

Preferred Care at Cumberland
154 Sunny Slope Drive
Bridgeton, New Jersey 08302

APPLICATION SUMMARY

Date application filed: November 30, 2021

Current name of facility: Cumberland Manor Nursing and Rehabilitation Center

License number: 060603

Application Reference # LA-060603-20700

Proposed name of facility: Preferred Care at Cumberland

Address: 154 Sunny Slope Drive, Bridgeton, NJ 08302

County: Cumberland

Project Description: This application involves the Transfer of Ownership of the operations of Cumberland Manor Nursing and Rehabilitation Center in Cumberland County. The new owner, Cumberland Operator LLC will operate the facility through a lease agreement with Cumberland Realty SNF LLC (copy of proposed Lease is attached). The prospective owners current own and operate several licensed healthcare facilities in New Jersey and several other states with excellent track records.

Licensed capacity: 196 long term care beds

Current Licensed Owner: Cumberland Operations LLC
Aryeh Stern 98%

Proposed Licensed Owner: Cumberland Operator LLC
See attached Organizational Chart

Proposed Management Company None

Ownership of Management Company: N/A

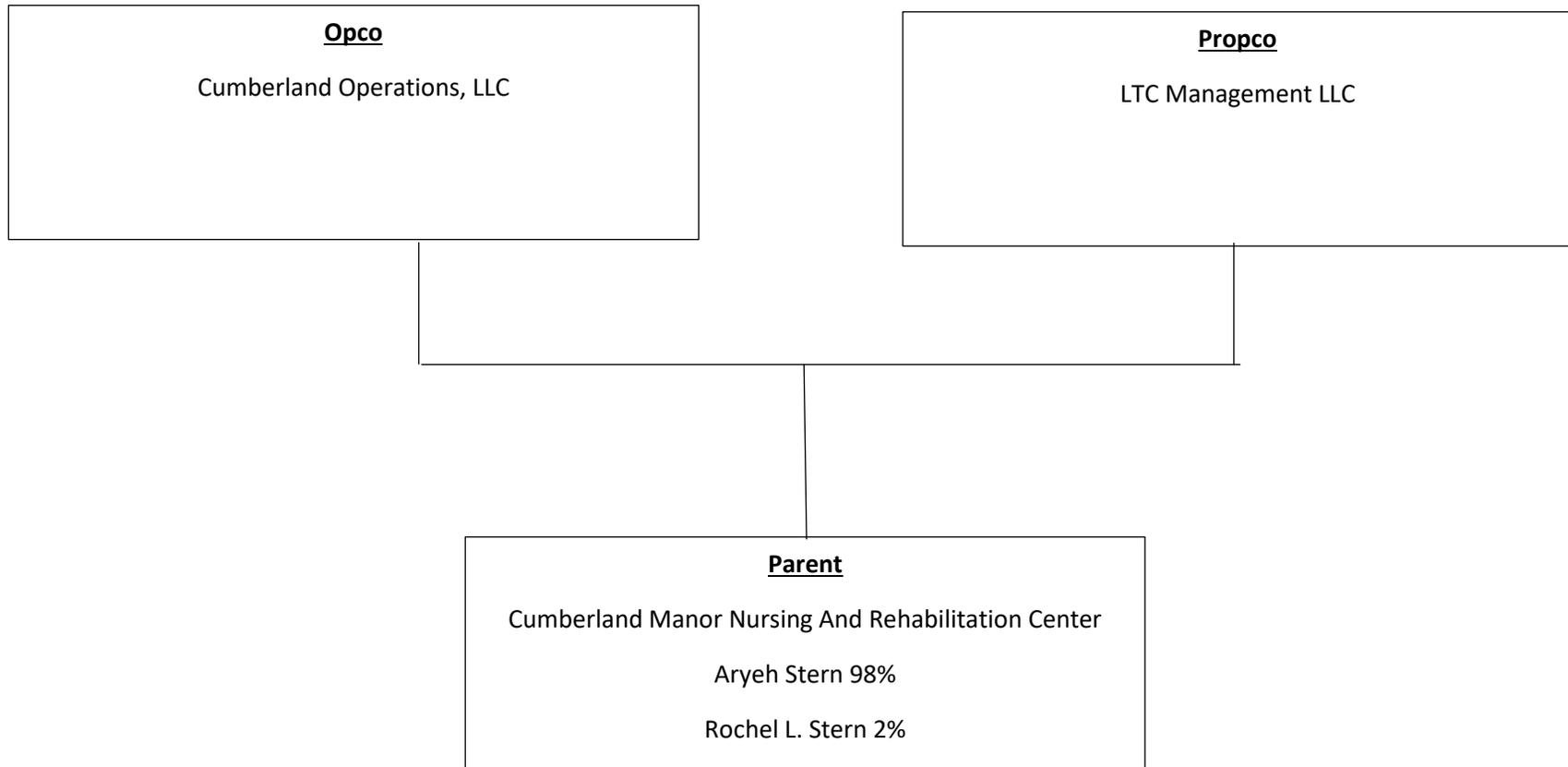
Owner of Real Estate: Cumberland Realty SNF LLC

Location of stored medical records post-closing: The medical records, both open and closed medical records, will be stored at the facility. The contact person to obtain either open or closed medical records after the closing will be Cheryl Deshields. Phone: 856-455-8000.

