article VI which are payable within one (1) year after said Monthly Deposit Date. If the amount of the Impositions to be levied, charged, assessed or imposed or insurance premiums to be paid within the ensuing one (1) year period shall not be fixed upon any Monthly Deposit Date, such amount for the purpose of computing the deposit to be made by Tenant hereunder shall be estimated by Landlord with an appropriate adjustment to be promptly made between Landlord and Tenant as soon as such amount becomes determinable. In addition, Landlord may, at its option, from time to time require that any particular deposit be greater than one-twelfth (1/12th) of the estimated amount payable within one (1) year after said Monthly Deposit Date, if such additional deposit is required in order to provide to Landlord or mortgagee a sufficient fund from which to make payment of all Impositions on or before the next due date of any installment thereof, or to make payment of any required insurance premiums not later than the due date thereof.

(B) Use of Deposits. The sums deposited by Tenant under this Section 4.3 shall be held by Landlord or Landlord’s mortgagee and shall be applied in payment of the Impositions or insurance premiums, as the case may be, when due. Any such deposits may be commingled with other assets of Landlord or such mortgagee, and shall be deposited by Landlord or such mortgagee at such federally insured banking institutions(s) in such federally insured account(s) as Landlord or the mortgagee may, from time to time select, and Landlord shall not be liable to Tenant or any other person (a) based on Landlord’s or the mortgagee’s (or such bank’s) choice of investment vehicles, (b) for any consequent loss of principal or interest or (c) for any unavailability of funds based on such choice of investment. Furthermore, subject to the foregoing regarding the use of federally insured institutions and accounts, Landlord and its mortgagee shall bear no responsibility for the financial condition of, nor any act or omission by, the depository bank. The income from such investment or interest on such deposits shall be paid to Landlord. Tenant shall give not less than thirty (30) days prior written notice to Landlord in each instance when an Imposition or insurance premium is due, specifying the Imposition or premium to be paid and the amount thereof, the place of payment, and the last day on which the same may be paid in order to comply with the requirements of this Lease. If Landlord or mortgagee, as applicable, in violation of its obligations

under this Lease, does not pay any Imposition or insurance premium when due, for which a sufficient deposit exists, Tenant shall not be in default hereunder by virtue of the failure to pay such Imposition or such insurance premium.

(C) Deficits. If for any reason any deposit held by Landlord or mortgagee under this Section 4.3 shall not be sufficient to pay any Imposition or insurance premium within the time specified therefor in this Lease, then, within ten (10) days after demand by Landlord, Tenant shall deposit an additional amount with Landlord or mortgagee, increasing the deposit held by Landlord or mortgagee so that Landlord or mortgagee holds sufficient funds to pay such Imposition or premium in full (or in installments as otherwise provided for herein), together with any penalty or interest thereon. Landlord may change its estimate or any Imposition or insurance premium for any period on the basis of a change in an assessment or tax rate or on the basis of a prior miscalculation or for any other good faith reason; in which event, within ten (10) days after demand by Landlord, Tenant shall deposit with Landlord or mortgagee the amount in excess of the sums previously deposited with Landlord or mortgagee for the applicable period which would theretofore have been payable under the revised estimate.

(D) Other Properties. If any Imposition shall be levied, charged, filed, assessed, or imposed upon or against the Leased Premises, and if such Imposition shall also be a levy, charge, assessment, or imposition upon or for any other real or personal property that does not constitute a part of the Leased Premises, then the computation of the amounts to be deposited under this Section 4.3 shall be based upon the entire amount of such Imposition and Tenant shall not have the right to apportion any deposit with respect to such Imposition.

(E) Transfers. In connection with any assignment of the Landlord's interest under this Lease, the original Landlord named herein and each successor in interest shall have the right to transfer all amounts deposited pursuant to the provisions of this Section 4.3 and still in its possession to such assignee (as the subsequent holder of Landlord's interest in this Lease) and upon such transfer, the original Landlord named herein or the applicable successor in interest transferring the deposits shall thereupon be completely released from all liability with respect to such deposits so transferred and Tenant shall look solely to said assignee, as the subsequent holder of Landlord's interest under this Lease, in reference thereto.

(F) Security. All amounts deposited with Landlord pursuant to the provisions of this Section 4.3 shall be held by Landlord as additional security for the payment and performance of the Tenant's obligations under this Lease and, upon the occurrence of any Lease Default, Landlord may, in its sole and absolute discretion, apply said amounts towards payment or performance of such obligations.

(G) Return. Upon the expiration or earlier termination of this Lease, provided, that, all of the Rent and any other obligation due under this Lease have been fully paid and performed, any sums then held by Landlord under this Section 4.3 shall be refunded to Tenant; unless a default under this Lease has occurred in which event such sums may be applied towards any amounts owed to Landlord pursuant to this Lease.

(H) Receipts. Tenant shall deliver to Landlord copies of all notices, demands, claims, bills and receipts in relation to the Impositions and insurance premiums promptly upon receipt thereof by Tenant.

ARTICLE V
MAINTENANCE AND REPAIR; IMPROVEMENTS

5.1 Maintenance and Repair. Tenant, at Tenant's sole cost and expense, shall keep the Leased Premises, including all buildings, fixtures, equipment and other personal property leased to Tenant pursuant to this Lease, including, without limitation, the roof, foundation, all outer walls, plumbing, sprinklers, electrical, heating, ventilation, utility service, air conditioning and all other systems of the Leased Premises in good condition and repair and in a manner reasonably consistent with other similar facilities in the same market area, and in compliance with this Lease and all applicable federal, state and local laws, statutes, ordinances, codes and regulations. Landlord shall not be responsible to make any improvements, repairs, maintenance or replacements whether occasioned by the act or negligence of Tenant and/or its agents, employees, invitees or licensees or otherwise, and Tenant shall pay for all improvements, repairs, replacements, maintenance and expenditures relating to the Leased Premises, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the commencement of the Lease. The Leased Premises and its appurtenances shall at all times be kept clean, safe and sanitary and in good order, condition, replacement and repair by Tenant, at Tenant's sole cost and expense, except for ordinary wear and tear (provided, however, that, without limiting the generality of this Section 5.1, Tenant shall be obligated to replace any portion of the Leased Premises upon any obsolescence or uselessness thereof or if proper repair is impractical). All replacements made by Tenant hereunder shall be made in a good and workmanlike manner using the same or better quality of materials as being replaced.

5.2 Improvements, Renovation, Alterations and Additions. Tenant shall have the right during the Term to make such non-structural interior alterations, changes and improvements ("**Tenant Improvements**") to the Leased Premises as may be proper and necessary for the conduct of Tenant's business, to cause the Leased Premises to conform to any legal or regulatory requirements, for resident comfort and safety, or for the full beneficial use of the Leased Premises. Tenant shall pay all costs and expenses of such permitted alterations, changes, and improvements, shall make the same in a good and workmanlike manner, and in accordance with all applicable laws, codes, and regulations, and shall assure Landlord, in form reasonably satisfactory to Landlord, that payment for the same will be made by Tenant. Tenant hereby completely and fully indemnifies Landlord against any mechanic's liens or other liens or claims in connection with the making of such alterations, changes, and/or improvements. Any liens arising out of such alterations, changes, and/or improvements shall be discharged of record by Tenant within thirty (30) days after the same have been filed by payment, bonding or otherwise, as permitted by law, or within five (5) Business Days after commencement of a foreclosure. Nothing herein contained shall be construed to diminish or amend Tenant's obligation to comply with other provisions in this Lease concerning improvements. All Tenant Improvements shall at all times be the sole property of the Landlord and included in the Leased Premises.

5.3 Signage. Tenant shall not erect or install any ground, building, or roof signs except as consented to by Landlord, which consent shall not be unreasonably withheld or delayed. All signs installed by Tenant shall comply with all requirements of appropriate governmental authority, and all necessary permits or licenses shall be obtained by Tenant. Tenant shall maintain all signs in good condition and repair at all times. Upon vacating the Leased Premises, Tenant shall remove all signs so installed by Tenant, but only if Landlord shall request such removal, and Tenant shall repair all damage caused by such removal.

5.4 Surrender. Tenant shall deliver up and surrender to Landlord possession of the Leased Premises and all improvements and replacements thereof, including all of Tenant's work (and all replacements thereof) and all fixtures attached to the Leased Premises by Tenant during the Term, upon the expiration of this Lease or its termination in any manner whatsoever, in as good condition and repair and in substantially similar form, character and manner as the same shall be on the Commencement Date (without compensation to Tenant) with permitted changes, improvements and additions during the Term as authorized herein, subject to no liens, encumbrances, charges, restrictions, conditions, limitations or claims whatsoever, and deliver the keys to the Leased Premises to the Landlord or Landlord's agent. Upon expiration or termination of this Lease and only upon written instruction by Landlord, Tenant shall, at Tenant's sole cost and expense, remove any signs, equipment, improvements, additions, alterations so installed by Tenant, and Tenant shall repair all damage caused by such removal. In addition, upon any such expiration or termination of this Lease, Tenant covenants and agrees to do such things and to take such action as may, from time to time, be necessary or appropriate to permanently surrender and withdraw from possession and operation (including but not limited to licensure and certification) of the Leased Premises, and shall thereafter be fully and permanently relieved of all powers, duties, responsibilities and obligations that are conferred or imposed upon Tenant under this Lease (except those obligations, including, but not limited to, the obligation to pay all Rent due and owing under this Lease, and the obligation to pay all amounts owed by Tenant to the governmental, regulatory and third party payor programs for the period of the Term, which survive the termination hereof as provided herein) and to place Landlord in possession and operation (including but not limited to licensure and certification) of the Leased Premises, and Tenant covenants and agrees to execute, implement and deliver to Landlord all assignments, documents and other instruments, to the reasonable satisfaction of Landlord in order to effectuate the provisions hereof, including, but not limited to, an Exit Operations Transfer Agreement, in such form and having such terms as shall be required by Landlord or its designee and acceptable to Tenant, which addresses the surrender of the operations and transfer of the Facility operations to Landlord or an operating entity designated by Landlord. Tenant acknowledges and covenants that, upon expiration of the Term, whether by acceleration or otherwise, Tenant shall not operate, transfer or assign the right to operate the Facility, in each case, other than as directed by Landlord. Tenant hereby irrevocably appoints Landlord, as agent of Tenant for the express purpose of signing, acknowledging and/or delivering any and all agreements, documents, instruments or other writings which are or may become necessary, proper and/or advisable to cause possession and operation (including but not limited to licensure and certification) of the Leased Premises, or any portion thereof, to be restored and returned to Landlord or an operating entity designated by Landlord in the manner and condition required hereunder. This power is coupled with the ownership interest of Landlord in and to the Leased Premises, and all unilateral and incidental rights attendant thereto. The parties acknowledge that the foregoing rights of Landlord are subject to any and all regulatory approvals relating to the transfer of a nursing facility and/or its license.

5.5 Condition of Leased Premises. Tenant is taking the Leased Premises in their "AS IS", "WHERE IS" condition, and acceptance of possession of the Leased Premises on the Commencement Date shall be deemed an acknowledgment by Tenant of Tenant's acceptance of the condition of the Leased Premises. Tenant acknowledges and agrees that Landlord is not making any representation, warranty or covenant whatsoever with respect to the condition of the Leased Premises, or any portion thereof, or their suitability for any particular purpose, and Tenant is relying solely on its inspection of the Leased Premises and due diligence investigations with respect thereto.