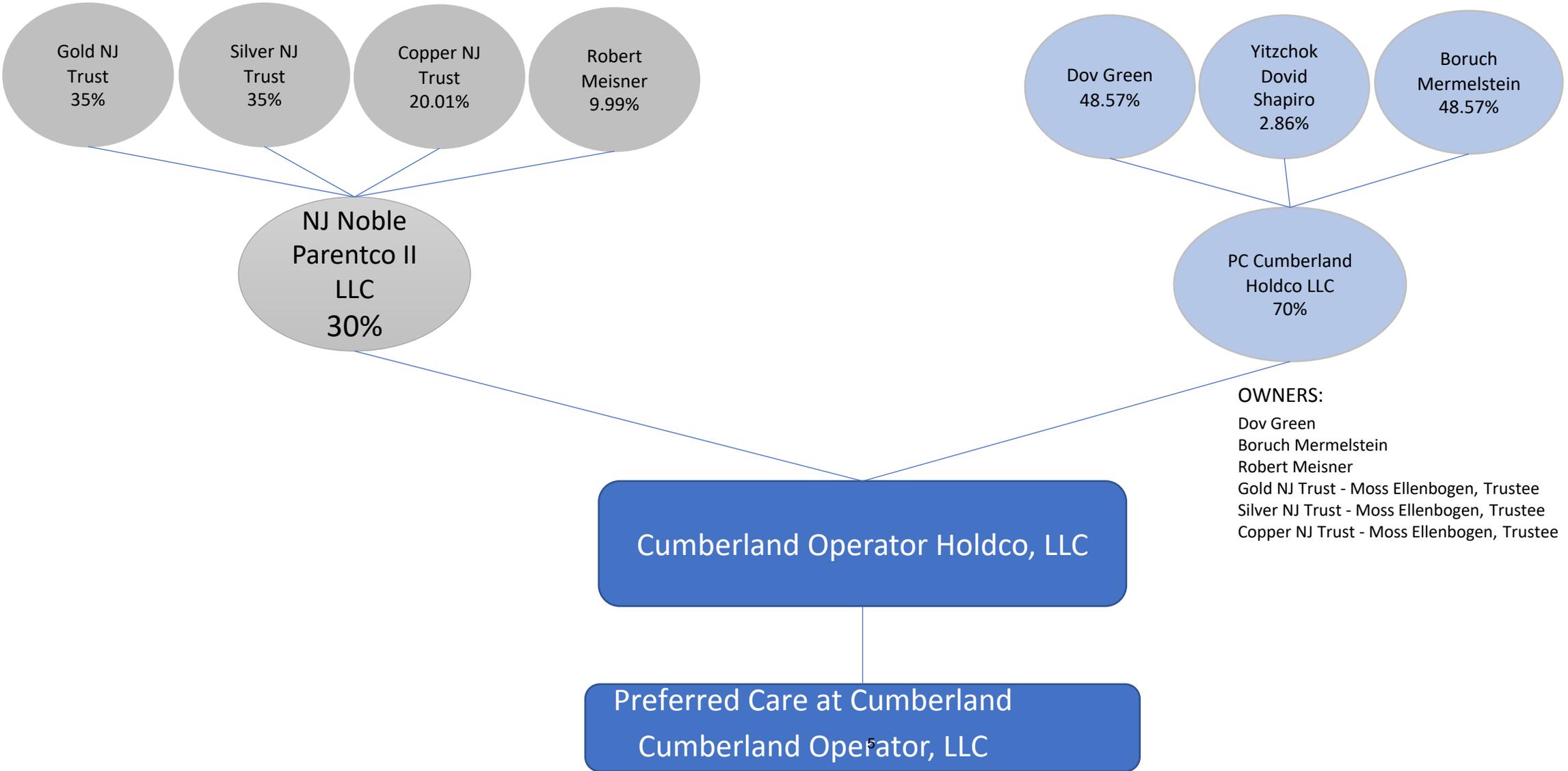
Pre-Closing Ownership

Cumberland Manor Nursing And Rehabilitation Center

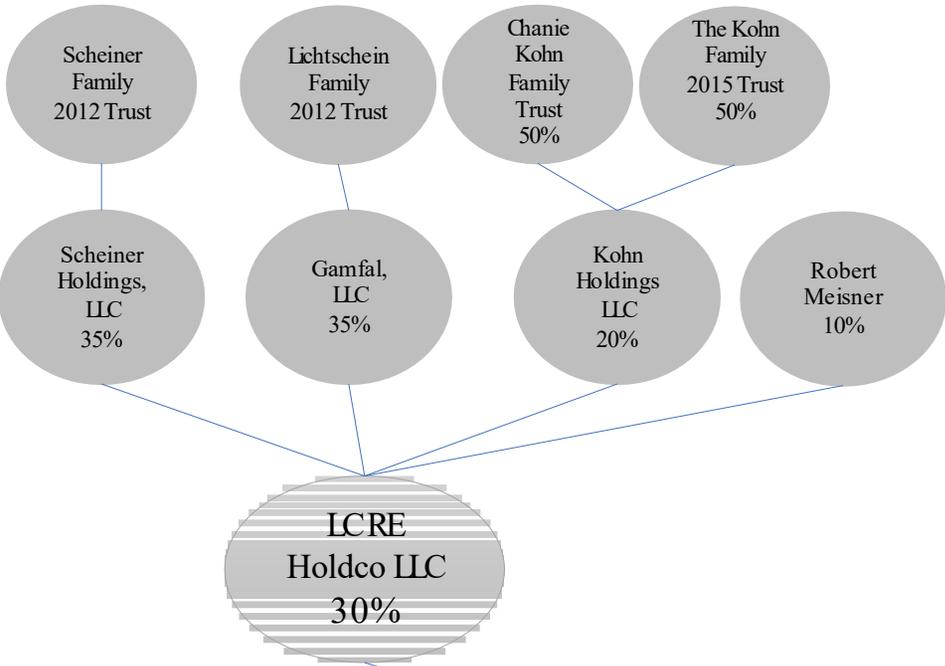
Org Chart



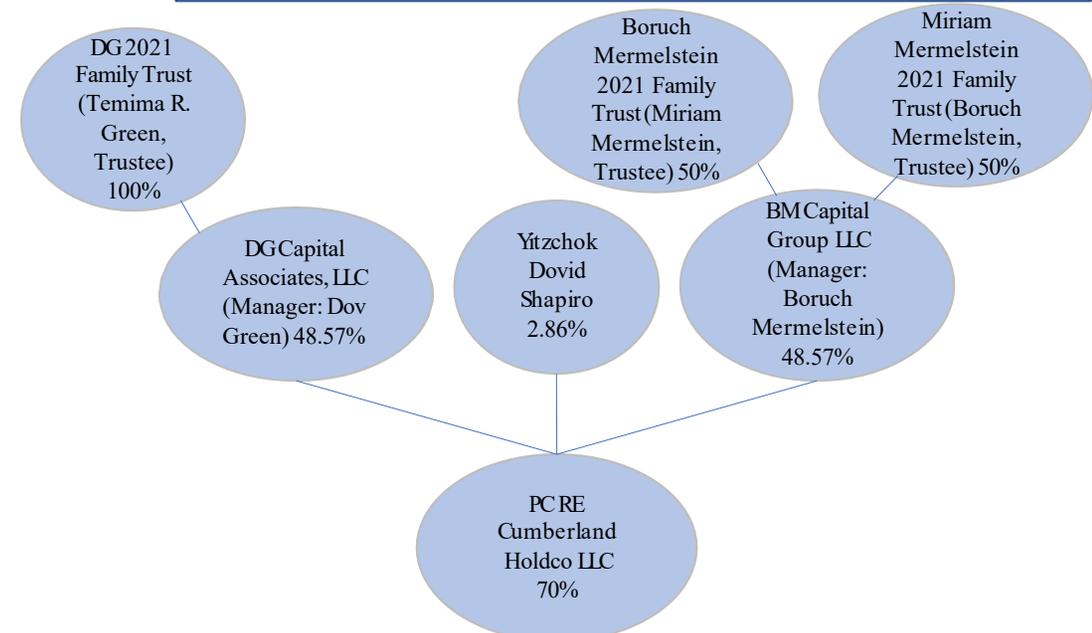
Preferred Care at Cumberland Post-Closing Ownership
Cumberland Operator LLC Org Chart



OWNERS:
Dov Green
Boruch Mermelstein
Robert Meisner
Gold NJ Trust - Moss Ellenbogen, Trustee
Silver NJ Trust - Moss Ellenbogen, Trustee
Copper NJ Trust - Moss Ellenbogen, Trustee



Post-Closing Cumberland Propco Structure



LEASE AGREEMENT

By and Between

Cumberland Realty SNF LLC

and

Cumberland Operator LLC

_____, 2022

154 Sunny Slope Drive
Bridgeton, NJ 08302

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LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease”) is made and entered into this ___st day of _____, 2022, by and between Cumberland Realty SNF LLC, a Delaware limited liability company (hereinafter referred to as “Lessor”), and Cumberland Operator LLC, a Delaware limited liability company (hereinafter referred to as “Lessee”).

WITNESSETH:

WHEREAS, Lessor owns certain tracts of land which are improved with a skilled nursing facility, located at 154 Sunny Slope Drive, Bridgeton, NJ 08302, as well as any other structures located thereon, all as more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter collectively referred to as the “Demised Premises”);

WHEREAS, Lessor owns the furnishings, furniture, equipment and fixtures used in or about the Demised Premises (hereinafter collectively referred to as the “Personal Property”); and

WHEREAS, Lessor desires to lease the Demised Premises and Personal Property to Lessee and Lessee desires to lease the Demised Premises and Personal Property from Lessor.

NOW THEREFORE, in consideration of the above Recitals, which are incorporated herein by this reference, and of the mutual covenants, agreements and undertakings hereinafter set forth, it is agreed that the use and occupancy of the Demised Premises, and the use of the Personal Property shall be subject to and in accordance with the terms, conditions and provisions of this Lease.

ARTICLE I - DEFINITIONS

1.1 The terms defined in this Article shall, for all purposes of this Lease and all agreements supplemental hereto, have the meaning herein specified.

(a) “Facility” shall mean the certain facility located at, 154 Sunny Slope Drive, Bridgeton, NJ 08302, as well as any other structures located on the Demised Premises.

(b) “Mortgage” shall mean the Mortgage (the “HUD Mortgage”) described in the Healthcare Mortgage, Assignment of Leases, Rents and Revenue and Security Agreement dated _____, 202__, as thereafter amended from time to time, entered by and between Lessor and Housing & Healthcare Finance, LLC, a Delaware limited liability company, and any amendments, modifications or extensions thereof and any mortgages which in the future may encumber the Demised Premises, or any replacement mortgage from any lender in connection with any refinancing thereof, provided that any such amendments, modification, extensions or replacements of the HUD Mortgage or new mortgages comply with the terms of this Lease.

(c) “Lender” shall mean the beneficiary under any Mortgage.

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(d) All other terms shall be as defined in other sections of this Lease.

ARTICLE II - DEMISED PREMISES AND PERSONAL PROPERTY

2.1 Lessor, for and in consideration of the rents, covenants and agreements hereinafter reserved, mentioned and contained on the part of the Lessee, its successors and assigns, to be paid, kept and performed, does hereby lease unto Lessee the Demised Premises together with the Personal Property to be used in and upon the Demised Premises for the term hereinafter specified, for use and operation therein and thereon of the Facility, in substantial compliance with all the rules and regulations and minimum standards applicable thereto, as prescribed by the State of **New Jersey** and such other governmental authorities having jurisdiction thereof.

ARTICLE III - TERM OF LEASE

3.1 The term of this Lease shall commence on _____, 2022 (the “Commencement Date”), and shall extend for a period of ten (10) years (the “Initial Term”), unless sooner terminated or extended as provided herein.

ARTICLE IV - RENT

4.1 From and after the date hereof, Lessee shall pay to Lessor, or as Lessor shall direct, without demand, deduction or offset for any reason whatsoever except as herein specifically provided, as fixed monthly base rental (the “Base Rent”) for the Demised Premises and the Personal Property over and above all other and additional payments to be made by Lessee as provided in this Lease, an amount equal to debt service payments payable by Lessor to Lender for the Mortgage loan.

Additionally, from and after the date hereof, Lessee shall pay to Lessor, or as Lessor shall direct, without demand, deduction or offset for any reason whatsoever except as herein specifically provided, as additional rent (the “Additional Rent”) for the Demised Premises and the Personal Property over and above all other and additional payments to be made by Lessee as provided in this Lease, an amount mutually agreed upon by the Lessor and Lessee.

All rental payments, together with all tax and insurance deposits provided for in this Lease, shall be paid in arrears on the first day of each month. Unless otherwise notified in writing, Lessor directs Lessee to deliver all rental payments payable to Lessor, pursuant to payment directions provided by Lessor.

4.2 This Lease is and shall be deemed and construed to be a net-net lease and the Base Rent specified herein shall be net to the Lessor in each year during the term of this Lease. The Lessee shall pay all costs, expenses and obligations of every kind whatsoever relating to the Demised Premises which may arise or become due during the term of this Lease, except for any principal and interest payments due with respect to any Mortgage. Lessee does hereby agree to

indemnify, defend and hold harmless the Lessor against any and all such costs, expenses and obligations.

4.3 Notwithstanding anything to the contrary contained in this Lease or any rider or addendum thereto, at no point shall annual lease payments hereunder be less than an amount equal to one hundred five percent (105%) of (i) the principal and interest due under the Mortgage, plus (ii) any mortgage insurance premium due under the Mortgage, plus (iii) the replacement reserve deposits due under the Mortgage, tax escrow deposits due under the Mortgage and insurance escrow deposits due under the Mortgage.

ARTICLE V - INTENTIONALLY OMITTED

ARTICLE VI - PAYMENT OF TAXES AND ASSESSMENTS

6.1 Lessee will pay as Additional Rent before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all taxes, assessments, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which during the term of this Lease may have been, or may be, assessed, levied, confirmed, imposed upon or become due and payable out of or in respect of, or become a lien on the Demised Premises and/or Personal Property or any part thereof (hereinafter collectively referred to as "Taxes and Assessments").

6.2 Any Taxes and Assessments relating to a fiscal period of any authority, a part of which is included within the term of this Lease and a part of which is included in a period of time before or after the term of this Lease, shall be adjusted pro rata between Lessor and Lessee as of the commencement and termination of the Lease term and each party shall be responsible for its pro-rata share of any such Taxes and Assessments.

6.3 Nothing herein contained shall require Lessee to pay income taxes assessed against Lessor, or capital levy, franchise, estate, succession or inheritance taxes of Lessor or its beneficiary.

6.4 If permitted by the terms of the Mortgage, Lessee shall have the right to contest the amount or validity, in whole or in part, of any Taxes and Assessments by appropriate proceedings diligently conducted in good faith, but only after payment of such Taxes and Assessments, unless such payment would operate as a bar to such contest or interfere materially with the prosecution thereof, in which event, Lessee may postpone or defer such payment only if neither the Demised Premises, nor any part thereof, would by reason of such postponement or deferment be in danger of being forfeited or lost.

6.5 Upon the termination of any such proceedings, Lessee shall pay the amount of such Taxes and Assessments or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties, or other liabilities in connection therewith, and such payment, at Lessee's request, shall be made by Lessor out of the amount deposited with respect

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to such Taxes and Assessments and accrued interest as aforesaid. In the event such amount is insufficient, then the balance due shall be promptly paid by Lessee.

6.6 Lessor shall not be required to join in any proceedings referred to in this Article, unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Lessor in which event Lessor shall join in such proceedings or permit the same to be brought in its name. Lessor shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceedings, and Lessee will indemnify, defend and save harmless Lessor from any such costs and expenses, including, without limitation, reasonable attorneys' fees, as a result of such proceedings. Lessee shall be entitled to any refund of any real estate taxes and penalties or interest thereon received by Lessor but previously reimbursed in full by Lessee.

6.7 In the event that Lessor determines in its reasonable judgment that it is not being adequately represented by Lessee's counsel in any proceedings referred to in this Article, Lessor may upon ten (10) days' prior written notice to Lessee, obtain separate counsel to represent it in such action. In such event, the cost of such counsel shall be paid by Lessor.

6.8 If any income, profits or revenue tax shall be levied, assessed or imposed upon the income, profits or revenue arising from the Rent payable hereunder, partially or totally in lieu of or as a substitute for real estate taxes imposed upon the Demised Premises or Personal Property, then Lessee shall be responsible for the payment of such tax.

ARTICLE VII - INTENTIONALLY OMITTED

ARTICLE VIII - OCCUPANCY

8.1 During the term of this Lease, the Demised Premises shall be used and occupied by Lessee for and as a skilled nursing facility, as well as any other structures located thereon, and for no other purpose. Subject to the terms of Article XX hereof, Lessee shall at all times maintain in good standing and full force a probationary or non-probationary license issued by the State of **New Jersey** and any other governmental agencies permitting the operation on the Demised Premises of a residential care or independent living unit facility and shall use its best efforts to obtain a certificate to participate in the **New Jersey** Medicaid Program as soon as practicable after the Commencement Date. Thereafter, subject to the terms of Article XX hereof, Lessee shall at all times maintain in good standing and full force a provider agreement pursuant to which the Facility shall be entitled to participate in the **New Jersey** Medicaid Program and receive reimbursement for the services provided at the Facility.

8.2 Lessee will not suffer any act to be done or any condition to exist at the Facility which may be dangerous or which may, in law, constitute a public or private nuisance or which may void or make voidable any insurance then in force affecting the Facility.

8.3 Upon termination of this Lease for any reason, Lessee will return to Lessor the Demised Premises in the same condition as existed on the Commencement Date, reasonable

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wear and tear excepted, and with an unrestricted license issued by the State of **New Jersey** and by any and all governmental agencies having jurisdiction over the Demised Premises, subject to any change in the number of beds required by any governmental authority solely as a result of changes in laws, rules and regulations relating to the physical attributes or the improvements on the Demised Premises. Except as otherwise specifically provided herein, no reduction in the number of beds shall entitle Lessee to any reduction or adjustment of the Rent payable hereunder, which shall be and continue to be payable by Lessee in the full amount set forth herein notwithstanding any such reduction in the number of beds. Lessee shall, within five (5) business days following its receipt thereof, provide Lessor with a copy of any notice from the **New Jersey** State Department of Health or any federal, state or municipal governmental agency or authority regarding any reduction in the number of beds and Lessor shall have the right to contest, by appropriate legal or administrative proceedings, any such reduction.

8.4 During the term hereof, Lessee shall only use the Demised Premises in accordance with Environmental Laws (as hereinafter defined) and shall not use nor permit the Demised Premises to be used for the treatment, storage or disposal of any Hazardous Substances (as hereinafter defined) nor for any purpose involving the use of Hazardous Substances; provided, however, that Lessee may use in and store at the Facility such materials and substances as are customarily used in residential care facilities but only in such quantities as are reasonably necessary for the routine business operation of the Facility and such use and storage must in all cases comply with all applicable Environmental Laws. For purposes hereof “Hazardous Substances” shall mean any toxic or hazardous waste or pollutants, or substances, including, without limitation, asbestos, PCB’S, petroleum products and by products, substances defined or listed as: “Hazardous Substances” or “Toxic Substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”) as amended, 42 U.S.C. § 9601, et seq., “Hazardous Materials” in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, et seq., “Hazardous Waste” in The Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2061, et seq., any “Toxic Pollutant” under the Clean Water Act, 33 U.S.C. § 1251, et seq., as amended, any “Hazardous Air Pollutant” under the Clean Air Act, 42 U.S.C. § 7401, et seq., and any hazardous or toxic substance or pollutant regulated under any other applicable federal, state or local Environmental Laws. “Environmental Laws” as used in this Lease means all federal, state and local environmental, health, or safety laws or regulations now or hereafter enacted applicable to the Demised Premises, including the Facility. Lessee hereby agrees to indemnify, defend and hold Lessor harmless from and against, and shall reimburse Lessor for any and all loss, claim, liability, damages, injunctive relief, injuries to persons, property or natural resources, cost, expense, action and causes of action in connection with the use, generation, treatment, storage, release or disposal of Hazardous Substances at or from the Demised Premises during the term of the Lease, which is caused by Lessee or its officers, directors, members, manager, agents, employees, contractors or invitees, including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required work to be performed, to the full extent that such action is attributable, directly or indirectly, to the use, generation, treatment, storage, release or disposal of Hazardous Substances on the Demised Premises during the term hereof.

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ARTICLE IX - INSURANCE

9.1 Lessee shall, at its sole cost and expense, during the full term of this Lease, maintain fire and casualty insurance, with extended coverage endorsement, which includes coverage for malicious mischief and vandalism both on the Demised Premises and the Personal Property on the **New Jersey** standard form with a responsible company or companies designated by Lessee. Such insurance shall, at all times, be maintained in an amount equal to the full replacement value of the Demised Premises and Personal Property, but not less than that required by any Lender, but in any event in an amount sufficient to prevent Lessor and Lessee from becoming co-insurers under applicable provisions of the insurance policies. Such insurance shall at all times be payable to Lessor and Lessee, as their interests may appear, and, if requested by Lessor, shall contain a loss-payable clause to Lender, as its interest may appear. Upon the reasonable request of Lessor, not more frequently than such time as required by Lessee's insurance carrier or the Lender, Lessee shall furnish, at its sole cost and expense, to Lessor and such insurance carrier, insurance appraisals in form and substance as are regularly and ordinarily made by insurance companies, in order to determine the then replacement value of the Demised Premises and Personal Property, and if such appraisal shows that the amount of casualty insurance maintained by Lessee hereunder is insufficient, the amount of insurance required by this Section 9.1 shall be adjusted accordingly.

9.2 Lessee shall also, at Lessee's sole cost and expense, cause to be issued and shall maintain during the entire term of this Lease:

(a) A public liability policy naming Lessor, Lender and Lessee, as insured, and insuring them against claims for bodily injury, or property damage occurring upon, in or about the Demised Premises, or in or upon the adjoining streets, sidewalks, passageways and areas, such insurance to afford protection to the limits reasonably established by Lessee in the operation of its business. Such public liability insurance may be self-insured by Lessee in accordance with its standard self insurance program.

(b) If there is a boiler, air conditioner or water heater located on the Demised Premises, boiler explosion insurance, in the amount of \$500,000.00, under the terms of which Lessor, Lender and Lessee will be indemnified, as their interests may appear, against any loss or damage which may result from any accident or casualty in connection with any such equipment used in the Demised Premises, whereby any person or persons may be injured or killed or property damaged in or about the Demised Premises.

(c) Professional malpractice insurance in the amount reasonably established by Lessee in the operations of its business (provided, however, Lessee shall not be required to include independent contractors under its insurance coverage).

9.3 All policies of insurance shall provide:

(a) They are carried in favor of the Lessor, Lessee, and any Lender, as their respective interests may appear, and any loss shall be payable as therein provided, notwithstanding any act or negligence of Lessor or Lessee, which might otherwise result in forfeiture of insurance; and

(b) They shall not be canceled, terminated, reduced or materially modified without at least thirty (30) days' prior written notice to Lessor; and

(c) A standard mortgagee and loss payee clause in favor of any Lender, and shall contain, if obtainable, a waiver of the insurer's right of subrogation against funds paid under the standard mortgagee and loss payee endorsement which are to be used to pay the cost of any repairing, rebuilding, restoring or replacing.

9.4 Certificates of insurance policies required by this Article shall be delivered to Lessor prior to or on the Commencement Date. Upon receipt thereof, Lessee shall deliver the actual policies to Lessor, which certificates and policies shall be updated annually not less than twenty (20) days prior to the expiration date thereof.

9.5 Anything in this Lease to the contrary notwithstanding, Lessee hereby waives and releases Lessor from any and all rights of recovery, claim, action or cause of action, against Lessor, its shareholders, managers, members, partners, agents, officers and employees, for any loss or damage that may occur to the Demised Premises or the Personal Property, which should be covered by property insurance of the type required to be carried by Lessee under this Lease (with Lessee also being responsible and, waiving all claims against Lessor, as to all deductible amounts which the Lessee chooses to maintain under its property insurance policies and as to any damages or losses relating to risks which Lessee elects to self-insure hereunder), regardless of cause or origin, including negligence of Lessor and its shareholders, managers, members, partners, agents, officers and employees. Lessee agrees to give immediately to its insurance companies which have issued policies of insurance covering any risk of direct physical loss, written notice of the terms of the waivers contained in this Section 9.5, and to have the insurance policies properly endorsed with a waiver of subrogation endorsement running to the benefit of Lessor. Lessee acknowledges that the waivers and releases set forth in this Section 9.5 are intended to result in any loss or damage which is covered by insurance being borne by the insurance carrier of Lessee, or by Lessee if such loss is not covered by insurance and this Lease required Lessee to maintain insurance to cover such loss or if Lessee elects to self-insure if this Lease permits such party to self-insure such loss. Lessee agrees that such waivers and releases were freely bargained for and willingly and voluntarily agreed to by Lessee and do not constitute a violation of public policy.

ARTICLE X - LESSOR'S RIGHT TO PERFORM

10.1 Should Lessee fail to perform any of its covenants (excluding, however, for purposes of this paragraph Lessee's covenant to pay rent) herein agreed to be performed, Lessor may, upon ten (10) days' prior notice specifying the work to be done, covenants to be performed

and the approximate amount be expended, but shall not be required to, make such payment or perform such covenants, and all sums so expended by Lessor thereon shall upon notice of payment by Lessor be immediately payable by Lessee to Lessor, and in addition, Lessee shall reimburse Lessor for Lessor's reasonable expenses in enforcing or performing such covenants, including reasonable attorneys' fees. Any such costs or expenses incurred or payments made by the Lessor shall be deemed to be Additional Rent payable by Lessee and collectible as such by Lessor.

10.2 Performance of and/or payment to discharge said Lessee's obligations shall be optional with Lessor and such performance and payment shall in no way constitute a waiver of, or a limitation upon, Lessor's other rights and remedies hereunder, including, without limitation, Lessor's right to declare an Event of Default for such failure.

ARTICLE XI - REPAIRS, MAINTENANCE AND IMPROVEMENTS

11.1 Throughout the term of this Lease, Lessee, at its sole cost and expense, will keep and maintain, or cause to be kept and maintained, the Demised Premises (including the grounds, sidewalks and curbs abutting the same) and the Personal Property in good order and condition without waste and in a suitable state of repair at least comparable to that which existed immediately prior to the Commencement Date (ordinary wear and tear excepted), and will make or cause to be made, as and when the same shall become necessary, all structural and nonstructural, exterior and interior, replacing, repairing and restoring necessary to that end. All replacing, repairing and restoring required of Lessee shall be (in the reasonable opinion of Lessor) of comparable quality equal to the original work and shall be in compliance with all standards and requirements of law, licenses and municipal ordinances necessary to operate the Demised Premises as a residential care facility.