ARTICLE VI INSURANCE

6.1 General Insurance Requirements. Throughout the Term, Tenant shall maintain with respect to the Leased Premises, general liability insurance, standard “all risk” insurance, healthcare professional malpractice insurance, business interruption insurance, flood insurance (if applicable), worker’s compensation/employer’s liability insurance, boiler and machinery insurance, terrorism insurance, umbrella policies of insurance, environmental impairment liability insurance and insurance for any other risks Landlord or its mortgagee may reasonably require (collectively, the “Policies”). Such insurance coverages shall be carried with insurance companies, selected by Tenant and reasonably approved by Landlord, authorized to do business in the state in which the Leased Premises are located and which have a Standard & Poor’s claims paying ability rating and/or a Best’s Rating as Landlord shall reasonably require. Tenant shall deliver to Landlord a certificate of any Policies maintained by Tenant and, upon request, copies of such Policies. All of Tenant’s Policies shall contain a provision that the same cannot be modified, reduced in coverage, nor cancelled, without thirty (30) days’ prior written notice to Landlord and, if requested, any mortgagee. All of Tenant’s Policies (including all umbrella coverage with respect thereto but excluding worker’s compensation/employer’s liability insurance) shall (i) name Landlord, its successors and assigns and its mortgagee, its successors and assigns (and any other third party identified by Landlord) as an additional insured, (ii) contain a standard noncontributory mortgagee clause and a mortgagee’s Loss Payable Endorsement or mortgagee’s endorsement, or their equivalents naming the mortgagee (and/or such other party as may be designated by Landlord or mortgagee) as the party to which all payments made by such insurance company shall be paid, (iii) provide that neither Landlord nor mortgagee nor any other party shall be a co-insurer under the policy, (iv) provide that mortgagee may, but is not obligated to, make premium payments to prevent any cancellation, endorsement, alteration or re-issuance and such payments will be accepted by such insurer, (v) be for a term of not less than one (1) year, (vi) contain a waiver of subrogation, (vii) have deductibles as may be reasonably required by Landlord or mortgagee, and (viii) provide for coverage limits that meet or exceed any coverage amounts that may be required for state licensure and governmental or regulatory certification. Tenant shall not be permitted to use a fronting arrangement without prior written approval of Landlord, which approval may be withheld in Landlord’s sole and absolute discretion.

6.2 Workers’ Compensation. Tenant, at its sole cost and expense, shall at all times comply with the provisions of all applicable laws with respect to workers’ compensation and with the applicable requirements set forth in Section 6.1 and shall insure its liability thereunder. Tenant acknowledges and agrees that Landlord is under no obligation to indemnify, defend or hold Tenant harmless for any change or increase in Tenant’s workers’ compensation or unemployment compensation rates or experience as a result of this Lease and Tenant shall assume all liability with respect to the same.

6.3 Certificates of Insurance, Binders of Coverage and Policies. Tenant shall, upon request, furnish Landlord and other third parties which Landlord shall designate with appropriate certificates of insurance on the customary ACORD form, together with an additional insurance endorsement showing that each type of insurance required under this Article VI is in full force and effect and not cancelable or modifiable without thirty (30) days prior written notice to the Landlord. Tenant will provide Landlord with ACORD certificates of insurance pursuant to this Section evidencing the renewal of such Policies prior to the Policies’ expiration date. Tenant

acknowledges that all such certificates shall name Landlord, its successors and assigns, and mortgagee, its successors and assigns, as an additional insured on the general liability and umbrella policies and as a loss payee/mortgagee as their interests may appear on the property and boiler and machinery policies. Within three (3) business days of a request by Landlord, Tenant shall provide Landlord with any additional documents reasonably requested by Landlord, including but not limited to copies of Tenant's binders of coverage and Policies, related to Tenant's insurance coverage.

6.4 Waiver of Subrogation. Landlord and Tenant hereby waive all rights of recovery for causes of action which either has, may have or which may arise hereafter against the other for any damage to the Leased Premises or the property or business of either of them or of anyone claiming through either of them, by way of subrogation or otherwise, caused by any of the perils covered by a special form policy of property insurance or contents insurance or by any other insurance for damage to property carried by the party whose property was damaged; provided, however, that the foregoing waiver shall apply only if and to the extent that a waiver of subrogation for property damage is not prohibited in the state in which the Leased Premises are located, has been consented to by the applicable insurance carrier, and only to the extent of such insurance coverage.

6.5 Tail Insurance. If, during the Term of the Lease, Tenant is covered by general liability, professional liability, residential healthcare professional malpractice or other liability insurance on a "claims made" basis, Tenant shall procure and maintain, at Tenant's sole cost and expense, "tail" insurance coverage, with such coverage limits and such deductible amounts as shall be reasonably acceptable to Landlord for general liability, professional liability, residential healthcare professional malpractice or other liability claims reported after the termination of this Lease or expiration of the claims made policy, but concerning services provided during the Term of this Lease or the claims made policy. Tenant shall provide Landlord with a certificate evidencing such coverage no later than ninety (90) days prior to termination of this Lease and, in the event that Tenant fails to procure and maintain tail insurance upon termination of this Lease, Landlord shall have the right to apply any portion of the Security Deposit to procure and maintain the tail insurance required under this Section.

ARTICLE VII SECURITY, ACCESS AND REPORTING OBLIGATIONS

7.1 Security Deposit. At Landlord's request at any time following a breach by Tenant of its obligations under this Lease, Tenant shall deposit with Landlord a sum equal to the amount of the Rent payable with respect to a period of one and one-half calendar months, said sum to be held by Landlord as a security deposit ("**Security Deposit**") to secure the full and timely payment and performance of Tenant's obligations under this Lease. The amount of the Security Deposit required shall increase each year, commensurate with the increase in Rent. At each anniversary of the Commencement Date, Tenant shall promptly deposit with Landlord an amount to restore the Security Deposit to the full amount required hereunder. The Security Deposit shall be held by Landlord in an interest bearing account with interest to be accrued to the benefit of Landlord and may be commingled with other Landlord funds. Upon any default by Tenant under this Lease, or the occurrence of any event that with notice or the expiration of any applicable cure period would constitute an event of default, Landlord shall have the right, but not the obligation, in Landlord's sole and absolute discretion, to apply some or all of the Security Deposit to remedy such default or occurrence and to compensate Landlord for any loss or damage resulting therefrom, without

prejudice to any other rights or remedies of Landlord under this Lease or at law or in equity. Upon any such application by Landlord, Tenant shall promptly deposit with Landlord an amount sufficient to fully restore the Security Deposit to the full amount required hereunder. Upon the termination or expiration of this Lease, the remaining amount of the Security Deposit shall be refunded to Tenant, subject in all events to Landlord's right to apply the Security Deposit as provided herein. If Tenant has not satisfied all of its obligations under this Lease in a manner satisfactory to Landlord in its sole and absolute discretion or if Tenant has otherwise defaulted under this Lease, such default gives Landlord the right to retain the Security Deposit.

7.2 Access to Leased Premises. Tenant shall permit Landlord and its agents to enter upon the Leased Premises at all reasonable times to conduct physical plant inspections and/or to inspect and examine the Leased Premises, and to inspect and copy any resident or patient records, medical records, operating manuals, procedures manuals, training manuals, and other books and records concerning unemployment, workers' compensation, insurance, tax, and any other business issues pertaining to the Leased Premises (subject to applicable laws and regulations governing resident or patient confidentiality and privacy and the confidentiality of medical records) and any information necessary for audit relating to cost reimbursement, collections, general financial matters, litigation, inquiries and related activities (as may be necessary in connection with the lease of the Leased Premises). Landlord shall make reasonable efforts not to materially interfere with or materially disrupt Tenant's business and use and enjoyment of the Leased Premises during any such inspection or examination. If Landlord determines based on any such inspection that the Facility, or any portion of the Facility, requires repairs or maintenance so that the condition of the Facility is in compliance with the Lease or state and federal regulatory and physical plant requirements, within three (3) days of notification by Landlord, Tenant shall pay to Landlord a deposit of funds in an amount equal to one-hundred-twenty (120) percent of Landlord's estimate of the costs of such repairs or maintenance, which funds shall be returned to Tenant upon Tenant's satisfactory completion of such repairs.

7.3 Changes in Licensure and Certification Status. Tenant shall not change the licensure or certification status or the number of licensed or certified beds of the Facility without the prior written consent of the Landlord (which consent may be withheld in Landlord's sole and absolute discretion) and agrees to return to Landlord upon the expiration of the Lease, the Leased Premises, including all licensed and certified beds. To the extent that Tenant has or will extend any right, title, or claim of right whatsoever in and to the right to operate said nursing home beds, all such right, title, or claim of right is hereby assigned, conveyed and transferred to the Landlord or to Landlord's designee upon termination of the Lease. Landlord and Tenant acknowledge that the Leased Premises was, and at all times under the terms of the Lease are, the sole and absolute property of Landlord. Upon any termination of this Lease or any breach or default by Tenant hereunder (which breach or default is not cured within any applicable grace period), Landlord shall have the sole, complete, unilateral, absolute and unfettered right to cause the Facility's license to be reissued in Landlord's name or in the name of Landlord's designee upon application therefor, and to further have the right to have any and all governmental, regulatory and any other provider and/or third party payor agreements issued in Landlord's name or in the name of Landlord's designee. The parties acknowledge that the foregoing rights of Landlord are subject to any and all regulatory approvals relating to the transfer of a nursing facility and/or its license. Notwithstanding the foregoing, Tenant is permitted, from time to time, to take beds out of service and/or to convert one type or category of licensed bed to another type or category of licensed bed, without notice to or consent of Landlord.

7.4 Reporting Obligations. During the Term, Tenant shall provide Landlord with the such reports, statements and inspections as Landlord or mortgagee may reasonably require, including an annual budget, statement of capital expenditures, operating budget, monthly, quarterly and annual financial statements, including balance sheet, income statement, statement of retained earnings, statement of cash flows, occupancy and census reports, survey inspection reports, insurance appraisals, environmental reports, and further including annual audited financial statements prepared by a nationally recognized certified public accounting firm or other independent certified public accounting firm acceptable to the Landlord, prepared in accordance with generally accepted accounting principles. Tenant shall immediately notify Landlord in writing of any notice, action or other proceeding or inquiry of any governmental agency, bureau or other authority whether Federal, state, or local, of any kind, nature or description, which could adversely affect the license or governmental- or regulatory-certification status of the Facility, or the ability of Tenant to maintain its status as the licensed operator and governmental- and regulatory-certified provider hereunder or which alleges noncompliance with any law. Tenant shall immediately upon Tenant's receipt, furnish Landlord with a copy of any and all such notices and Tenant shall not contest Landlord's right to intervene, attend and/or participate, in Landlord's sole and absolute discretion in any such actions or proceedings. Tenant shall act diligently to correct any deficiency or deal effectively with any "adverse action" or other proceedings, inquiry or other governmental action, so as to maintain the licensure and governmental- and regulatory-certification status stated herein in good standing at all times. Tenant shall not agree to any settlement or other action with respect to such proceedings or inquiry which affects the use of the Leased Premises or any portion thereof as provided herein without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant hereby irrevocably appoints Landlord, as agent of Tenant for the express purpose of signing, acknowledging and/or delivering any and all documents, instruments or other writings which are or may become necessary, proper and/or advisable to cause any and all licenses, provider agreements and other payor agreements, to be obtained in the name of Landlord or the name of Landlord's designee in the event that Landlord reasonably determines in good faith that (irrespective of any claim, dispute or other contention or challenge of Tenant) there is any breach, default or other lapse in any representation, warranty, covenant or other delegation of duty to Tenant (beyond any applicable grace or cure period) and the issuing government agency has threatened or asserted that such license or provider agreement will terminate or has lapsed or that Tenant's license or certification status is in jeopardy. This power is coupled with the ownership interest of Landlord in and to the Facility, and all collateral and incidental rights attendant to any and all of the foregoing rights. Without limitation of the foregoing, within three (3) business days of receipt or execution thereof, Tenant shall provide Landlord with copies, of all surveys, examinations, compliance certificates, inspections and reports, statements of deficiencies and plans of correction in connection with the Facility issued by any governmental authority or accreditation body during the most recent licensing period. Within three (3) business days of receipt, filing, or submission thereof, Tenant shall deliver to Landlord, notice of any rate appeal brought before any governmental authority or any administrator of any third party payor program or referral source; any reimbursement audits or appeals or recoupment claims made or contests pending or threatened as a result of any audits by any third party payor; any claim, requirement or demand (excluding all claims, requirements, and demands, if any, that have been waived) of any governmental authority or accreditation body, third party payor or insurance body having or claiming any licensing, certifying, supervising, evaluating or accrediting authority over the Leased Premises to rework or redesign the Leased Premises, its professional staff or its professional services, procedures or practices in any material respect or to make any of the Leased Premises conform to or comply with a legal requirement. The parties

acknowledge that the foregoing rights of Landlord are subject to any and all regulatory approvals relating to the transfer of a nursing facility and/or its license.

7.5 Payment in the Ordinary Course. Tenant shall pay in full all obligations due under this Lease and under applicable state and federal law and third party contracts, including but not limited to: (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate reserves have been established in accordance with generally accepted accounting principles) for which Tenant may be or become liable or to which any or all of Tenant's properties may be or become subject; (b) all of Tenant's wage obligations to Tenant's employees in compliance with the Fair Labor Standards Act (29 U.S.C. 206-207) or any comparable provisions; (c) all obligations owed in connection with any claim, demand or notice of any overpayment received from governmental, regulatory or other third party payor; and (d) all of Tenant's obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which adequate reserves have been established in accordance with generally accepted accounting principles) before such payment becomes overdue.

7.6 [reserved]

ARTICLE VIII PERSONAL PROPERTY

8.1 Landlord's Personal Property. Upon the expiration or termination of this Lease, Tenant shall leave all the personal property leased to Tenant under Section 2.1(B) hereof as repaired, rebuilt, replaced, restored, altered or added to as permitted or required by provisions of this Lease in or on the Leased Premises, except for ordinary wear and tear. Any and all restorations, alterations or replacements of, or repairs, reconstructions or additions to, the personal property at the Facility made by Tenant shall become part of Landlord's personal property, and any and all security interests (except in favor of Landlord) in Landlord's personal property and financing statements shall be cleared to the satisfaction of Landlord at Tenant's expense. Tenant shall leave its operating policies and procedures at the Facility upon expiration or termination of this Lease.

ARTICLE IX INDEMNIFICATION

9.1 Tenant's Indemnification. During the Term of this Lease and after the surrender of the Leased Premises in accordance with Section 5.4 of this Lease, Tenant shall protect, defend (at Landlord's request), indemnify and hold harmless Landlord, Landlord's shareholders, members, managers, officers, owners, directors, employees, agents and representatives, and their respective agents, executors, heirs, representatives and assigns, and any entity providing financing which is secured by the Leased Premises including, but not limited to, mortgagee (collectively the "Landlord's Indemnitees"), from and against any claims, losses, costs, penalties, damages, charges or expenses (including reasonable attorney's fees) imposed or resulting from, arising out of or attributable in whole or in part to any of the following: (a) any violation of any law (whether statutory, regulatory, judicially created or constitutional), order of governmental agency or ordinance, whether occasioned by the intentional act, omission, or negligence of Tenant or those holding under Tenant, (b) any accident or other occurrence on or about the Leased Premises on or after the Commencement Date causing injury to any person or property whomsoever or whatsoever,

(c) any failure of Tenant in any respect to comply with or perform any requirements and provisions of this Lease, and/or (d) in any way relating to Tenant's operation of the Facility or its possession of the Leased Premises.

ARTICLE X USE OF LEASED PREMISES

10.1 Compliance with Laws and Regulations. Tenant shall use the Leased Premises solely as a licensed skilled nursing facility and/or assisted living facility and ancillary health care or other services provided in connection therewith, and for no other purpose. Without limitation of the foregoing, Tenant shall comply with all restrictions, including all deed restrictions, to which the Real Property may be subject. Tenant shall exert its best efforts to acquire and shall maintain all licenses, certifications, certificates, approvals, permits, variances, waivers, provider agreements and other authorizations needed to operate the Leased Premises. Tenant hereby covenants, warrants and represents to Landlord that as of the Commencement Date and throughout the Term, Tenant shall be, and shall continue to be in substantial compliance with all state and federal laws, rules, regulations and procedures with regard to the operation of the Facility.

10.2 No Waste. Tenant shall not commit or suffer to be committed any waste on the Leased Premises nor shall Tenant cause or permit any nuisance thereon.

10.3 Hazardous Materials and Hazardous Waste.

(A) Tenant shall not place or hold any Hazardous Materials (hereinafter defined) on or at the Leased Premises, except as is necessary for the ordinary course of its business. If Tenant's business requires the use of any Hazardous Materials, other than such cleaning materials as are typically found in similar facilities, Tenant shall notify Landlord in writing and shall comply with hazard communication and notification requirements of the Occupational Safety and Health Act and any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree which requires notification of employees, the community or any governmental agency of the hazardous properties of such Hazardous Materials. For purposes of this Lease, "Hazardous Materials" means and includes any hazardous substance defined as such in (the Occupational Safety & Health Act, Comprehensive Environmental Response, Compensation, and Liability Act, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous substance or material, as now or at any time hereafter in effect.

(B) Tenant shall not cause or allow any asbestos to be incorporated into any improvements or alterations which it makes or causes to be made on or to the Leased Premises.

(C) Tenant shall not place, hold or dispose of any Hazardous Waste (hereinafter defined) on, under or at the Leased Premises except as specifically allowed in this Section 10.3. Tenant further agrees that it shall not use the Leased Premises as a treatment, storage, or disposal (whether permanent or temporary) facility for Hazardous Waste. If Tenant, in the ordinary course of its business, generates Hazardous Waste, then Tenant shall comply with all applicable federal, state and local laws, statutes, ordinances, codes, rules, regulations, orders or decrees relating to the appropriate use, storage, transportation and disposal of Hazardous Waste. For the purposes of this Lease, "Hazardous Waste" means and includes any hazardous material that has entered the waste stream or any contaminant or pollutant as defined as such in the Resource Conservation and

Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste. Tenant further agrees that it shall properly dispose of all "infectious waste" such as laboratory waste, pathological waste, blood specimens or products, resident or patient waste including, without limitation, bandages and disposable gowns, sharp waste and any material generated by the production or testing of biological agents. Immediately upon receipt of any Notice (as hereinafter defined) from any person or entity, Tenant shall deliver to Landlord a true, correct and complete copy of any written Notice. "Notice" shall mean any note, notice, or report of any suit, proceeding, investigation, order, consent order, injunction, writ, award, or action related to or affecting or indicating the treatment, storage, handling, disposal, generation, spill, release or discharge of any Hazardous Waste or Hazardous Materials in or affecting the Leased Premises. All of the terms, covenants, warranties and indemnifications contained in this Section shall survive the expiration or termination of this Lease.

(D) Without in any way limiting Tenant's obligation to indemnify Landlord and the Landlord's Indemnitees under Section 9.1 of this Lease, Tenant shall indemnify, defend (at Landlord's request) and hold harmless Landlord and the Landlord's Indemnitees from and against any claims, losses, costs, damages or expenses of any and every kind whatsoever (including reasonable attorney's fees and consultant's and expert's fees) which at any time or from time to time may be paid, incurred or suffered by, or asserted against Landlord and/or the Landlord's Indemnitees for, with respect to, or as a direct or indirect result of: (a) a breach by Tenant of the covenants set forth in Section 10.3(C) or, (b) to the extent caused, permitted or allowed by Tenant or any agent, employee, invitee, or licensee of Tenant, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from, onto, or into the Leased Premises, the atmosphere, or any watercourse, body of water, or groundwater, of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response Compensation and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, or any other federal, state, local or other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Material) occurring after the Commencement Date; and the provisions of and undertakings and indemnification set out in this Section shall survive the termination of this Lease, and shall continue to be the personal liability, obligation and indemnification of Tenant, binding upon Tenant, forever.

(E) If Tenant or its employees, agents, or contractors shall ever violate the provisions of this Section 10.3, then, in addition to any other duty or obligation of Tenant hereunder, at law or in equity, Tenant shall clean up, remove and dispose of the material causing the violation, in compliance with all applicable environmental laws and repair any damage to the Leased Premises within such period of time as may be reasonable under the circumstances after written notice by Landlord, provided that such work shall commence not later than thirty (30) days from such notice and be diligently and continuously carried to completion by Tenant or Tenant's designated contractors. Tenant shall notify Landlord of its method, time and procedure for any clean-up or removal of material causing the violation under this provision, and Landlord shall have the right to require reasonable changes in such method, time or procedure or to require the same to be done after normal business hours.

(F) Landlord reserves the right from time to time, but not more than once a year, except in the event of an emergency or a breach of this Lease by Tenant, during the Term hereof, at Landlord's cost and expense (except that, in the event of breach, at Tenant's sole cost and expense), to have the Leased Premises inspected by environmental engineers and/or specialists for the purpose of determining compliance by Tenant with any environmental laws, rules and regulations applicable to Tenant's operations in or about the Leased Premises and with the terms and conditions of this Lease dealing with environmental matters, including without limitation, the provisions of this Section 10.3. If the environmental assessment or report resulting from such inspection discloses any non-compliance, Tenant shall immediately, following receipt of the environmental assessment, take all such steps as are necessary to put the Leased Premises into compliance, including without limitation, cleaning up any spills or other emissions of hazardous and/or toxic substances or wastes.

(G) Upon the expiration of the Term, or the earlier termination thereof, whichever shall be the first to occur, Tenant shall forthwith remove all Hazardous Materials and Hazardous Waste from the Leased Premises or any portion thereof in accordance with applicable law. Landlord shall have the right to inspect the Leased Premises with regard to the management and disposal of Hazardous Materials and Hazardous Waste at all reasonable times during the Term.

ARTICLE XI DAMAGE OR DESTRUCTION

11.1 Damage or Destruction.

(A) If the Leased Premises shall be destroyed or so injured by any cause as to be unfit, in whole or in part, for occupancy or use, as intended herein, with the same number of beds and in substantially the same condition as just prior to the incident, Landlord, in its reasonable discretion, may decide whether to repair or reconstruct the Leased Premises with the proceeds of the property casualty insurance carried by Tenant as required hereunder.

(B) If Landlord decides to repair or reconstruct the Leased Premises, this Lease shall continue in full force and effect, Tenant shall not be entitled to surrender possession of the Leased Premises, and Tenant's liability to pay Rent and all other charges under this Lease shall not cease. Rent and all other charges hereunder shall continue, without abatement, during the period of repair or reconstruction. If Landlord elects to repair or reconstruct the Leased Premises, Landlord shall proceed with reasonable diligence to so repair or reconstruct the Leased Premises and Tenant shall be liable for any costs of repair or replacement to the Leased Premises, to the extent that such damage was caused by Tenant or to the extent that such damage or the costs of repairing such damage are not covered by Tenant's insurance.

(C) If Landlord decides not to repair or replace the Leased Premises, or if there are insufficient insurance proceeds available therefor (whether by reason of the provisions of any mortgage encumbering the Leased Premises or otherwise), Landlord shall notify Tenant within ninety (90) days after the happening of such destruction or injury or its determination thereof. In such event, (i) Landlord shall have the right at any time to terminate this Lease upon written notice to Tenant; and (ii) Tenant shall have the option to terminate this Lease upon written notice from Tenant to Landlord within sixty (60) days after Tenant received notice from Landlord that it does not elect to repair or reconstruct the Leased Premises. During such ninety (90) or sixty (60) day period, the terms of this Lease shall remain in full force and effect.