11.2 In the event that any part of the improvements located on the Demised Premises or the Personal Property shall be damaged or destroyed by fire or other casualty (any such event being called a "Casualty"), Lessee shall promptly replace, repair and restore the same as nearly as possible to the condition it was in immediately prior to such Casualty, in accordance with all the terms, covenants and conditions and other requirements of this Lease and any Mortgage applicable in the event of such Casualty. The Demised Premises and the Personal Property shall be so replaced, repaired and restored as to be of at least equal value and substantially the same character as on the Commencement Date. Lessee covenants that it will give to Lessor prompt written notice of any Casualty affecting the Demised Premises in excess of One Hundred Thousand Dollars (\$100,000.00). If the estimated cost of any such restoring, replacing or repairing is Two Hundred Fifty Thousand Dollars (\$250,000.00) or more, the plans and specifications for same shall be first submitted to and approved by Lessor in writing, which approval shall not be unreasonably withheld or delayed, and Lessee shall select an independent architect or engineer approved by Lessor (which approval shall not be unreasonably withheld or delayed) who shall be in charge of such repairing, restoring or replacing. Provided that there is no uncured Event of Default by Lessee under the Lease, Lessee shall have the right, at any time and from time to time, to remove and dispose of any Personal Property which may have become

obsolete or unfit for use, or which is no longer useful in the operation of the Demised Premises, provided Lessee promptly replaces any such Personal Property so removed or disposed of with other personal property free of any security interest, liens or encumbrances, and the replacement personal property shall be of the same character, and at least equal usefulness and quality to any such Personal Property so removed or disposed of and such replacement property shall automatically become the property of and shall belong to the Lessor and Lessee shall execute and deliver such bills of sale or other documents reasonably requested by Lessor to vest ownership of such replacement personal property in Lessor.

ARTICLE XII - ALTERATIONS AND DEMOLITION

Lessee will not remove or demolish the Demised Premises or any portion thereof or allow it to be removed or demolished, without the prior written consent of the Lessor. Lessee further agrees that it will not make, authorize or permit to be made any changes or alterations in or to the Demised Premises, the cost of which in any twelve (12) month period exceeds One Hundred Thousand Dollars (\$100,000.00), without first obtaining the Lessor's written consent thereto which will not be unreasonably withheld or delayed. All alterations, improvements and additions to the Demised Premises shall be in quality and class at least equal to the original work and shall become the property of the Lessor and shall comply with all building and fire codes, and all other applicable codes, rules, regulations, laws and ordinances. Not less than forty-five days prior to the commencement of any such changes or alterations, the cost of which in any twelve (12) month period may exceed Two Hundred Fifty Thousand Dollars (\$250,000.00), Lessee shall furnish to Lessor, at Lessee's sole cost and expense, plans and specifications, prepared by a licensed architect, for such changes or alterations and any additional insurance reasonably required by Lessor. Such plans and drawings shall include detailed architectural, mechanical, electrical and plumbing working drawings. The plans and drawings will be subject to Lessor's approval with respect to design, aesthetics, building code compliance and such other matters as Lessor deems relevant, which approval shall not unreasonably be withheld or delayed.

ARTICLE XIII - COMPLIANCE WITH LAWS AND ORDINANCES

13.1 Throughout the term of this Lease, Lessee, at its sole cost and expense, will obey, observe and promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of any federal, state and municipal governmental agency or authority having jurisdiction over the Facility and the operation of the Facility as a residential care facility, which may be applicable to the Personal Property and the residential care facility located thereon and including, but not limited to, the sidewalks, alleyways, passageways, vacant land, parking spaces, curb cuts, curbs adjoining such portion of the Demised Premises, whether or not such law, ordinance, order, rules, regulation or requirement shall necessitate structural changes or improvements.

13.2 Lessee shall likewise observe and comply with the requirements of all policies of public liability and fire insurance and all other policies of insurance at any time in force with respect to any portion of the Demised Premises.

13.3 Lessee shall, subject to the terms of Article XX hereof, keep in good standing and in full force and effect all necessary licenses, permits and certifications required by any governmental authority for the purpose of maintaining and operating on the Demised Premises a residential care or independent living unit facility. Lessee shall use its best efforts to obtain a certificate to participate in the **New Jersey** Medicaid Program as soon as practicable after the Commencement Date. Thereafter, subject to the terms of Article XX hereof, Lessee shall at all times continue to be qualified to, and shall participate in, the **New Jersey** Medicaid Program.

13.4 Upon request of Lessor, Lessee will deliver or mail to Lessor wherever Rent is then paid, within seven (7) calendar days of receipt thereof, copies of all exit interviews, inspection reports and surveys which may have an adverse affect on the Facility's licensure status and/or the Indian Medicaid Program certification, and administrative hearing and/or court action from all state, federal and local governmental bodies regarding the Demised Premises or the Facility operated thereon. Without request, Lessee shall in all events notify a principal of Lessor, or if Lessor's principals are unavailable, Lessor's attorney, within seven (7) calendar days after receipt thereof by the licensee of the Facility ("Licensee") of any and/or all of the following notices ("Notices") from any Governmental Authority: (i) any and all Notices of intent to impose and/or Notice of "immediate jeopardy" and/or of "Substandard Quality of Care" (as defined by federal regulations, *i.e.*, deficiencies under 42 CFR 483.13 or 483.25 with scope and severity levels of F, G, H, I, J, K or L) or any state equivalent Notices; (ii) any and all Notices or receipts of a conditional license; (iii) any and all Notices of intent to and/or Notice of revocation, termination, cancellation, surrender and/or of non-renewal of any license; (iv) any and all Notices of conditional certification and/or intent to conditionally certify Licensee; (v) any and all Notices of intent to terminate and/or Notice of Licensee's termination of participation in the **New Jersey** Medicaid Program; (vi) any and all Notices of intent to decertify and/or Notices of decertification of Licensee's participation in the **New Jersey** Medicaid Program and/or the termination of any payments thereunder; (vii) any and all Notices of intent to impose and/or the imposition of any Civil Monetary Penalty, and/or any fine in excess of \$25,000.00 in the aggregate for any survey cycle; (viii) any and all Notices of intent to cease payment after a certain date for any new **New Jersey** Medicaid Program residents admitted after said date; (ix) any and all Notices of intent to place, and/or the placement of, a State Monitor in the Facility; and/or (x) any and all Notices to transfer and/or of intent to transfer any and/or all Indian Medicaid residents on and/or after a certain date.

ARTICLE XIV - DISCHARGE OF LIENS

14.1 Subject to the right to contest provided in Section 14.2 hereof, Lessee will not create or permit to be created or to remain, and Lessee will discharge, any lien, encumbrance or charge levied on account of any mechanic's, laborer's or materialman's lien or any conditional sale, security agreement or chattel mortgage, or otherwise, which might be or become a lien, encumbrance or charge upon the Demised Premises or any part thereof or the income therefrom or the Personal Property, for work or materials or personal property furnished or supplied to, or claimed to have been supplied to or at the request of Lessee. Lessee shall have the right to purchase equipment, furniture, or furnishings which may be subject to a security agreement

provided that the stockholders, partners or members, as applicable, of Lessee shall personally guarantee to Lessor that all payments for any such equipment, furniture or furnishings shall be paid on or prior to the due dates thereof and indemnify Lessor against all charges, costs and expenses that may be incurred by Lessor with respect to such security agreement or chattel mortgage. Lessee hereby agrees to obtain and deliver to Lessor such guaranty and indemnity agreement.

14.2 If any mechanic's, laborer's or materialman's lien caused or charged to Lessee shall at any time be filed against any portion of the Demised Premises or Personal Property, if allowed by the terms of the Mortgage, and the applicable Lender, Lessee shall have the right to contest such lien or charge.

14.3 In the event that Lessor determines in its reasonable judgment, that it is not being adequately represented by counsel for Lessee in any contest referred to in Section 14.2 hereof, such party may, upon (10) days prior written notice to Lessee, obtain separate counsel to represent it in such contest. In such event, the cost of such counsel shall be paid by Lessee. In the event that Lessor determines, in its reasonable judgment, that Lessee has abandoned any contest referred to in Section 14.2 above, and/ or that Lessee is not pursuing any such contest with due diligence, then such party may, upon (10) days' prior written notice to Lessee, discharge such lien by paying the amount claimed to be due from the security deposited by Lessee pursuant to the terms of Section 14.2.

ARTICLE XV - INSPECTION OF PREMISES AND RECORDS BY LESSOR

15.1 At any time, during reasonable business hours, Lessor and/or its authorized representatives shall have the right to enter and inspect the Demised Premises and Personal Property.

15.2 At any time, during reasonable business hours, Lessor and/or its authorized representatives shall have the right to inspect, and, at Lessor's expense, make copies of, the books and records relating to the Demised Premises, or any part thereof, including, without limitation, to the extent permitted by applicable law all patient records, employment records, surveys and inspections reasonably required by Lessor.

15.3 Lessor agrees that upon entering and inspecting the Demised Premises, Personal Property and books and records Lessor shall take all reasonable measures to avoid disruption to Lessee's routine business operation during any such entries and the person or persons will cause as little inconvenience to the Lessee, its employees and residents of the Demised Premises as may reasonably be possible under the circumstances.

ARTICLE XVI - CONDEMNATION

16.1 If all of the Demised Premises is taken by the exercise of the power of eminent domain, or sold under eminent domain proceedings, this Lease shall terminate as of the date possession is taken by the condemnor.

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16.2 If less than all of the Demised Premises are taken by the exercise of the power of eminent domain or sold under eminent domain proceedings and Lessee reasonably believes that, in light of such exercise of eminent domain or sale pursuant to eminent domain proceedings, it can no longer operate the Facility in materially the same manner as prior to the exercise of eminent domain and such belief is consistent with reasonable business practices, then Lessee may either (a) terminate the Lease or, (b) subject to the consent and approval of Lessor and any Lender, shall, with reasonable diligence, restore or rebuild to the extent reasonably practicable any improvements upon the Demised Premises affected by the taking. In the event the amount awarded shall be insufficient to repair and restore the Demised Premises Lessee shall contribute the amount of any such deficiency. In the event that the number of beds is reduced or increased, even after the Demised Premises are restored under this Section, the Base Rent provided herein shall be proportionately increased (but only with respect to this paragraph) or decreased, as applicable, proportionately based upon the amount of such reduction or increase.

ARTICLE XVII - RENT ABSOLUTE

17.1 Except as herein provided damage to or destruction of any portion of the buildings, structures and fixtures upon the Demised Premises, by fire, the elements or any other cause whatsoever, whether with or without fault on the part of Lessee, shall not terminate this Lease or entitle Lessee to surrender the Demised Premises or entitle Lessee to any abatement of or reduction in the Rent payable, or otherwise affect the respective obligations of the parties hereto, any present or future law to the contrary notwithstanding.

ARTICLE XVIII - ASSIGNMENT AND SUBLETTING

18.1 During the term of the Lease, Lessee shall not assign this Lease or in any manner whatsoever sublet, assign, encumber or transfer all or any part of the Demised Premises or in any manner whatsoever transfer, assign or encumber any interest in the Demised Premises or any interest in this Lease (hereinafter collectively an "Assignment") without the prior written consent of the Lessor, which consent may be withheld, in such party's sole discretion. As a condition of granting its consent to any sublease or assignment, Lessee shall pay, and Lessee hereby agrees to pay, any and all reasonable out of pocket third-party costs and expenses of Lessor incurred in connection with such sublease or assignment, including, without limitation, all due diligence costs and attorneys' fees.