ARTICLE XII EMINENT DOMAIN

12.1 Eminent Domain.

(A) In the event the entire Leased Premises shall be taken by condemnation or right of eminent domain, this Lease shall terminate as of the day possession shall be taken by the taking authority, and Landlord and Tenant shall be released from any further liability hereunder thereafter accruing, except as otherwise expressly provided in this Lease. In the event only a portion of the Leased Premises shall be taken by condemnation or right of eminent domain and the portion so taken does not render the balance unsuitable for the purpose of this Lease, as determined by Landlord, this Lease shall not terminate, Landlord may, in its sole and absolute discretion, decide to restore the Leased Premises with reasonable diligence with the proceeds of any award ("Award") from the applicable public or quasi-public authority, or private corporation or individual having the power of condemnation to an architectural unit as nearly like its condition prior to such taking as shall be practicable. Landlord shall not be obligated to restore any of the Leased Premises if Landlord determines, in its sole and absolute discretion, that the Award is insufficient to pay all of the costs associated with such restoration. Notwithstanding anything to the contrary herein, this Section 12.1(A) is subject to the requirements of all mortgages and loan documents of record as of the date of the Lease.

(B) Notwithstanding anything to the contrary contained in Section 12.1(A), Landlord may cancel this Lease with no further liability to Tenant, in the event that following a total taking by condemnation or right of eminent domain, Landlord elects or Landlord's lender elects to require Landlord to make payments to extinguish or repay the mortgage on the Leased Premises.

(C) Tenant shall not be entitled to any part of any award or settlement of damages representing the value of land and buildings appropriated, the value of this Lease or any estate therein, or damage to the residue of the Leased Premises or other property of Landlord; it being agreed as between Landlord and Tenant any such award shall be the sole property of Landlord. No appropriation of part or all of the Leased Premises or cancellation of this Lease pursuant to this Article XII shall be deemed an eviction of Tenant, or a breach of any covenants of Landlord hereunder.

ARTICLE XIII NOTICES

13.1 Notices. Any notice, demand or communication required, permitted or desired to be given hereunder shall be in writing and shall be deemed effectively given when personally delivered or mailed by prepaid certified mail, return receipt requested, or when sent by nationally-recognized overnight carrier addressed to such address, and to the attention of such person as either party may designate by written notice given in accordance with this Section. The effective date of such notices shall be as follows: (a) upon delivery or refusal of delivery if sent by personal delivery, (b) two (2) business days after mailing (or upon actual receipt, if earlier), if sent by certified mail, (c) one (1) business day after deposit with the courier for next day delivery, if sent by overnight courier.

ARTICLE XIV QUIET ENJOYMENT

14.1 Quiet Enjoyment. Landlord covenants, warrants and represents to Tenant that, so long as Tenant shall not be in default in the performance of any of its obligations under this Lease, Tenant shall at all times during the Term peaceably and quietly have, hold, occupy and enjoy the Leased Premises without any hindrance, interference or molestation by Landlord or by, under or through Landlord for reasons other than acts of omission of Tenant, and Landlord shall defend Tenant in such peaceful and quiet use against the lawful claims of all such persons, subject to the Lease and to all liens, mortgages and encumbrances of record to which this Lease is subordinate.

ARTICLE XV SUBLETTING AND ASSIGNMENT

15.1 Subletting and Assignment.(A) Tenant shall not, without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion, assign this Lease or sublease all or any part of the Leased Premises. Landlord has the right to sell the Leased Premises, subject to the terms of this Lease, without the consent of Tenant. Tenant shall not at any time, without the prior written consent of Landlord, which consent may be withheld or given in the sole and absolute discretion of Landlord, pledge, mortgage, or hypothecate the leasehold estate hereby created or any interest of Tenant therein. Notwithstanding any assignment of this Lease or subletting of the Leased Premises, Tenant shall remain fully liable for the obligations of Tenant hereunder, including, without limitation, the obligation to pay Rent and other amounts provided for under this Lease, and shall not be released from performing any of the terms, covenants or conditions hereof. Further, and without in any way limiting or otherwise affecting the provisions of this Lease, Landlord shall be permitted to assign this Lease and all agreements, duties, obligations and rights incidental thereto to any entity, without any consent from Tenant.

(B) If Tenant assigns the Tenant's interest under this Lease in violation of the terms of this Lease, then such assignment shall be void and of no force and effect against Landlord; provided, however, that Landlord (a) may collect an amount equal to the then current Rent from the assignee as a fee for such assignee's use and occupancy, and (b) shall apply the net amount collected to the Rent due under this Lease. If the Premises or any part thereof are sublet to, occupied by, or used by any Person other than Tenant (regardless of whether such subletting, occupancy or use violates this Lease, then Landlord (a) after the occurrence of a Lease Default, may collect amounts from the subtenant, user or occupant as a fee for its use and occupancy, and (b) shall apply the net amount collected to the Rent due under this Lease. No such assignment, subletting, occupancy or use, with or without Landlord's prior consent, nor any such collection or application of fees for use and occupancy, shall (i) be deemed a waiver by Landlord of any term, covenant or condition of this Lease, (ii) be deemed the acceptance by Landlord of such assignee, subtenant, occupant or user as tenant hereunder, or (iii) relieve Tenant of the obligations of the tenant under this Lease.

ARTICLE XVI MEMORANDUM OF LEASE

16.1 Memorandum of Lease. This Lease shall not be recorded, but Landlord may record a memorandum of lease in which shall be described the Parties to the Lease, the Leased Premises and

the Term. Tenant agrees to execute at any and all times such instruments as may be reasonably required for such recording.

ARTICLE XVII DEFAULT

17.1 Default by Tenant and Remedies of Landlord.

(A) Tenant shall be in default under this Lease (a "Lease Default"):

- (i) if Tenant fails to pay any installment of Rent or fails to pay any other charges, costs or expenses payable by Tenant within five (5) business days after the same becomes due;
- (ii) if Tenant defaults in the prompt and full performance of any other of Tenant's covenants, obligations or agreements hereunder, and fails to correct such failure within fifteen (15) days of receipt of written notice from Landlord of such default (unless such default cannot reasonably be cured within fifteen (15) days, in which event such period shall be extended for an additional fifteen (15) days, provided, however, that Tenant shall have commenced in good faith to cure such default within the first such fifteen (15) day period and shall proceed with all due diligence to correct such default thereafter and there shall be no further extension);
- (iii) if the leasehold interest of Tenant be levied upon under execution or be liened or attached and such levy, lien or attachment is not removed within thirty (30) days of the date Tenant receives notice of it;
- (iv) in the event of a filing by or against Tenant of a petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or other relief, and the same is not withdrawn within sixty (60) days of the filing thereof;
- (v) if Tenant makes an assignment for the benefit of creditors;
- (vi) if a receiver be appointed for any property of Tenant; or
- (vii) if Tenant abandons the Leased Premises or if, except as a result of damage, destruction or a partial or complete condemnation, Tenant voluntarily ceases operations on the Leased Premises.

Upon Lease Default, Landlord, may, if Landlord so elects, without notice of such election and without any demand whatsoever, forthwith terminate this Lease and Tenant's right to possession of the Leased Premises and, at Landlord's sole and absolute discretion, accelerate the payment of all Rent for the balance of the Term and declare the same presently due and payable in full. In the event of such Lease termination, Tenant shall immediately pay Landlord the full amount of all such accelerated Rent. Landlord, in addition to all other remedies given to Landlord at law or in equity, may by written notice to Tenant, without terminating this Lease, install a manager, administrator and/or management consultant of its choice at Tenant's sole expense or reenter the Leased Premises by summary proceedings or otherwise. In any event, upon Lease Default, Tenant hereby consents to a so-called Change of Ownership for licensure and certification and acknowledges and agrees that

Landlord or its designees have a possessory interest in the Facility for the purpose of pursuing the Change of Ownership and Landlord may dispossess Tenant upon approval of the Change of Ownership, it being the understanding that under no circumstances is this Lease to be an asset for Tenant's creditors by operation of law or otherwise; and in no event shall Tenant contest or otherwise interfere with Landlord's pursuit of a Change of Ownership, it being the understanding that, upon a Lease Default, after any applicable grace or cure period, Landlord shall have the right to take all reasonable and necessary action to protect the Leased Premises and its operation as a licensed Facility. In the event of such reentry, Landlord may relet the Leased Premises without being obligated so to do, and in the event of a reletting may apply the Rent therefrom first to the payment of Landlord's cost and expenses, including attorneys' fees incurred by reason of Tenant's default, and the cost and expense of reletting including, but not limited to, repairs, renovation, or alteration of the Leased Premises and then to the amount of Rent and all other sums due from or payable by Tenant hereunder, Tenant remaining liable for all other sums due from or payable by Tenant hereunder and for any deficiency. The parties acknowledge that the foregoing rights of Landlord are subject to any and all regulatory approvals relating to the transfer of a nursing facility and/or its license.

(B) Except as provided in this Lease to the contrary, Rent and other sums not paid when due (unless paid within any applicable grace period) shall bear interest from the date when the same are first payable under the terms of this Lease until the same shall be paid at an annual rate of interest equal to the rate of interest announced from time to time by Citibank, N.A., New York, New York as its Base Rate, plus four percent (4%), unless such rate shall not be permitted by law, in which event the maximum rate permitted by law shall be charged (hereinafter referred to as the "Leased Interest Rate"). The term "Base Rate" means the commercial prime rate of interest announced by Citibank, N.A. automatically and simultaneously with each change in the Base Rate made by Citibank, N.A. from time to time. Any publication issued or published by Citibank, N.A. from time to time or a certificate signed by an officer of Citibank, N.A. stating its Base Rate as of a date shall be conclusive evidence of the Base Rate on that date. Tenant further acknowledges that its late payment of any Rent or other sums shall cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which is extremely difficult or impracticable to fix. Such costs and expenses shall include, without limitation, loss of use of money, administrative and collection costs and processing and accounting expenses. Therefore, if any installment of Rent is not received by Landlord when due or within any applicable grace period, except as provided in this Lease to the contrary, or any other sum due herein is not paid when due, Tenant shall immediately pay to Landlord a late charge equal to five percent (5%) of the unpaid amount. Such late charge is in addition to any interest due pursuant to the first sentence of this Section 17.1(B). Landlord and Tenant agree that the late charge represents a reasonable estimate of costs and expenses incurred by Landlord from, and is fair compensation to Landlord for, any loss suffered by such non-payment by Tenant. Acceptance of the late charge shall not constitute a waiver of Tenant's default with respect to such non-payment by Tenant or prevent Landlord from exercising any other rights and remedies available to Landlord under this Lease. Any late charge accepted by Landlord shall be first applied to unpaid Rent, and then to costs and expenses of Landlord.

(C) Upon the filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor and as debtor-in-possession, and any trustee who may be appointed shall: (1) timely perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (2) pay monthly in

advance on the first day of each month as reasonable compensation for use and occupancy of the Leased Premises an amount equal to the Rent and other charges otherwise due pursuant to this Lease; and (3) reject or assume this Lease within sixty (60) days after the filing of such petition under the Bankruptcy Code or within such time period as the Bankruptcy Code may allow. Tenant, as debtor and as debtor-in-possession, and any trustee shall be deemed to have rejected this Lease in the event of the failure to comply with any of the above. Included within and in addition to any other conditions or obligations imposed upon Tenant or its successor in the event of assumption and/or assignment is the prior written consent of any mortgagee to which this Lease has been assigned as collateral security.

(D) In the event of termination of this Lease by reason of any Lease Default by Tenant, or upon the expiration of the Term, then, and in any of such events, Tenant, upon Landlord's written request, shall to the greatest extent permitted by law, transfer to Landlord or its designees or assigns, the following: (i) all federal, state or municipal licenses, certifications, certificates, approvals, permits, variances, waivers, provider agreements and other authorizations certificates which relate to the operation of the Facility; and (ii) the name of the Facility as then known to the general public. Tenant shall also prepare and file all notices required by applicable law in connection with such termination. In the event Tenant fails or refuses to transfer any such license, certification, certificate, approval, permit, variance, waiver, provider agreement, other authorization or trade name, then this provision shall constitute an act of assignment by Tenant to Landlord or its assigns without the necessity of any further written instrument. The parties acknowledge that the foregoing rights of Landlord are subject to any and all regulatory approvals relating to the transfer of a nursing facility and/or its license.

(E) No failure of Landlord to enforce any rights or remedies upon default of Tenant shall prejudice or affect the rights of Landlord upon any subsequent or similar default.

(F) In the event of a Lease Default by Tenant of any of the terms, covenants, conditions or provisions of this Lease, which Lease Default is not cured within any applicable grace or cure period, Landlord shall have the right to invoke any remedy permitted to Landlord in law or in equity. All remedies available to Landlord are declared to be cumulative and concurrent and the exercise of one shall not preclude or waive the right to exercise any other. No termination of this Lease and no taking or recovering of possession of the Leased Premises shall deprive Landlord of any of its remedies or actions against Tenant and Tenant shall remain liable for all past or future Rent, including all taxes, insurance premiums and all other charges and Rent payable by Tenant under this Lease, during and for the balance of the Term hereof. The bringing of any action for Rent or other default shall not be construed as a waiver of the right to obtain possession of the Premises.

(G) If suit shall be brought for recovery of possession of the Leased Premises, for the recovery of Rent, or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of Tenant to be kept or performed, and breach shall be established, Tenant shall pay to Landlord all expenses, including reasonable attorney fees, incurred therefor.

(H) Notwithstanding anything in this Lease to the contrary, in the event of any Lease Default by Tenant, Tenant agrees that Landlord has no duty or obligation to mitigate Tenant's damages pursuant to this Lease and that nothing herein contained shall be construed as imposing upon Landlord any duty or obligation to mitigate Landlord's damages. Without limiting the

generality of the foregoing, Tenant agrees that the failure of Landlord to attempt to relet, to relet, or if relet, to collect rent or other charges under such reletting shall not release, reduce or otherwise affect Tenant's liability for Landlord's damages pursuant to this Lease.

(I) Notwithstanding anything in this Lease to the contrary, in the event of any Lease Default or termination of this Lease, Tenant waives, to the extent permitted by applicable law, (a) any right of redemption, re-entry or repossession; (b) any right to any notice to quit or to a trial by jury in the event of any proceedings to enforce the remedies set forth in this Lease; and (c) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt.

(J) Consent to Jurisdiction. Tenant hereby consents to the jurisdiction of any state or federal court located within the State in which the Facility is located and irrevocably agrees that, subject to Landlord's election, all actions or proceedings arising out of or relating to this Lease may be litigated in such courts. Tenant expressly submits and consents to the jurisdiction of the aforesaid courts and waives any defense of forum non conveniens. Tenant hereby waives personal service of any and all process and agrees that all such service of process may be made upon Tenant by certified or registered mail, return receipt requested, addressed to Tenant, at the address set forth in this agreement and service so made shall be complete ten (10) days after the same has been posted. This subsection shall not limit Landlord's right to sue Tenant in any other jurisdiction or serve Tenant in any other manner.

ARTICLE XVIII ENTRY AND REIMBURSEMENT RIGHTS OF LANDLORD

18.1 Entry and Reimbursement Rights of Landlord. In addition to those rights set forth in Section 7.3 of this Lease, Landlord reserves the right at all reasonable times to go upon and inspect the Facility and every part thereof (subject to applicable laws and regulations pertaining to patient or resident confidentiality and privacy and the confidentiality of medical records). If Landlord shall make any payments or perform any repairs on behalf of Tenant which are Tenant's obligation and which Tenant is in default thereof, then any reasonable amounts so paid by Landlord are agreed and declared to be Rent, and shall be due and payable to Landlord by Tenant upon submission to Tenant of an invoice, bill, or statement therefor, together with interest charged at the Lease Interest Rate commencing thirty (30) days after the date of such invoice, bill, or statement.

ARTICLE XIX REPRESENTATIONS AND WARRANTIES

19.1 Tenant's Representations and Warranties. Tenant represents and warrants to Landlord and agrees as follows:

(A) Corporate. Tenant is a limited liability company duly formed and validly existing under the laws of the state of its formation, and has the limited liability company power and authority to own its property and assets and to carry on its business as now being conducted or as will be conducted on and after the Commencement Date;

(B) No Breach of Statute or Contract. The execution, delivery and performance of this Lease by Tenant will not breach any statute or regulation of any governmental authority, and will not as of the Commencement Date conflict with or result in a breach of or default under any of the terms, conditions or provisions of Tenant's Certificate of

Formation, Operating Agreement, other material agreements, or any order, writ, injunction, decree, agreement or instrument to which Tenant is a party, or by which it or its property, may be bound; and

(C) Authorization of Lease. The execution, delivery and performance of this Lease has been duly authorized by all necessary individual, shareholder, member, officer, director, manager and/or owner action of Tenant and this Lease constitutes the valid and binding obligation of Tenant, fully enforceable in accordance with its terms.

ARTICLE XX MISCELLANEOUS

20.1 Governing Law. This Lease has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State in which the Leased Premises are located. All duties and obligations of the Parties to this Lease created hereunder are performable in said State, which shall be the sole and exclusive venue for any litigation, special proceeding, or other proceeding between the Parties that may be brought, arise out of or in connection with or by reason of this Lease.

20.2 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Lease shall not operate as, or be construed to be a waiver of, any subsequent breach of the same or other provision hereof. No waiver shall be effective unless set forth in writing and signed by the party against whom such waiver is asserted.

20.3 Legal Fees. Tenant shall pay all costs, including, without limitation, reasonable attorneys' fees, incurred by Landlord in connection with the enforcement of this Lease.

20.4 Gender and Number. Whenever the context hereof requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all shall include the singular and plural.

20.5 Force Majeure. Neither party shall be liable nor deemed to be in default for any delay or failure in performance under this Lease or other interruption of service or employment deemed resulting, directly or indirectly, from acts of God, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by either Parties' employees, or any similar or dissimilar cause beyond the reasonable control of either party.

20.6 Severability. In the event any provision of this Lease is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Lease, which shall remain in full force and effect and enforceable in accordance with its terms.

20.7 Entire Agreement; Amendments. This instrument contains the entire agreement between the Parties hereto with respect to the subject matter hereof. All representations, promises and prior or contemporaneous undertakings between such Parties are merged into and expressed in this instrument, and any and all prior agreements between such Parties hereby are canceled. The agreements contained in this instrument shall not be amended, modified, or supplemented except by a written agreement duly executed by both Landlord and Tenant.

20.8 Counterpart Execution; Facsimile Execution. This Lease may be executed in any number of counterparts with the same effect as if the Parties hereto had signed the same document. All counterparts will be construed together and shall constitute one lease. Signatures transmitted by pdf or facsimile shall have the same effect as original signatures.

20.9 Survival of Representations and Warranties. Except as specifically provided otherwise in this Lease, all representations and warranties of Landlord and Tenant shall survive the Term of this Lease.

20.10 Use of Brokers. Landlord and Tenant each represent and warrant to the other that no broker, finder or other person has been involved in regard to this Lease.

20.11 No Partnership. By virtue of entering into this Lease or the calculation or receipt of any Rent hereunder, Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of Tenant's business or otherwise, or joint venturer, or a member of a joint enterprise with Tenant. By virtue of entering into this Lease or the calculation or payment of any Rent hereunder, Tenant does not, in any way or for any purpose, become a partner of Landlord in the conduct of Landlord's business or otherwise, or joint venturer, or a member of a joint enterprise with Landlord.

20.12 Estoppel Certificates. Tenant shall, without charge, at any time and from time to time, within ten (10) days after written request by Landlord, deliver a written instrument to Landlord or any other person specified by Landlord, duly executed and acknowledged, certifying the following and such other matters as may be reasonably required by Landlord, including without limitation, current financial information relating to Tenant:

(A) That Tenant has accepted and is in possession of the Leased Premises;

(B) That this Lease is unmodified and in full force and effect or, if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification;

(C) Whether or not there are then existing any setoffs or defenses in favor of Tenant against the enforcement of any of the terms, covenants, and conditions of this Lease by Landlord and, if so, specifying the same, and also whether or not Landlord has observed and performed all of the terms, covenants, and conditions on the part of Landlord to be observed and performed and, if not, specifying same;

(D) That no Lease Defaults exist or are continuing; and

(E) The dates to which Rent and all other charges hereunder have been paid.

20.13 Holdover. If, at the expiration of the Term or earlier termination of this Lease, Tenant continues to occupy the Leased Premises without Landlord's written consent, such holding over shall not constitute a renewal of this Lease, but Tenant shall be a Tenant from month-to-month at three (3) times the Rent payable by Tenant immediately prior to the holdover period, at Landlord's sufferance, and under the same terms and conditions as were in force and effect at the expiration of the Term (except only as to the Term), and except that in the event Tenant shall continue to occupy the Leased Premises after the expiration of the Term, without a duly executed extension agreement in writing having been entered into by and between Landlord and Tenant, then if Landlord shall suffer any damage, loss, cost or expense as a result of such holdover, then Tenant, in addition to such increased Rent, shall pay the amount thereof to Landlord immediately on demand.

20.14 Tenant's Waiver of Claim for Physical Injury.

(A) Landlord and the Landlord's Indemnitees shall not be liable for, and Tenant waives and indemnifies Landlord and Landlord's Indemnitees against all claims for, damage or

injury to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in, about, or upon the Leased Premises and further including any claim by any person or party for personal injury, malpractice, negligence, fraud, property damage or any environmental claim or remedial claim or claim relating to any failure to provide quality care, receipt of overpayments from a governmental authority, nonpayment of fines or penalties imposed by a governmental authority, or negligence in the provision of care or services, all of the foregoing to be the sole and absolute responsibility of Tenant under any and all circumstances, however arising.

(B) Without limiting the foregoing, Tenant shall be responsible for, and shall indemnify Landlord against, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair or any other capital improvement, replacement, repair or maintenance; (ii) injury done or occasioned by wind; (iii) any defect in or failure of plumbing, heating, or air conditioning equipment, electric wiring, gas, water and steam pipes, stairs, rail or walks; (iv) broken glass; (v) the backing up of any sewer pipe or washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about the Leased Premises; (vi) the escape of steam or hot water; (vii) water, snow or ice being upon or coming through the roof, skylight, trap door, stairs, walks or any other place upon or near the Leased Premises; (viii) the falling of any fixture, plaster, drywall or stucco; and (ix) any act, omission or negligence of trespassers.

20.15 Priority. This Lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect this Lease or the Leased Premises and to all renewals, modifications, consolidations, replacements and extensions of any such ground or underlying leases and mortgages. This clause shall be self-operative and no further instrument shall be required by any ground or underlying landlord or by any mortgagee, affecting this Lease or the Leased Premises. Tenant shall execute any document in this respect reasonably requested by Landlord or mortgagee.

20.16 Default by Landlord. Landlord shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Landlord shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after written notice to Landlord by Tenant properly specifying wherein Landlord has failed to perform any such obligations. Tenant agrees to give to the holder of record of any mortgage covering the Leased Premises notice simultaneously with any notice given to Landlord to correct any default of Landlord as hereinabove provided and agrees that the holder of record of any mortgage shall have the right, after receipt of notice of such default, within sixty (60) days after the expiration of Tenant's applicable cure period with respect thereto, to correct or remedy such default before Tenant may take any action under this Lease by reason of such default. Landlord shall also give to the holder of any mortgage copies of any notices of default which it may give or send to Tenant.