18.2 For purposes of this Article:

(1) Any person, corporation, limited liability company or other entity to whom Lessee's interest under this Lease passes by operation of law, or otherwise, shall be bound by the provisions of this Article, and except as otherwise specifically provided above, obtain the consent of Lessor to any subsequent sublease, assignment, encumbrance and/or transfer or such event shall be deemed an Event of Default hereunder.

(2) An agreement by any person, corporation or other entity, directly or indirectly, to assume Lessee's obligations under this Lease shall be deemed an assignment.

ARTICLE XIX - EVENTS OF DEFAULT

19.1 The occurrence of any of the following acts or events shall be deemed to be a default ("Events of Default") on the part of the Lessee:

(1) The failure of Lessee to pay when due any Rent payment, or any part thereof, or any other sum or sums of money due or payable to the Lessor under the provisions of this Lease when such failure shall continue for a period of ten (10) calendar days after written notice from Lessor to Lessee;

(2) The failure of Lessee to perform, or the violation by Lessee of, any of the covenants, terms, conditions or provisions of this Lease, if such failure or violation shall not be cured within thirty (30) days after written notice thereof by Lessor to Lessee;

(3) The failure of Lessee to comply with, or the violation by Lessee of, any of the terms, conditions or provisions of any Mortgage relating to the Demised Premises (except for those terms, conditions or provisions requiring the making of principal and/or interest payments or which relate specifically to Lessor, and/or its beneficiaries or stockholders), if such failure or violation shall not be cured within twenty (20) days (or such lesser period as may be provided in the Mortgage) after notice thereof by Lessor to Lessee;

(4) In the event Lessee removes a substantial portion of the Personal Property at the Facility or Lessee removes Personal Property necessary to the operation of the Facility, the failure of Lessee to replace within thirty (30) days after written notice by Lessor to Lessee, the Personal Property so removed by Lessee subject to the provisions of Section 30.1(c) hereof;

(5) The making by Lessee of an assignment for the benefit of creditors;

(6) The levying of a writ of execution or attachment on or against the property of Lessee which is not discharged or stayed by action of Lessee contesting same, within thirty (30) days after such levy or attachment (provided if the stay is vacated or ended, this paragraph shall again apply);

(7) If proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation or involuntary dissolution of the Lessee or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of Lessee, and said proceedings are not dismissed and any receiver, trustee or liquidator appointed therein discharged within sixty (60) days after the institution of said proceedings;

(8) The sale of the interest of Lessee in the Demised Premises under execution or other legal process;

(9) Any conveyance or transfer in violation of Article XVIII hereof;

(10) The abandonment of the Demised Premises by Lessee;

(11) Subject to Lessee's right to contest as provided in Article XX hereof, the failure or the part of Lessee during the term of this Lease to cure or abate any written violation claimed by any governmental authority, of any law, order, ordinance, rule or regulation pertaining to the operation of the Facility within the time permitted for such cure and/or abatement;

(12) Subject to Lessee's right to contest as provided in Article XX hereof, the institution of any proceedings against Lessee by any governmental authority either to: (i) revoke any license granted to Lessee for the operation of the Facility as a residential care facility or requiring Lessee to cease operating its business; or (ii) decertify the Facility from participation in the **New Jersey** Medicaid Program; or

(13) The failure of Lessee to comply with the terms of any insurance policy affecting the Demised Premises and required hereunder within the time provided in such policy to cure such non-compliance prior to cancellation thereof; provided, however, that Lessee shall not be in default hereunder if prior to the cancellation of such policy of insurance Lessee obtains a replacement thereof.

The occurrence of any of the events listed in this Article 19 by any party to whom the Demised Premises has been transferred shall be an Event of Default hereunder.

ARTICLE XX - RIGHT TO CONTEST/CURE

20.1 Anything to the contrary stated herein notwithstanding, Lessee shall have the right to contest by appropriate administrative and/or legal proceedings, diligently conducted in good faith, the validity or application of any law, ordinance, regulation or rule mentioned herein, and to delay compliance therewith pending the prosecution of such proceedings, including, without limitation, any proceeding pursuant to paragraphs 19.1(11) and/or 19.1(12) above. In the event such contest involves a violation, the decertification or license revocation from the **New Jersey** Medicaid Program shall give Lessor written notice of its election to contest. Notwithstanding anything to the contrary contained herein, Lessee shall not be in default hereunder provided that: (1) no civil or criminal liability would thereby be incurred by Lessor and no lien or charge would thereby be imposed upon or satisfied out of the Demised Premises; (ii) there continues during the course of such contest authority to continue operations of the Facility as a residential care facility (which may be temporary or provisional); and (iii) such situation does not cause Lessor to be in default pursuant to the terms of any Mortgage.

20.2 Except for an Event of Default of Lessee in the payment of Rent or any other payment required hereunder, in any case where Lessor shall have given to Lessee a written notice specifying a situation which, as hereinbefore provided, must be remedied by Lessee within a certain time period, and, if for causes beyond Lessee's control, it would not reasonably

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be possible for Lessee to remedy such situation within such period, then, provided Lessee, immediately upon receipt of such notice, shall advise Lessor in writing of Lessee's intention to institute, and shall, as soon as reasonably possible thereafter, duly institute, and thereafter diligently prosecute to completion, all steps necessary to remedy such situation and shall remedy the same, during the period necessary to remedy such situation, notwithstanding anything to the contrary contained herein, although such situation shall be deemed an Event of Default hereunder, Lessor shall not pursue and shall not be entitled to pursue any remedies arising solely from the occurrence of such Event of Default hereunder, provided, however, that: (i) no civil or criminal liability would thereby be incurred by Lessor and no lien or charge would thereby be imposed upon or satisfied out of all or any part of the Demised Premises; and (ii) there continues during such remedy authority to continue to operate the Facility as a residential care facility (which may be temporary or provisional), and (iii) such situation does not cause Lessor to be in default pursuant to the terms of any Mortgage.

20.3 Lessee shall promptly provide Lessor with a copy of any notice from the **New Jersey** State Department of Health or other governmental authority or agency threatening or requesting a reduction in the number of beds at the Facility. Lessee shall have the right to contest any such reduction and shall notify Lessor within fifteen (15) days following the date of such notice (or shorter period required to provide notice to Lessor not later than ten (10) days prior to the cutoff date for any such contest) whether or not Lessee shall undertake such contest. If Lessee fails to contest any such reduction, Lessor may, following written notice to Lessee of its intent to do so, contest any such reduction. Any such contest shall be conducted by counsel reasonably satisfactory to the other party and the cost of such contest shall be paid by Lessee.

ARTICLE XXI - LESSOR'S REMEDIES UPON DEFAULT

21.1 In the event of any Event of Default by Lessee, Lessor may, if it so elects, and with notice of such election to Lessee, and upon demand upon Lessee, forthwith terminate this Lease and Lessee's right to possession of the Demised Premises, or, at the option of the Lessor, terminate Lessee's right to possession of the Demised Premises without terminating this Lease. Upon any such termination of this Lease, or upon any such termination of Lessee's right to possession without termination of this Lease, Lessee shall vacate the Demised Premises immediately, and shall quietly and peaceably deliver possession thereof to the Lessor, and Lessee hereby grants to the Lessor full and free license to enter into and upon the Demised Premises in such event with process of law and to repossess the Demised Premises and Personal Property as the Lessor's former estate. In the event of any such termination of this Lease, the Lessor shall again have possession and enjoyment of the Demised Premises and Personal Property to the extent as if this Lease had not been made, and thereupon this Lease and everything herein contained on the part of Lessee to be done and performed shall cease and terminate, all, however, without prejudice to and without relinquishing the rights of the Lessor to Rent (which, upon such termination of this Lease and entry of Lessor upon the Demised Premises, shall, in any event, be the right to receive Rent due up to the time of such entry) or any other right given to the Lessor hereunder or by operation of law.

21.2 In the event of an Event of Default and Lessor elects either to terminate this Lease or to terminate Lessee's right to possession of the Demised Premises, then all licenses, certifications, permits and authorizations issued by any governmental agency, body or authority in connection with or relating to the Demised Premises and the Facility thereon shall be deemed as being assigned to Lessor to the extent the same are legally assignable. Lessor shall also have the right to continue to utilize the telephone number and name used by Lessee in connection with the operation of the Facility. This Lease shall be deemed and construed as an assignment for purposes of vesting in Lessor all right, title and interest in and to (i) all licenses, certifications, permits and authorizations obtained in connection with the operation of the Facility and (ii) the names and telephone numbers used in connection with the operation of the Facility. Lessee hereby agrees to take such other action and execute such other documents as may be reasonably necessary in order to vest in Lessor all right, title and interest to the items specified herein.

21.3 If Lessee abandons the Demised Premises or otherwise entitles Lessor so to elect, and the Lessor elects to terminate Lessee's right to possession only, without terminating this Lease, Lessor may, at its option, enter into the Demised Premises, remove Lessee's signs and other evidences of tenancy and take and hold possession thereof as in the foregoing Section 21.1 of this Article provided, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from Lessee's obligation to pay the Rent hereunder for the full remaining term of this Lease, and in any such case, Lessee shall pay to Lessor a sum equal to the entire amount of the Rent reserved hereunder and required to be paid by Lessee up to the time of such termination of the right of possession plus any other sums then due hereunder. Upon and after entry into possession without termination of this Lease, Lessor may attempt to relet the Demised Premises or any part thereof for the account of Lessee for such rent, or may operate the Facility for such time and upon such terms as Lessor in its sole discretion shall determine. In the event Lessor elects to take possession and operate the Demised Premises any profits due to such operation shall reduce the rents payable hereunder. In any such case, Lessor may make repairs, alterations and additions in or to the Demised Premises, to the extent reasonably deemed by Lessor desirable, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of reletting. If the consideration collected by Lessor upon any such reletting is not sufficient to pay monthly the full amount of Rent reserved in this Lease, together with the costs of repairs, alterations and additions and Lessor's expenses, Lessee shall pay to the Lessor the amount of each monthly deficiency upon demand.

21.4 Lessee's liability to Lessor for damages upon the occurrence of an Event of Default shall in all events survive the termination by Lessor of the Lease or the termination by Lessor of Lessee's right to possession only, as hereinabove provided. Upon such termination of the Lease or at any time after such termination of Lessee's right to possession, Lessor may recover from Lessee and Lessee shall pay to Lessor as liquidated and final damages, whether or not Lessor shall have collected any current monthly deficiencies under the foregoing paragraph, and in lieu of such current deficiencies after the date of demand for such final damages, the amount thereof found to be due by a court of competent jurisdiction, which amount thus found shall be equal to:

(a) the remainder, if any, of Rent and charges due from Lessee for the period up to and including the date of the termination of the Lease or Lessee's right to possession; plus

(b) the amount of any current monthly deficiencies accruing and unpaid by Lessee up to and including the date of Lessor's demand for final damages hereunder; plus

(c) the excess, if any, of

(i) the Rent reserved for what would have been the remainder of the term of this Lease together with charges to be paid by Lessee under the Lease; over

(ii) the then fair rental value of the Demised Premises and the Personal Property.

If any statute or rule governing a proceeding in which such liquidated final damages are to be proved shall validly limit the amount thereof to an amount less than the amount above agreed upon, Lessor shall be entitled to the maximum amount allowable under such statute or rule of law.

21.5 No receipt of funds by Lessor from Lessee after service of any notice of an Event of Default, termination of this Lease or of possession of the Demised Premises or after commencement of any suit or proceeding of Lessee shall in any way reinstate, continue or extend this Lease or in any way affect the notice of the Event of Default or demand or in any way be deemed a waiver by Lessor of any of its rights unless consented to in writing by Lessor.

ARTICLE XXII - LIABILITY OF LESSOR

It is expressly agreed by the parties that in no case shall Lessor be liable, under any express or implied covenant, agreement or provisions of this Lease, for any damages whatsoever to Lessee beyond the Rent reserved in this Lease accruing after or upon any act or breach hereunder on the part of Lessor and for which damages may be sought or recovered from Lessor, and there shall be no personal liability hereunder on any partners, shareholders, members, directors, officers or employees of beneficiary of Lessor with respect to the terms, covenants, conditions or undertakings or agreements contained in this Lease, and Lessee shall look solely to Lessor's interest in this Lease and not to any of the foregoing for the satisfaction of any remedy which Lessee may have under this Lease.

ARTICLE XXIII - CUMULATIVE REMEDIES OF LESSOR

Except as provided in Section 21.4, the specific remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in case of any breach or threatened breach by Lessee of any provision or provisions of this Lease. The failure of Lessor to insist, in any one or more cases, upon the strict performance of any of the terms, covenants, conditions, provisions or agreements of this Lease, or to exercise any option herein contained,

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shall not be construed as a waiver or relinquishment for the future of any such term, covenant, condition, provisions, agreement or option.

ARTICLE XXIV - INTENTIONALLY OMITTED

ARTICLE XXV - INDEMNIFICATION

25.1 Lessee agrees to protect, indemnify and save harmless the Lessor from and against any and all claims, demands and causes of action of any nature whatsoever asserted against or incurred by such parties on account of: (i) any failure on the part of Lessee during the term of this Lease to perform or comply with any of the terms of this Lease; or (ii) injury to or death of persons or loss of or damage to property, occurring on the Demised Premises or any adjoining sidewalks, streets or ways or in any manner growing out of or connected with the use or occupation of the Demised Premises or the condition thereof, or the use of any existing or future sewer system, or the use of any adjoining sidewalks, streets or ways occurring during the term of this Lease. Lessee further agrees to pay any reasonable attorneys' fees and expenses incident to the defense by such parties of any such claims, demands or causes of action.

ARTICLE XXVI - SUBORDINATION PROVISIONS

26.1 This Lease (and Lessee's interest in the Demised Premises and Personal Property) shall be subject and subordinate to the Existing Mortgage and to any Mortgage given by Lessor to any lender which may affect the Demised Premises and/or Personal Property, and to all renewals, modifications, consolidations, replacements and extensions thereof. Lessee shall execute and deliver such documents as may be required in order to evidence such subordination; provided that such documents shall not affect any of the provisions of this Lease relating to the amount of Rent, the purposes for which the Demised Premises may be used, the size and/or location of the Demised Premises, the duration and/or Commencement Date of the term, nor modify any representations, covenants or warranties made by Lessor hereunder. Lessor shall deliver to Lessee a letter from the holder of the Existing Mortgage evidencing such holder's consent to this Lease.

26.2 Notwithstanding anything to the contrary contained herein, it is understood, agreed and acknowledged that Lessor shall have the right at any time to finance, or refinance, from time to time, the Demised Premises and Personal Property in any amount, and grant a mortgage, deed of trust and/or security interest thereon, to assign or pledge any or all of its interest in this Lease, and to assign or pledge the revenues and receipts to be received by Lessor hereunder to a third party without the consent of Lessee, if: (i) Lessor obtains a customary form of subordination, non-disturbance and attornment agreement ("SDNA") from such Lender, reasonably satisfactory to Lessee.

26.3 That certain Operator Lease Addendum entered into by and between Lessor and Lessee, dated as of _____, 202_, shall be incorporated into and made a part of the Lease Agreement, and amends and/or supplements the Lease Agreement.

ARTICLE XXVII - LESSEE'S FAITHFUL COMPLIANCE WITH MORTGAGE

Anything in this Lease contained to the contrary notwithstanding, and provided that Lessor has complied with Section 26.2, Lessee shall at all times and in all respects fully, timely and faithfully comply with and observe each and all of the conditions, covenants, and provisions required on the part of the Lessor under any Mortgage (and to any renewals, modifications, extensions, replacements and/or consolidations thereof) to which this Lease is subordinate or to which it later may become subordinate, including, without limitation, such conditions, covenants and provisions thereof as relate to the care, maintenance, repair, insurance, restoration, preservation and condemnation of the Demised Premises, notwithstanding that such conditions, covenants and provisions may require compliance and observance to a standard or degree in excess of that required by the provisions of this Lease, or may require performance not required by the provisions of this Lease; provided, however, except to the extent that reserves or escrows are required under the Mortgage for the payment of Taxes and Assessments and for insurance, Lessee shall not be required to make payments on account of any reserves or escrows, including without limitation any construction, replacement or repayment reserve or escrow required by any new Lender. If any new Lender requires compliance, observance or performance to a standard or degree in excess of that required by the terms of the Existing Mortgage and this Lease, Lessee shall comply with such standard, degree or additional performance; provided, however, that the amount by which the third party costs expended by Lessee to achieve such standard, degree or additional performance exceed the third party costs to achieve the standard of performance required by the Existing Mortgage and this Lease shall be paid by Lessor. Lessee further agrees that it shall not do or permit to be done anything which would constitute a breach of or default under any obligation of the Lessor under any Mortgage, it being the intention hereof that Lessee shall so comply with and observe each and all of such covenants, conditions and provisions of any Mortgage so that they will at all times be in good standing and there will not be any default on the part of the Lessor thereunder. However, nothing in this Article contained shall be construed to obligate Lessee to pay any part of the principal or interest secured by any Mortgage, except as may otherwise be provided in this Lease.

ARTICLE XXVIII - MORTGAGE RESERVES

Any tax or insurance reserve required under any Mortgage by the Lender thereof during the term of this Lease shall be paid by the Lessee to Lessor and shall be repaid to Lessee when Lender repays such sums to Lessor.

ARTICLE XXIX - LESSEE'S ATTORNMENT

29.1 Lessee covenants and agrees that, if by reason of a default upon the part of the Lessor in the performance of any of the terms and conditions of any Mortgage, and the Lender forecloses on the estate of Lessor in the Demised Premises, Lessee will attorn to the then holder of such Mortgage or the purchaser in such foreclosure proceedings, as the case may be, and will recognize such holder of the Mortgage or such purchaser as the Lessor under this Lease. Lessee covenants and agrees to execute and deliver, at any time and from time to time, upon the request

of Lessor, or of the holder of such Mortgage or the purchaser in foreclosure proceedings, any instrument which may be necessary or appropriate to evidence such attornment. Lessee further waives the provisions of any statute or rule or law now or hereafter in effect which may terminate this Lease or give or purport to give Lessee any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event any such proceedings are brought against the Lessor under such Mortgage or the holder of any such Mortgage, and agrees that this Lease shall not be affected in any way whatsoever by any such proceedings, except to the extent designated and determined by Lender pursuant to the terms of the Lease, the SNDA, Mortgage or any of the other loan documents.

29.2 If Lessor shall default in the performance of any of the terms, provisions, covenants or conditions under any Mortgage, or fails to pay the amounts due thereunder when due, then, upon notice of such default or failure on the part of Lessor, Lessee shall have the right, upon five (5) days' prior written notice thereof to Lessor (or such shorter period as permitted under any Mortgage), to cure such defaults, and to make such payments as are due from Lessor, directly to the holder of any Mortgage, as the case may be, and to the extent such payments are accepted by the holder of such Mortgage, to deduct the amounts expended by Lessee to cure such defaults from the next succeeding Rent payment or payments due under this Lease, and such deductions shall not constitute an Event of Default under this Lease. Lessor shall promptly provide Lessee with copies of any notice of default received by Lessor with respect to any Mortgage.

ARTICLE XXX - REPRESENTATIONS

30.1 Lessee represents and covenants to Lessor as follows:

(a) Lessee is a Delaware limited liability company, duly organized and validly existing in good standing under the laws of the State of Delaware, and has full right and power to cause Lessee to enter into, and perform its obligations under this Lease and has taken all requisite actions to authorize the execution, delivery and performance of this Lease;

(b) Lessee has examined the Demised Premises, Personal Property, contracts relating to the Facility and/or to the Demised Premises and the improvements and the residential care facility thereon prior to its acceptance and execution of this Lease, and Lessee acknowledges that except as expressly stated herein no representation or warranty, express or implied, has been made by or on behalf of Lessor with respect to the condition of the Demised Premises and Personal Property. Lessee represents that it is satisfied with the condition thereof and is leasing the Demised Premises, improvements and Personal Property in "AS IS"/"WHERE IS" condition, and Lessor shall in no event whatsoever be liable for any latent or patent defects therein;

(c) In addition to all other covenants contained herein, Lessee expressly covenants that it shall keep and maintain at the Facility at all times in good order and repair all items of Personal Property necessary for operating the Facility as a residential care or

independent living unit facility in substantial compliance with all laws, rules and regulations of the **New Jersey** Department of Health. Lessee shall maintain all of such items in good order and repair and shall promptly replace any such items which become obsolete, damaged or destroyed with substitute items substantially equivalent to that which has been replaced;

(d) Until Lessee shall have fully satisfied all of its obligations under this Lease, Lessee shall maintain its organizational existence as a limited liability company, and shall not, without the prior written consent of Lessor, dissolve, liquidate or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it;

ARTICLE XXXI – PRIOR LIABILITIES

31.1 Lessee acknowledges that Lessor shall have no liability to Lessee with respect to the operations of the Facility for the periods prior to the Commencement Date relating to accounts receivable, accounts payable, prorations, inventory, patient trust funds and employee benefits.

31.2 Lessor shall not be liable for amounts claimed by the **New Jersey** Family and Social Services Administration or any other governmental authority or agency to have been overpayments made to the prior operator of the Facility with respect to periods prior to the Commencement Date.

ARTICLE XXXII - LICENSURE PROVISIONS

32.1 It shall be a condition precedent to the effectiveness of this Lease that Lessee has a license permitting Lessee to operate the Facility as a residential care facility (hereinafter collectively called the “License”).

ARTICLE XXXIII - FINANCIAL STATEMENTS

33.1 Lessee shall furnish to the Lender such financial statements and tax returns which shall be certified by an officer of Lessee or a public accountant to the extent required under the Mortgage.