20.17 Liens. Tenant shall not do or suffer anything to be done whereby the Leased Premises, or any portion thereof, or any interest therein, may be encumbered by any liens of mechanics, laborers, or materialmen, chattel mortgages or any other liens, other than in favor of Landlord's mortgagee. Tenant shall, whenever and as often as any such liens are filed against the Leased Premises, or any portion thereof, purporting to be for labor or material furnished or to be furnished to Tenant, discharge the same of record within fifteen (15) days after the date of filing by payment, bonding or otherwise, as provided by law. In the event of the default of Tenant in

procuring the discharge, as aforesaid, of any such lien, Landlord may, with ten (10) days prior notice, procure such discharge and the expenses incurred by Landlord in obtaining such discharge shall be paid by Tenant as Rent within ten (10) days after notice from Landlord of the amount thereof.

20.18 Construction and Interpretation. The Parties have each negotiated the terms and conditions hereof and reviewed this Lease carefully. It is the intent of the Parties that each word, phrase, sentence and other part hereof shall be given its plain meaning, and that rules of interpretation or construction of contracts that would construe any ambiguity of any part hereof against the draftsman, by virtue of being the draftsman, shall not apply.

20.19 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than shall be due hereunder, shall be deemed to be other than a payment on account nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be given any effect or be deemed an accord and satisfaction, and Landlord may accept such checks without prejudice to any other rights or remedies which the Landlord may have.

20.20 Captions and Headings. The captions and headings set forth in this Lease are included for convenience and reference only, and the words obtained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of, or the scope or intent of, this Lease, or any parts hereof.

20.21 Time is of the Essence. Time is of the essence of each and every term, condition, covenant and warranty set forth herein.

20.22 Successors and Assigns. This Lease shall (A) be binding upon Tenant and Tenant's permitted successors and assigns, and (B) inure to the benefit of Landlord and any other person or entity who may now or hereafter hold the interest of Landlord under this Lease and their respective successors and assigns.

20.23 No Third Party Beneficiaries. This Lease is solely for the benefit of Landlord, Senior Lender, their successors and assigns, and Tenant, and nothing contained herein shall confer upon any person other than Tenant, Landlord or Senior Lender or their respective successors and assigns, any right to insist upon or to enforce the performance or observance of any of the obligations contained herein, except only as may be otherwise specifically provided for in this Lease. All conditions to the obligations of Landlord to advance or make available proceeds of insurance or condemnation, are imposed solely and exclusively for the benefit of Landlord, its successors and assigns. No other person or entity shall have standing to require satisfaction of such conditions in accordance with their terms, and no other person or entity shall, under any circumstances, be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Landlord at any time, if in Landlord's sole and absolute discretion, Landlord deems it advisable or desirable to do so.

ARTICLE XXI REMEDIES CUMULATIVE

21.1 Cumulative Remedies. The rights and remedies set forth under this Lease are in addition to all other rights and remedies afforded to Landlord under any of the other documents contemplated under this Lease or at law or in equity, all of which are hereby reserved by Landlord,

and this Lease is made and accepted without prejudice to any such rights and remedies. All of the rights and remedies of Landlord shall be separate and cumulative and may be exercised concurrently or successively in Landlord's sole and absolute discretion.

ARTICLE XXII LIMITATION OF LIABILITY

22.1 Liability. No member, manager, officer, shareholder, employee or agent of Landlord or its respective affiliates shall be held to any personal liability, jointly, or severally, for any obligation of, or claim against Landlord under this Lease. All persons dealing with Landlord, in any way, shall look only to the assets of Landlord for the payment of any sum or the performance of any obligations.

22.2 Consequential Damages. Under no circumstances shall Landlord be liable to Tenant for any consequential damages.

22.3 Liability Limited to Interest in Premises. Tenant shall look solely to Landlord's interest in the Leased Premises to satisfy any liability arising under this Lease.

ARTICLE XXIII HUD ADDENDUM

23.1 HUD Addendum. Landlord and Tenant agree that the HUD Operator Lease Addendum attached hereto as **Exhibit C** is hereby incorporated herein as if set forth at length herein.

[next page is signature page]

IN WITNESS WHEREOF the parties hereto have duly executed this Lease as of the date first above written, which date shall be deemed to be and shall be referred to as the date of this Lease.

LANDLORD:
350 Oxford Road Propco LLC

By: _____
Yosef Frankel, Manager

TENANT:
350 Oxford Road Opco LLC

By: _____
Yosef Frankel, Manager

EXHIBIT A

Tax Block 301, Tax Lot 8.03 on the official tax map of Township of Mansfield, County of Warren, in the State of New Jersey, also known as 350 Oxford Road, Mansfield, New Jersey (with a postal address of 350 Oxford Road, Oxford, New Jersey 07863).

EXHIBIT B

Annual Rent, payable monthly, hereunder shall equal 1.05 times the annual payments payable by Landlord under any and all loans (the "Loan") secured in whole or in part by any mortgage upon the Leased Premises, including annual principal and interest payments, annual MIP, annual replacement reserve deposit, annual property insurance, annual property taxes and other amounts then due and payable, payable in monthly installments (collectively, the "Monthly Mortgage Loan Payments"), pro rated for any partial month, as applicable. The foregoing Rent shall automatically adjust, without any requirement of notice or demand, upon any change in the Monthly Mortgage Loan Payments. Tenant's obligation to pay taxes and insurance set forth in this Lease shall be included in the Rent as set forth herein. The parties shall mutually agree from time to time upon the allocation of said Rent to the personal property included in the Leased Premises. Landlord reserves the right to increase the Monthly Rent hereunder to the extent required by any lender having a mortgage upon the Leased Premises.

EXHIBIT C

[See attached Operator Lease Addendum]

**Operator Lease
Addendum
Section 232**

**U.S. Department of Housing
and Urban Development
Office of Residential
Care Facilities**

OMB Approval No. 2502-0605
(exp. 01/31/2026)

Public reporting burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The information is being collected to obtain the supportive documentation that must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. Response to this request for information is required in order to receive the benefits to be derived from the National Housing Act Section 232 Healthcare Facility Insurance Program. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

This Operator Lease Addendum, dated as of [____], 2025, is attached to and made a part of that certain Health Care Center Facility Lease dated [____], 2025, entered into by Lessor and Lessee, and amends and/or supplements the Operator Lease. The Health Care Center Facility Lease and this Operator Lease Addendum are collectively known as the “**Operator Lease**.” For so long as HUD is the holder or insurer of any indebtedness secured by the Healthcare Facility (as defined below), the provisions of this Operator Lease Addendum shall apply to the Operator Lease. In the event of any conflict between the terms of this Operator Lease Addendum and any other provision in the Operator Lease, the terms of this Operator Lease Addendum shall govern and control.

Covenants. Lessor and Lessee covenant and agree as follows:

I. DEFINITIONS.

1. DEFINITIONS. Any capitalized term or word used herein but not defined shall have the meaning given to such term in the Borrower’s Security Instrument. The following terms, when used in this Operator Lease Addendum (including when used in the above recitals), shall have the following meanings, whether capitalized or not and whether singular or plural, unless, in the context, an incongruity results:

“**Accounts Receivable**” has the meaning set forth in the Borrower’s Security Instrument.

“**Approved Use**” has the meaning set forth in the Operator’s Regulatory Agreement.

“**Bed Authority**” means the licensed number of beds for a Healthcare Facility as authorized under the Healthcare Requirements.

“**Borrower**” means 350 Oxford Road Propco LLC, a New Jersey limited liability company. When there is no Master Lease, Borrower is also the Lessor.

“Borrower’s Regulatory Agreement” means that certain Healthcare Regulatory Agreement – Borrower relating to the Project and entered into by Borrower for the benefit of HUD.

“Borrower’s Security Instrument” means that certain Healthcare Mortgage, Assignment of Leases and Rents and Security Agreement (New Jersey), from Borrower in favor of Lender with respect to the Project securing the Loan, and any amendments and supplements thereto.

“CON” means collectively all Certificates of Need and Certificate of Need reports under Healthcare Requirements authorizing and permitting the use of the Healthcare Facility for its Approved Use.

“FF&E” means furnishings, fixtures and equipment of all kind used in connection with the Healthcare Facility including additions, substitutions and replacements thereto.

“Healthcare Facility” means that certain healthcare facility authorized to receive insured mortgage financing pursuant to Section 232 of the National Housing Act, as amended, that is the subject of the Operator Lease.

“Healthcare Requirements” means, relating to the Healthcare Facility, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions or agreements, in each case, pertaining to or concerned with the establishment, construction, ownership, operation, use or occupancy of the Healthcare Facility or any part thereof as a healthcare facility, and all material permits, licenses and authorizations and regulations relating thereto, including all material rules, orders, regulations and decrees of and agreements with healthcare authorities pertaining to the Healthcare Facility.

“HUD” means the U.S. Department of Housing and Urban Development.

“Intercreditor Agreement” is defined in Section 12.

“Lender” means Greystone Funding Company LLC, a Delaware limited liability company, f/k/a Greystone Funding Corporation, a corporation organized and existing under the laws of Virginia, and any future holder of the Borrower’s Security Instrument.

“Lessee” means 350 Oxford Road Opco LLC, a limited liability company organized and existing under the laws of New Jersey, together with any successors, heirs and assigns (jointly and severally). Lessee may sometimes be referred to as a “tenant” under the terms of the Operator Lease.

“Lessor” means 350 Oxford Road Propco LLC, a limited liability company organized and existing under the laws of New Jersey, together with any successors, heirs and assigns (jointly and severally). “Lessor” may sometimes be referred to as a “landlord” under the terms of the Operator Lease.

“Loan” means the HUD-insured loan in the original principal amount of \$14,224,000.00, made by Lender to Borrower, secured by the Healthcare Facility, as such Loan may be amended, increased or decreased.

“Loan Documents” means the Note, the Borrower’s Security Instrument, the Borrower’s Regulatory Agreement, the Operator’s Regulatory Agreement, the Operator’s Security Agreement, any subordination agreements, and any and all other documents now or in the future required by and/or assigned to HUD and/or Lender in connection with the Loan(s), whether executed by or on behalf of Borrower, Lessor, or Operator, as the same may be amended from time to time, provided that the Operator Lease, and any amendments thereto, shall not be considered Loan Documents.

“Master Lease” and **“Master Tenant”** have the meanings set forth in the Borrower’s Security Instrument.

“Operator’s Regulatory Agreement” means that certain Healthcare Regulatory Agreement – Operator relating to the Project and entered into by Lessee for the benefit of HUD.

“Operator’s Security Agreement” means that certain Operator Security Agreement relating to the Project, and made by Lessee.

“Program Obligations” means (1) all applicable statutes and any regulations issued by HUD pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Operator Lease Addendum rather than add or delete provisions from such document. Handbooks, guides, notices and mortgagee letters are available on HUD’s official website: <http://hud.gov/offices/adm/hudclips/index.cfm>, or a successor location to that site.

“Project” has the meaning set forth in the Borrower’s Security Instrument.

II. HUD REQUIREMENTS

2. COMPLIANCE WITH PROGRAM OBLIGATIONS.

(a) Lessor and Lessee shall comply with, and agree that the Operator Lease shall conform to, the Loan Documents and all applicable Program Obligations. Lessee further agrees that the Operator Lease shall be part of the collateral pledged to Lender and HUD as security for

the Loan. Accordingly, Lessee shall not take any action which would violate the Loan Documents or Program Obligations.

(b) In the event of any conflict between the terms and provisions of the Operator Lease, the Loan Documents or any Program Obligations, the Loan Documents and Program Obligations shall control in all respects. No provision of the Operator Lease shall modify any obligation of Lessor or Lessee under the Loan Documents. HUD's acceptance of the Operator Lease in connection with the closing of the Loan shall in no way constitute HUD's consent to arrangements which are inconsistent with Program Obligations.

(c) Lessee shall cooperate with Borrower and Lessor in providing, upon request by Lender or HUD, any and all documents, information, financial reports, and other items as may be required by Lender or HUD. As applicable, Lessee shall execute any subordination agreements, memoranda of leases or subleases, and/or estoppel certificates in form and substance required by Lender or HUD. Lessee shall cooperate with Borrower and Lessor and any lenders processing additional loans to Borrower.