33.2 At all times, Lessee shall keep and maintain full and correct records and books of account of the operations of Lessee in the Demised Premises and records and books of account of the entire business operations of Lessee in accordance with normal accounting practices consistently applied. Upon request by Lessor, from time to time, but not more than one (1) time a year, and such additional inspections which are required by any Lender, Lessee shall make available for inspection by Lessor or its designee, during reasonable business hours, at Lessee’s offices, the said records and books of account covering the entire business operations of Lessee on the Demised Premises.

ARTICLE XXXIV - MISCELLANEOUS

34.1 Lessee, upon paying the Rent and all other charges herein provided, and for observing and keeping the covenants, agreements, terms and conditions of this Lease on its part to be performed, shall lawfully and quietly hold, occupy and enjoy the Demised Premises during the term of this Lease, and subject to its terms, without hindrance by Lessor or by any other person or persons claiming under Lessor.

34.2 All payments to be made by the Lessee hereunder in addition to Base Rent, whether or not designated as Additional Rent, shall be deemed Additional Rent, so that in default of payment when due, the Lessor shall be entitled to all of the remedies available at law or equity, or under this Lease, for the nonpayment of Rent. Base Rent and Additional Rent are sometimes referred to collectively herein as "Rent".

34.3 It is understood and agreed that the granting of any consent by Lessor to Lessee to perform any act of Lessee requiring Lessor's consent under the terms of this Lease, or the failure on the part of Lessor to object to any such action taken by Lessee without Lessor's consent, shall not be deemed a waiver by Lessor of its rights to require such consent for any further similar act by Lessee, and Lessee hereby expressly covenants and warrants that as to all matters requiring Lessor's consent under the terms of this Lease, Lessee shall secure such consent for each and every happening of the event requiring such consent, and shall not claim any waiver on the part of Lessor of the requirement to secure such consent.

34.4 Each of Lessor and Lessee represents and warrants to the other that it has not dealt with any broker or finder in connection with this Lease. Lessor and Lessee each covenant and agree to indemnify and hold harmless the other from and against any and all costs, expenses, liabilities, claims, demands, suits, judgments and interest, including, without being limited to, reasonable attorneys' fees and disbursements, arising out of or in connection with any claim by any broker or agent with respect to this Lease, the negotiation of this Lease or the transactions contemplated herein based upon the acts of the indemnifying party.

34.5 If an action shall be brought to recover any Rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants or conditions of this Lease, or for the recovery of possession of the Demised Premises, the prevailing party shall be entitled to recover from the other party, as part of the prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered.

34.6 Should Lessee hold possession hereunder after the expiration of the term of this Lease with or without the consent of Lessor, Lessee shall become a tenant on a month-to-month basis upon all the terms, covenants and conditions herein specified, excepting however that Lessee shall pay Lessor a monthly rental, for the period of such month-to-month tenancy, in an amount equal to 150% the last Rent specified.

34.7 All notices, demands or requests which may or are required to be given by either party to the other shall be in writing and shall be sent by (i) personal delivery; (ii) Federal Express or other national overnight courier service; or (iii) United States certified mail, return receipt requested, addressed to the other party hereto at the last known address of such party. Notices shall be effective upon receipt or refusal thereof.

34.8 Upon request of either party, Lessor and Lessee agree to execute and deliver a short form lease and option in recordable form so that the same may be recorded by either party.

34.9 Each party agrees at any time, and from time to time, upon not less than ten (10) days' prior written request from the other party, to execute, acknowledge and deliver to the other party a statement in writing, certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), the dates to which the Rent has been paid, the amount of the Additional Rent held by Lessor, and whether to the best knowledge of such party an Event of Default has occurred or whether any events have occurred which, with the giving of notice or the passage of time, or both, could constitute an Event of Default hereunder, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective assignee, lender or purchaser of the fee interest in the Demised Premises or of this Lease.

34.10 All of the provisions of this Lease shall be deemed and construed to be "conditions" and "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate provision hereof.

34.11 Any reference herein to the termination of this Lease shall be deemed to include any termination thereof by expiration, or pursuant to Articles referring to earlier termination.

34.12 The headings and titles in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

34.13 This Lease contains the entire agreement between the parties and any executory agreement hereafter made shall be ineffective to change, modify or discharge it in whole or in part unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought. This Lease cannot be changed orally or terminated orally.

34.14 Except as otherwise herein expressly provided, the covenants, conditions and agreements in this Lease shall bind and inure to the benefit of the Lessor and Lessee and their respective successors and assigns.

34.15 All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require.

34.16 If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law.

34.17 Notwithstanding anything to the contrary contained herein, and except as otherwise provided in this Lease, there shall be no personal liability hereunder on any partners, shareholders, members, directors, officers, employees or trustees of Lessee, with respect to the terms, covenants, conditions, undertakings or agreements contained in this Lease and Lessor shall look solely to Lessee, and not to any such partners, shareholders, members, directors, officers, employees or trustees of Lessee for the satisfaction of each and every remedy which Lessor may have hereunder.

34.18 It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein and in the Lease made on the part of Lessor while in form purporting to be the representations, warranties, covenants, undertakings and agreements of Lessor are nevertheless each and every one of them made and intended, not as personal representations, warranties, covenants, undertakings and agreements by Lessor or for the purpose or with the intention of binding Lessor personally, but are made and intended for the purpose only of subjecting Lessor's interest in the Demised Premises to the terms of the Lease, and for no other purpose whatsoever and in case of default hereunder by Lessor (or default through, under or by any of its beneficiaries, or agents or representatives of said beneficiaries), Lessee shall look solely to the interests of Lessor in the Demised Premises; that, if Lessor is a land trust, the Lease is executed and delivered by Lessor not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; that neither the Lessor nor any of Lessor's shareholders, officers, directors, members, managers, partners, beneficiaries or agents shall have any personal liability to pay any indebtedness accruing hereunder or to perform any covenant, either express or implied, herein contained, and no liability or duty shall rest upon Lessor to sequester the Demised Premises (or the trust estate) or the rents, issues and profits arising therefrom, or the proceeds arising from any sale or other disposition thereof; and that no personal liability or personal responsibility of any sort is assumed by, nor shall at any time be asserted or enforceable against said Lessor or any of Lessor's shareholders, officers, directors, members, managers, partners, beneficiaries or agents, on account of the Lease or on account of any representation, warranty, covenant, undertaking or agreement of Lessor contained in the Lease, either express or implied, all such personal liability, if any, being expressly waived and released by Lessee and by all persons claiming by, through or under Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be signed by persons authorized so to do on behalf of each of them respectively the day and year first above written.

LESSOR:

Cumberland Realty SNF LLC,
a Delaware limited liability company

By: _____
Name: Dov Green
Its: Authorized Signatory

LESSEE:

Cumberland Operator LLC,
a Delaware limited liability company

By: _____
Name: Dov Green
Its: Manager

EXHIBIT A
DEMISED PREMISES

{1046/120/00493297.1}

SCHEDULE 1

MORTGAGE

{1046/120/00493297.1}

**NO APPLICABLE
MANAGEMENT AGREEMENT**

New Jersey Related Ownership

Preferred Care at Old Bridge, LLC	6989 Rout 18	Old Bridge, NJ 08857
Preferred Care at Mercer	1201 Parkway Avenue	Ewing, NJ 08628
Preferred Care at Wall	2350 Hospital Road,	Allenwood, NJ 08720
Preferred Care at Absecon	1020 Pitney Road	Absecon, NJ 08201
Preferred Care at Hamilton	1501 NJ-33	Hamilton, NJ 08690

All New Jersey facilities owned, operated or managed by the applicants are listed above. They do not have any other ownership New Jersey or any other state.

LONG TERM CARE TRACK RECORD CHART

New Jersey Department of Health: Certificate of Need and Licensing

APPLICATION#

APPLICANT NAME

DATE RANGE:

See instructions to complete this form. If there are no deficiencies at all at a severity level of J,K,L,H or I for any out-of-state facilities owned by the Applicant for the Track Record period noted above, enter "Not Applicable for all facilities" in the first line on this chart, and confirm on the attestation form to accompany this chart.

License No.	State	Facility Name	Facility Address	Survey Type and Date (Scope/severity for citations entered in next columns)	483.10 Resident Rights	483.12 Freedom from Abuse/Neglect/Exploitation	483.15 Admission, Transfer & Discharge Rights	483.20 Resident Assessment	483.21 Comprehensive Person-Centered Care Plan	483.24 Quality of Life	483.25 Quality of Care	483.30 Physician Services	483.35 Nursing Services	483.40 Behavioral Health Svcs	483.45 Pharmacy Services	483.55 Dental Svcs	483.60 Food & Nutrition Svcs	483.65 Specialized Rehab Svcs	483.70 Administration	483.75 QA & Performance Improvement	483.80 Infection Control	483.85 Compliance and Ethics Program	483.90 Physical Environment	483.95 Training Requirements	No. of Resident Hospitalizations which are a direct result of the event/deficiency which is reported in prior column(s)	No. of Resident Deaths which are a direct result of the event/deficiency which is reported in prior column(s)	Date Corrective Actions Completed	Ultimate Outcome	
61330	NJ	Preferred Care at wall	Allenwood, NJ 08720	Not Applicable																									
476003	NJ	Preferred Care Mercer	NJ 08628	Not Applicable																									
61220	NJ	Bridge	Bridge, NJ 08857	Not Applicable																									
60115	NJ	Preferred Care at Absecon	1020 pitney Road Absecon, NJ 08201	Not Applicable																									
61105	NJ	Preferred Care at Hamilton	1501 NJ-33 trenton, NJ 08690	Not Applicable																									

ASSET PURCHASE AGREEMENT

by and between

LTC Management, LLC
a New Jersey Limited Liability Company

“Seller”

and

Cumberland Realty SNF LLC a Delaware Limited Liability Company
“Purchaser”

Dated as of: November 1, 2021

1.	Sale and Purchase of Purchased Assets	1
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EXHIBITS

- A. Legal Description of Land
- B. Allocation of Purchase Price
- C. Form of Deed
- D. Form of Bill of Sale
- E. Form of General Assignment
- F. Form of FIRPTA Affidavit
- G. Definitions

SCHEDULES

- 1(a) Excluded Assets
- 8(i) Permits
- 8(m) Litigation

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this "Agreement"), is made as of the 1st day of November, 2021 (the "Effective Date"), by and between LTC Management, LLC, a New Jersey limited liability company ("Seller"), and Cumberland Realty SNF LLC, a Delaware limited liability company ("Purchaser.") (Collectively, Purchaser and Seller the "Parties.")