3. SUBORDINATION TO THE LOAN DOCUMENTS.

(a) The Operator Lease is and shall be subject and subordinate to: the Borrower's Security Instrument and the Loan Documents; all renewals, modifications, consolidations, replacements and extensions thereof; all substitutions thereof; all future mortgages upon the Healthcare Facility; and/or other security interests in or to the Healthcare Facility and any other items which are herein leased to Lessee or which, pursuant to the terms hereof, become a part of the Healthcare Facility or are otherwise deemed to become the property of Lessor or to remain upon the Healthcare Facility at the end of the term; and each advance made or hereafter made under any of the foregoing. This Section shall be self-operative and no further instrument of subordination shall be required. Without limiting the foregoing, Lessee shall execute and deliver promptly any and all certificates, agreements and other instruments that Lessor, Lender or HUD may reasonably request in order to confirm such subordination. Unless Lender has granted Lessee non-disturbance rights in accordance with Program Obligations, if Lender or another person or entity shall succeed to the interest of Borrower or Lessor, by reason of foreclosure or other proceedings brought by Lender in lieu of or pursuant to foreclosure, or by any other manner (Lender or such other person or entity herein referred to as "**Successor**"), then the Operator Lease shall terminate, or, at the option of Successor, the Operator Lease shall continue in full force and effect, in which case Lessee shall attorn to Successor and recognize Successor as its landlord and as "Lessor" under the terms of the Operator Lease.

(b) All agreements for the provision of services to the Healthcare Facility or the granting of easements, rights of way, licenses or other permissions for the use or placement of cable television, telecommunications, or other utilities are, and shall always be, subordinate to (i) the rights of Lessor, (ii) the Borrower's Security Instrument, the Loan Documents and all other security agreements or security interests now or hereafter encumbering the Healthcare Facility and/or the Project, and (iii) Program Obligations. Lessee shall obtain written approval from HUD prior to entering into any such services agreements, easements, rights of way, licenses or other permissions.

4. OWNERSHIP OF FF&E AND TRANSFER OF PERSONAL PROPERTY.

(a) During the term of the Operator Lease, Lessee shall not remove any FF&E from the Healthcare Facility, except in the ordinary course of business.

(b) At the termination of the Operator Lease, Borrower will have the right to purchase any or all of Lessee's personal property located at the Healthcare Facility at book value. To the extent that any of such personal property is subject to an equipment lease, Borrower shall have the right to cause Lessee to pay in full all obligations under such equipment leases, or to assume some or all of such equipment leases at Borrower's sole cost and expense and at no additional liability to Lessee. Lessee shall sign or deliver to Borrower any instrument that may be reasonably necessary to transfer any such leased property to Borrower.

5. PAYMENTS.

(a) Rents and other amounts payable by Lessee under the Operator Lease (including rents, additional rents and all other sums payable under the Operator Lease) shall be sufficient to properly maintain the Healthcare Facility, and to enable Borrower to meet its debt service obligations and any related expenses (including, without limitation, any required deposits to reserves) in connection with the Loan and the Healthcare Facility, and shall be adjusted, as appropriate, on an annual basis to maintain the veracity of this Section.

(b) Unless Lender and Lessor agree otherwise, Lessee shall be responsible for funding all escrows for taxes, reserves for replacements, mortgage insurance premiums and/or other insurance premiums as may be required by Lender and/or HUD.

(c) Lessee shall deliver to Lessor copies of all notices, demands, claims, bills and receipts in relation to all impounds and insurance premiums promptly upon receipt thereof by Lessee.

6. OPERATOR'S REGULATORY AGREEMENT AND OPERATOR'S SECURITY AGREEMENT. Prior to HUD's endorsement of the Note, Lessee shall execute the Operator's Regulatory Agreement and the Operator's Security Agreement, and all other documents required by Lender or HUD to evidence Lender's security interest in the collateral of Lessee. Lessee shall comply with all obligations under the Operator's Regulatory Agreement and the Operator's Security Agreement. Any default by Lessee under the Operator's Regulatory Agreement or Operator's Security Agreement shall be deemed to be a default under the Operator Lease.

7. MANAGEMENT REQUIREMENTS. Lessee shall not enter into any management contract or agreement involving the Healthcare Facility unless such management contract or agreement complies with Program Obligations and contains provisions that, in the event of default under the Borrower's Regulatory Agreement and/or the Operator's Regulatory Agreement, the management contract or agreement shall be subject to termination upon not more than thirty (30) days notice (a "**Notice of Termination**"), without penalty, upon written request

of HUD. Upon such Notice of Termination, Lessee shall immediately arrange to terminate the management contract or agreement within a period of not more than thirty (30) days and shall make arrangements satisfactory to HUD for ensuring that the Healthcare Facility is managed in accordance with Program Obligations.

8. LICENSES; BED AUTHORITY. Lessee shall ensure that the Healthcare Facility meets all state and/or other licensure requirements and standards at all times. Lessor and Lessee shall not undertake or acquiesce to the modification of any license or Bed Authority of the Healthcare Facility without the prior written approval of HUD.

9. PROVIDER AGREEMENTS. Lessee shall be responsible for obtaining and maintaining all necessary provider agreements with Medicaid, Medicare and other government third-party payors. Upon request, Lessee shall promptly furnish to Lender and/or HUD copies of any applicable provider agreements and all amendments thereto.

10. INSURANCE; CASUALTY; CONDEMNATION. Lessee shall procure and maintain, or cause to be procured and maintained, all insurance coverage required under the Loan Documents and/or Program Obligations. All proceeds from an insurance or condemnation claim or award, or other compensation paid by reason of a conveyance in lieu of the exercise of such rights, with respect to the Healthcare Facility or the Project shall be applied in accordance with the terms of the Loan Documents and Program Obligations. Any decision to repair, reconstruct, restore or replace the Healthcare Facility following a casualty or condemnation action shall be subject to the terms of the Loan Documents and Program Obligations. On an annual basis, Lessee shall provide to Lender a certification that it is in compliance with HUD's professional liability insurance requirements.

11. ASSIGNMENT OF THE OPERATOR LEASE AND SUBLETTING OF THE HEALTHCARE FACILITY.

(a) The Operator Lease shall not be assigned and the Healthcare Facility shall not be subleased by Lessee, in whole or in part (including any transfer of title or right to possession and control of the Healthcare Facility, or of any right to collect fees or rents), without the prior written approval of HUD. The prior written approval of HUD shall additionally be required for (i) any change in or transfer of the management, operation, or control of the Healthcare Facility, or (ii) any change in the ownership of Lessee that requires approval from HUD under Program Obligations. Any proposed assignee of Lessee shall be required to execute a Healthcare Regulatory Agreement – Operator (Form HUD-92466A-ORCF) and an Operator Security Agreement (Form HUD-92323-ORCF), each in a form and substance satisfactory to HUD, as a prerequisite for any such approval. Any assignment or subletting of the Healthcare Facility without the approval described in this Section shall be deemed null and void. Notwithstanding the foregoing, all restrictions in this Section pertaining to subletting shall not apply to the leasing of individual units or beds to residents of the Healthcare Facility.

(b) Lessee acknowledges that Lessor is assigning the Operator Lease to Lender to further secure Lessor's and Borrower's obligations to Lender under the Loan Documents. All parties acknowledge that Lender is authorized to exercise all of the rights and remedies available

to Lessor in connection with the assignment of the Operator Lease as Lender may determine is reasonably necessary to cure a default by Lessor under any of the Loan Documents.

12. ACCOUNTS RECEIVABLE FINANCING. Lessee shall not pledge nor permit to be pledged, any Accounts Receivable to a third-party lender without the prior written approval of Lender and HUD. In the event that Lender and HUD grant such approval, (i) all holders of such lien shall be bound by an Intercreditor Agreement with Lender (Form HUD-92322-ORCF), and any riders and/or amendments thereto (the “**Intercreditor Agreement**”), on such terms and conditions as may be required by HUD, and (ii) Lessee shall agree to comply with the requirements imposed by Lender and HUD in connection therewith.

13. TERMINATION OF THE OPERATOR LEASE. The Operator Lease shall not be terminated prior to its expiration date without the prior written approval of HUD. Lessor and Lessee acknowledge and agree that if requested to do so by HUD, Lessor shall terminate the Operator Lease within such time as specified by HUD, without penalty to Lessor, under the following circumstances: (i) for any violation of the Operator Lease that is not cured within any applicable notice and cure period provided in the Operator Lease, (ii) for any violation of the Operator’s Regulatory Agreement pursuant to its terms; (iii) for any violation of Program Obligations that is not cured within thirty (30) days after receipt by Lessee of written notice of such violation, or (iv) if HUD, as a result of the occurrence of any of the events described in the foregoing items (i), (ii) or (iii), is required to advance funds for the operation of the Healthcare Facility.

14. MASTER LEASE. In accordance with Program Obligations, HUD may require Borrower to enter into a master lease if the Project is affiliated by common ownership with the borrowers and/or operators of other projects financed or proposed to be financed under Section 232 of the National Housing Act. Such master lease shall (i) be approved by HUD and Lender, (ii) only cover HUD-insured projects, and (iii) comply with all applicable Program Obligations.

15. INDEMNIFICATION. Notwithstanding any provisions contained in the Operator Lease, HUD shall have no obligation to indemnify a party to the Operator Lease under the terms of the Operator Lease. In addition, any payment obligations of HUD pursuant to the Operator Lease shall be limited to actual amounts received by HUD, and otherwise not prohibited by applicable law or regulation, including without limitation, the Anti-Deficiency Act, 31 U.S.C. § 1341, *et seq.*

16. MODIFICATION; TERMINATION. The provisions of the Operator Lease shall not be amended, except to increase the rent or other payments due to Lessor, without the prior written approval of HUD and Lender, and shall only be terminated if such termination complies with Program Obligations.

17. NOTICES TO LENDER AND HUD OF DEFAULT. Lessee and Lessor shall copy Lender and HUD on all notices of default under the Operator Lease. Such copies shall be provided at the same time and in the same manner as provided by Lessee or Lessor to the other party. Lender shall have the right, but not the obligation, to cure any default by Lessor under the

Operator Lease. For the purpose of effecting such cure, Lessee grants Lender and Lessor such period of time as may be reasonable to enable Lender and/or Lessor to cure (or cause to be cured) any default. In the event of any act or omission of Lessor which would give Lessee the right, immediately or after lapse of a period of time, to cancel or terminate the Operator Lease, or to claim a partial or total eviction, Lessee shall not exercise such right (i) until it has given written notice of such act or omission to Lender and HUD, and (ii) unless such act or omission shall be one which is not capable of being remedied by Lender or Lessor within a reasonable period of time, until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when Lender shall have become entitled under the Loan Documents in connection therewith, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Lessor would be entitled under the Operator Lease or otherwise, after similar notice, to effect such remedy).

18. SPECIAL PURPOSE ENTITY. Lessee, its successors and assigns, is, shall be, and shall continue to be a Special Purpose Entity (as defined by Program Obligations).

19. CROSS-DEFAULT GUARANTY OF LESSEE. If the Healthcare Facility is or becomes subject to a Master Lease, Lessee shall execute a Cross-Default Guaranty of Subtenants (Form HUD-92331-ORCF) (individually and collectively, the “**Cross Default Guaranty**”) in favor of Lessor, in a form and substance required by HUD, by which Lessee shall guarantee the performance of the obligations of each its affiliates under all applicable subleases of healthcare facilities. Lessor hereby assigns such Cross-Default Guaranties to Lender.

20. TRANSFER OF OPERATIONS. Upon the expiration or earlier termination of the Operator Lease for any reason whatsoever, the Operator Lease shall become and be construed as an absolute assignment for purposes of vesting in Lessor (or Lessor’s designees) all of Lessee’s right, title, and interest in and to the following, to the extent assignable by law: (a) the licenses, any Medicare or Medicaid provider agreements and any CON, (b) all documents, charts, personnel records, patient records, and other documents relating to the Healthcare Facility or operations at the Healthcare Facility, (c) all existing agreements with residents of the Healthcare Facility, and any guarantors of such agreements, and any and all patient trust fund accounts and (d) all other assignable intangible property not enumerated above that is now or in the future used in connection with the operation of the Healthcare Facility. Lessee shall sign and deliver to Lessor any documents that may be reasonably necessary to transfer the foregoing to Lessor.

21. LESSEE COOPERATION. Lessee agrees to cooperate with Lessor and Borrower in providing, and upon request by Borrower, Lessor, Lender, or HUD, Lessee shall provide or cause to be provided, such documents, information, financial reports, and other items as may be required by Lender or HUD. When applicable, Lessee agrees to execute subordination agreements in form and substance required by Lender or HUD. Lessee further agrees to cooperate with Lessor and Borrower and with lender(s) who are processing and will be making Loans to Borrower.

22. COUNTERPART SIGNATURES. This Operator Lease Addendum may be executed in counterpart.

23. GOVERNING LAW. This Operator Lease Addendum and all rights and obligations under this Operator Lease Addendum, including matters of construction, validity and performance, shall be governed by the laws of the state in which the Healthcare Facility is located, without giving effect to conflicts of laws principles.

24. HUD is not a party to this Operator Lease Addendum and has no obligations hereunder; however, it is a third-party beneficiary for the sole purpose of enforcing its rights hereunder.

This document may be executed in counterparts, including handwritten and electronic signatures that shall be considered as an original signature for all purposes and shall have the same force and effect as handwritten or manual signatures. “Electronic signatures” shall include manual signatures scanned to an electronic format for transmission (e.g., via portable document format); digital signatures created with the use of electronic authentication software; or such other means of electronic execution as may be sufficient to authenticate the document under governing law. By signing electronically, each party further agrees and consents to waive any objection to the validity, enforceability, and admissibility of any signature contained herewith, to the fullest extent permitted by applicable federal, state, local law, or other requirement.

[next page is signature page]

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date first herein above written.

LESSOR:

350 OXFORD ROAD PROPCO LLC,
a New Jersey limited liability company

By: _____
Yosef Frankel
Manager

LESSEE:

350 OXFORD ROAD OPCO LLC,
a New Jersey limited liability company

By: _____
Yosef Frankel
Manager

MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into as of the ____ day of ____, 2025 by and between 350 Oxford Road Opco LLC, a New Jersey limited liability company (the “**Company**”) and Diamond Healthcare Management LLC, a New Jersey limited liability company (the “**Manager**”).

WHEREAS, the Company is the operator of that certain 180 bed skilled nursing facility, commonly known as Warren Haven Rehab and Nursing Center (the “**Facility**”), located at 350 Oxford Road, Mansfield, New Jersey 07863 (the “**Property**”); and

WHEREAS, the Company is the holder of all federal and State of New Jersey (the “**State**”) license, permits, approvals, certifications and authorizations (collectively, the “**Licenses**”) to operate the Facility; and

WHEREAS, the Company desires to engage the Manager to perform certain management services, as hereinafter expressly set forth; and

WHEREAS, it is not the intention of the Parties, and this Agreement shall not be construed or interpreted so as to (i) delegate substantial management control of the Facility to the Manager (within the meaning of N.J.S.A. 26:2H-7.25(g)), (ii) constitute the Manager as a “Management Agent,” or this Agreement as a “Management Agreement,” within the meaning of Section 232 of the National Housing Act or any applicable statutes and any regulations issued by the U.S. Department of Housing & Urban Development (“**HUD**”) pursuant thereto, or (iii) require Manager to provide any services which would require it to register or be certified as a “third party billing service” (within the meaning of N.J. Admin. Code § 11:23-1.2) (the foregoing being collectively referred to herein as the “**Management Restriction**”);

NOW, THEREFORE, in consideration of the premises, conditions and covenants hereinafter set forth, the parties hereto covenant and agree as follows:

1. The Company herewith engages and retains the Manager to provide management services, and the Manager herewith accepts said engagement and retention under and upon the terms and conditions hereinafter provided. The scope of services to be provided hereunder shall consist of services such as general corporate headquarters services, administrative, financial reporting and other services as may be agreed between by the parties from time to time; provided, however, the scope of services shall at all times be subject to the Management Restriction and the provisions of Section 3 hereof.

2. The term of this Agreement shall commence on the date hereof and shall continue for six (6) years thereafter (the “**Initial Term**”). After the expiration of the Initial Term, or any subsequent term, this Agreement shall automatically renew for three (3) successive periods of three (3) years, unless the Agreement is sooner terminated pursuant hereto, or upon the Company or Manager notifying the other party in writing of its intention to terminate this Agreement at the end of the Initial Term or the then current term and such notice is given at least thirty (30) days prior to the expiration of the Initial Term or the then current term.

3. The Manager shall comply with Company's policies made known to the Manager by Company. In the absence of any such policy, Manager shall exercise its reasonable judgment in performing its services hereunder. The Company shall own and hold all permits, licenses, and contracts with respect to the Facility, and shall be the "provider" within the meaning of all third-party contracts for the Facility. Specifically, and without limitation, the Facility shall own, hold, or be a party to: (a) the Medicare provider number(s); (b) the Medicare provider agreement(s); (c) the Medicare certification(s); (d) the Medicaid provider number(s); (e) the Medicaid provider agreement(s) with the applicable state Medicaid agencies; (f) the Medicaid certification(s); and (g) provider numbers, provider agreements, and certifications with respect to any other governmental or private program in which the Facility participates. At no time during the term of this Agreement shall the Company represent itself or give the appearance that it is the licensed operator of the Facility. Company and Manager acknowledge and agree that (i) Company is not delegating to Manager any powers, duties or responsibilities which it is prohibited by law or its Licenses from delegating, (ii) Company shall retain all necessary control and decision making authority required by law and its Licenses to be retained by a licensed operator of the Facility, and (iii) Manager's duties and obligations hereunder shall at all times be subject to the Management Restriction.

4. In providing services hereunder, Manager shall, within the scope of its responsibilities herein, operate in compliance with the requirements of all applicable governmental authorities, licenses, permits and approvals. Manager shall act in good faith and use its reasonable efforts to perform its obligations under this Agreement, but shall have no liability to Company for any decisions made with respect to or any actions taken or in the omission of any actions, so long as such decisions, actions or omissions were made or taken in good faith and met the standard of care set forth herein. Any action taken or omitted by Manager in reliance on advice from accountants with respect to financial reporting matters or legal counsel with respect to legal questions shall be conclusively deemed to have been taken in good faith. The liability of each party to the other is limited to actual damages suffered by each party as a direct and proximate result of the other party's breach under any provision of this Agreement. Manager makes no warranties, express or implied, and shall not assume any financial or other responsibilities in connection with its obligations under this Agreement, except as specifically provided in this Agreement. Manager shall be responsible for performing its services hereunder with the same diligence and skill as is employed by prudent managers having similar management responsibilities under similar circumstances, and consistent with the provisions of this Agreement and in substantial compliance with all obligations imposed on Company which are known to Manager.

5. The Company shall pay to Manager a management fee (the "**Management Fee**") equal to five percent (5%) of the net revenue of the Facility from all sources (including ancillary revenue). The Management Fee shall be paid monthly in arrears after payment of all Company operating expenses, and, to the extent not paid, shall accrue and carry forward to subsequent months. Notwithstanding the foregoing, no Management Fee shall be payable at any time an Event of Default exists under any loan agreement or any loan documents to which the Company may be a party, and payment of any Management Fees is hereby expressly made subordinate to the payment in full of all obligations of the Company thereunder.

6. The Company retains all ownership and other rights in all proprietary systems, policy and other manuals, materials and other information, in whatever form, developed by it. Nothing contained in this Agreement shall be construed as a license or transfer of such information either during the term of this Agreement or otherwise. Upon termination of this Agreement, or earlier upon Company's request, Manager shall immediately return all of Company's information to Company.

7. The Company will indemnify the Manager against and hold the Manager harmless from any liability, damage, penalties, costs or expenses, statutory or otherwise, for any acts properly performed by the Manager pursuant to this Agreement or the direct instructions of the Company or its duly authorized representative.

8. Manager shall indemnify and hold Company harmless from and against any and all claims, losses, costs, damages, and liabilities, including reasonable attorneys' fees, incurred, caused or occasioned by, in connection with or arising out of the gross negligence or willful misconduct of Manager, except if such claim, loss, cost, damage or liability results from the gross negligence or willful misconduct of Company.

9. Manager shall comply with all applicable laws, rules and regulations, including the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Rule") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Manager shall protect the privacy of individually identifiable health information pursuant to any and all privacy agreements, rules, policies and procedures, as may be required from time to time.

10. This Agreement shall terminate upon (i) its stated termination date as set forth in Section 2 above, (ii) mutual agreement of the parties or (iii) without limitation of any other right or remedy available therefor, written notice by one party to the next following a material breach of this Agreement, provided, the non-breaching party has provided written notice of such breach to the breaching party identifying such breach, and such breach is not cured within thirty (30) days of such notice, and provided, further, that the terminating party has fully complied with its obligations hereunder. Upon any termination of this Agreement for any reason whatsoever, (i) all amounts payable to Manager from Company under this Agreement shall be immediately due and payable, including, without limitation, all accrued but unpaid Management Fees, and (ii) Manager shall have no further obligation or liability to provide any services or take any action or step on behalf of or in connection with the Facilities.

11. Neither Manager nor Company shall assign its rights or obligations under this Agreement without prior written consent of the other, except that either party may at any time assign its rights and obligations under this Agreement to an affiliate or any party acquiring substantially all of its assets, stock or membership interest or to any lender providing financing to such party. This Agreement may be assigned by the Company as collateral security for all of the Company's obligations under any loan agreement to which the Company may be a party.

12. Manager shall not be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations under this Agreement for any reason beyond its control

including, without limitation, strikes, lockouts, unavailability of personnel or supplies, unforeseen changes in statutes, regulations or rules of appropriate governmental or other regulatory authorities.

13. The terms, covenants, conditions, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of Company and Manager, their successors and assigns.

14. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter, and no prior oral or written, and no contemporaneous oral, representations or agreements between the parties with respect to the subject matter of this Agreement shall be of any force and effect. Any additions, amendments or modifications to this Agreement shall be of no force and effect unless in writing and signed by Company and Manager.

15. This Agreement is made under, and shall be construed and enforced in accordance with, the laws of the State of New Jersey applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law.

16. If any provision of this Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto.

17. No party's waiver of any term, provision, or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further and continuing waiver by such party of any such term, provision or condition of this Agreement.

18. Except as otherwise expressly set forth herein, this Agreement shall not confer any rights or benefits to or upon any person or entity not a party to this Agreement.

19. Upon termination or expiration of Company's appointment of Manager under this Agreement, Manager's obligation to provide services hereunder and Company's obligation to pay for such services as provided hereunder shall cease after such termination or expiration date. Other terms and provisions of this Agreement shall survive any such termination or expiration to the extent necessary for the implementation thereof.

20. Neither this Agreement nor any term or provision hereof shall create any personal liability whatsoever on the part of any officer, director, manager, shareholder, partner, member, trustee, or employee of any party hereto.

21. This Agreement may be executed in any number of pdf counterparts, each of which when so executed and delivered shall constitute an original hereof, and it shall not be necessary in making proof of this Agreement to produce or account for more than one original counterpart hereto.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on their behalf their duly authorized representatives, as of the date set forth above.

350 Oxford Road Opco LLC

By: _____
Yosef Frankel, Manager

Diamond Healthcare Management LLC

By: _____
Yosef Frankel, Manager