WHEREAS, Seller is currently the fee owner of the Property (as defined herein), and Cumberland Operations LLC, a New Jersey limited liability company (the "Old Operator") is the licensed operator of the Facilities (as defined herein) thereon;

WHEREAS, Seller desires to sell and Purchaser desires to purchase the Purchased Assets (as defined herein) and other assets subject to the terms and conditions of this Agreement;

WHEREAS, as an inducement to Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, simultaneous with the completion of the transactions contemplated under this Agreement, Purchaser will enter into a lease agreement with such designees of Purchaser (the "New Operator"), pursuant to which Purchaser will lease the Facilities to New Operator, and New Operator will be the operator of the Facilities, which lease agreement will be in form and substance satisfactory to the Purchaser and New Operator;

WHEREAS, as an inducement to Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, simultaneous with the completion of the transactions contemplated under this Agreement, Old Operator will enter into that certain Operations Transfer Agreement with New Operator of even date herewith (the "OTA"), which agreement will provide for the rights and obligations of the parties thereto relative to the transition of the operations of the Facilities from Old Operator to New Operator and which agreement will be in form and substance satisfactory to the Parties;

NOW THEREFORE, in consideration of the mutual covenants and provisions herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. **Sale and Purchase of Purchased Assets.** Subject to the provisions set forth herein, Seller hereby agrees to sell, convey, assign, deliver and transfer, free and clear of all Liens (other than financed items) except for Permitted Exceptions and any occupancy rights of any residents of the Facilities, and Purchaser hereby agrees to purchase, acquire and accept from Seller all right, title and interest of every kind and nature in and to the Property and the Personal Property (each, as herein defined) owned, licensed or leased by Seller as of the Closing (including indirect and other forms of beneficial ownership), be they real or personal, tangible or intangible, fixed or current, wherever located and by whomever possessed (collectively, the "Purchased Assets"). The Purchased Assets shall not include the Excluded Assets and shall include all of the following assets:

(i) the property consisting of those certain plots, pieces or parcels of land located in the City of Bridgeton, New Jersey, as more particularly described in **Exhibit A1** hereto (the “Land”);

(ii) all Improvements presently or hereafter located in or on the Land (together with the Land, the “Property”), including without limitation, (a) that certain 196 bed skilled nursing facility commonly known as Cumberland Manor Nursing and Rehabilitation Center located at 154 Sunny Slope Dr, Bridgeton, NJ 08302 (The “Facility”, or “Facilities”);

(iii) all right, title and interest, if any, of Seller in and to the land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof;

(iv) all easements, licenses, rights and appurtenances relating to any of the assets identified in the foregoing clauses (i), (ii) and (iii);

(v) all bed rights associated with the Facilities;

(vi) the Warranties;

(vii) all machinery, equipment (including all transportation and office equipment), tools, fixtures, trade fixtures, furniture, furnishings, computer equipment, telephone systems and furniture owned by Seller and used, currently in the operation or maintenance of the Property or the Facilities, wherever located, including all such items which are located in any building, warehouse, office or other space leased, owned or occupied by Seller;

(viii) all office supplies and other miscellaneous supplies, and other tangible property of any kind wherever located, including all property of any kind located in any building, office or other space leased, owned by Seller other than the Supplies (as such term is defined in the OTA), which will be transferred to New Operator pursuant to the OTA (assets identified in clauses (vii) and (viii), collectively, the “Personal Property”);

(ix) all claims, deposits, prepayments, award, prepaid expenses, warranties, guarantees, refunds, causes of action, rights of recovery, rights of set-off and rights of recoupment of every kind and nature (whether or not known or unknown or contingent or non-contingent) of Seller that accrue and occur with respect to the Purchased Assets after the Reference Date, including all right, title and interest, if any, of Seller to any unpaid award for (1) any taking by condemnation or (2) any damage to the Land or the Improvements by reason of a change of grade of any street or highway;

(x) RESERVED;

(xi) all transferable Permits from all permitting, licensing, accrediting and certifying agencies, and the rights to all data and records held by such permitting, licensing and certifying agencies;

(xii) all telephone numbers that are associated with the Facility;

(xiii) all rights to proceeds of or claims under any loss of income insurance or equivalent insurance maintained by Seller and any rent insurance or equivalent coverage maintained by Seller that are, in each case, required to be assigned by Seller to Purchaser pursuant to Section 11;

(xiv) all indemnities owed to Seller;

(xv) all escrows or impounds maintained in connection with the HUD Loans (defined herein) (including, but not limited to, tax reserves, insurance reserves and capital expenditure reserves) ("HUD Reserves");

(xvi) all Seller's Cash and cash equivalents, Accounts Receivables, and any other accounts receivable, accounts payable, and any liabilities related to the operation of the Facility arising from, generated or incurred on or after the Reference Date; and

(xvii) all intangible property not otherwise specified above, including all goodwill symbolized and associated with the Facilities or Seller.

Without limiting the generality of the foregoing, Purchased Assets shall include all assets, property, rights and business acquired by Seller on or after the Effective Date. If any assets, property, rights or business of the Business or relating to the Property or the Facilities that are intended to be transferred to Purchaser pursuant to the terms of this Agreement but do not appear on the Schedules or is not otherwise identified in this Section 1, such assets, property, rights and business shall nonetheless be deemed transferred to Purchaser. For the avoidance of doubt, nothing contained in this Agreement shall limit any claims or defenses Purchaser may have against any Third Party.

1b. Notwithstanding anything in this Agreement to the contrary, Seller shall retain, and Purchaser shall not accept, any of Seller's right, title and interest in and to any of the following assets of Seller (collectively, the "Excluded Assets"):

(i) all Seller's Cash and cash equivalents, short-term investments and third party payor settlements in Seller's possession and generated from the Facility prior to the Reference Date;

(ii) all Accounts Receivables of Seller generated from the Facility prior to the Reference Date;

(iii) subject to Section 1(viii), all insurance policies of Seller and all rights to proceeds under Seller's insurance policies all proprietary computer software owned or developed by Seller (including but not limited to source code, executable code data, databases and documentation);

(iv) the articles of incorporation, bylaws, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign

qualifications, taxpayer and other identification numbers, seals, minute books, company procedure manuals, equity transfer books, equity certificates, and other documents relating to the organization, maintenance and existence of Seller as a corporation;

(v) all of the rights of Seller under this Agreement, any document executed in connection herewith, and any other agreement between Seller on the one hand and Purchaser on the other hand entered into on or after the Effective Time; and

(vi) Books and Records of Seller.

(vii) Seller's rights under this Agreement and the agreements to be executed in connection herewith,

(viii) Seller's organizational documents,

(ix) personal property owned by residents of the Facilities and not by Seller,

(x) personal property owned by third party vendors and leased to Seller or Old Operator for use in connection with the operations of the Facility, unless such lease is assumed by Purchaser or New Operator, (the "Leased Property"),

(xi) any confidential or proprietary information of Seller or any of their affiliates that is not primarily used or held in connection with the Facility,

(xii) any accounts receivable, accounts payable or liabilities associated with the operation of the Facility prior to the Reference Date, as hereinafter defined,

(xiii) any items transferred per the terms of the OTA,

(xiv) the Autumn website and its related website., and

(xv) Proceeds arising from the lawsuit brought by Old Operator or its affiliates against Aetna Better Health, Inc. d/b/a Aetna Better Health of New Jersey;

2. **Liabilities of Seller.** Except for the HUD Loans pursuant to the terms herein and the accounts payable acquired by Purchaser pursuant to Section 1 incurred after the Reference Date, Purchaser shall not be the successor to Seller, and Seller hereby acknowledges and agrees that pursuant to the terms of this Agreement, neither Purchaser nor any of its Affiliates shall assume or become liable to pay, perform or discharge any Liability of Seller of any kind or nature, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, arising out of this or any other transaction or event and whether or not relating to any of the Purchased Assets or the Business, regardless of any disclosure made or exceptions noted with respect to the representations and warranties, covenants or agreements contained in this Agreement or any other document executed or delivered by Seller in connection with the transactions contemplated hereby, including the

following specifically enumerated Liabilities that occurred prior to the Closing Date (collectively, the “Excluded Liabilities”):

(i) all Liabilities for Indebtedness of Seller that occur prior to the Closing Date;

(ii) all Liabilities of Seller that relate to any of the Excluded Assets;

(iii) except for as otherwise stated in this Agreement, all Liabilities of Seller or for which Seller could be liable relating to Taxes (including with respect to the Purchased Assets or otherwise) including any Taxes that arose or occurred prior to the Closing Dates or as a result of the sale or transfer of any of the Purchase Assets pursuant to this Agreement, all Liabilities for Taxes for which Seller is responsible under Section 15 and any Liability related to Taxes owed by Seller as result of ownership prior to the Closing Date or on any of the Purchased Assets (including under any bulk sales law);

(iv) except for as otherwise stated in this Agreement, all Transaction Expenses of Seller in connection with, resulting from or attributable to the transactions contemplated by this Agreement and the Other Documents;

(v) any Liability arising out of any Action commenced against Purchaser or with respect to any of the Purchased Assets after the Closing, the facts of which arise solely out of any occurrence, circumstance or event happening or existing prior to the Closing Date;

(vi) all Liabilities of Seller relating to any Action for malpractice, professional liability, resident rights violations or violations of employee rights or contracts or otherwise constitute or are alleged to constitute a tort, breach of contract or violation of any law, rule, regulation, treaty or other similar authority; and

(vii) all other Liabilities of Seller with respect to any acts, events or transactions whether occurred in the past, occurring at the present or occurring in the future, known or unknown, liquidated or unliquidated, accrued or unaccrued, pending or threatened.

3. **Purchase Price; Escrow.**

(a) Purchase Price. The purchase price (as may be adjusted pursuant to Section 7, the “Purchase Price”) for the Purchased Assets shall be an amount equal to [REDACTED] which Purchase Price shall be subject to prorations as set forth herein. The parties shall use best efforts to agree upon a joint allocation of the Purchase Price, as set forth in **Exhibit B** attached hereto. Each party agrees (i) to complete jointly and file separately Form 8594 with its federal income tax return consistent with such allocation for the tax year in which the Closing occurs, and (b) that no party shall take a position on any income, transfer, gains or other tax return, or before any federal, state or local governmental or quasi-governmental authority or in any judicial proceeding that is in any manner inconsistent with the terms of such agreed upon allocation.

(b) Payment of Purchase Price. At the Closing, the Purchase Price shall be paid as follows:

(i) the Earnest Money previously released to Seller shall be credited against the amount so due;

(ii) in the event Purchaser assumes the HUD loan then: (a) Purchaser shall assume the HUD loans in favor of the lenders described on Schedule 2(b)(ii) attached hereto (the "HUD Lenders") secured by those first mortgages on the Facilities, and insured by HUD (the "HUD Loan"), as more fully described on Schedule 2(b)(ii), and (b) the outstanding principal balance of the HUD Loans as of the Reference Date shall be credited towards the payment by Purchaser of the Purchase Price at the Closing.

(iii) RESERVED.

(iv) At the Closing, Seller shall assign to Purchaser all of its rights under and the HUD Reserves. Seller shall receive on the Reference Date a payment in an amount equal to the HUD Reserves balances as of the Reference Date minus [REDACTED] ("Escrow Payment.") The Escrow Payment shall be fully refundable to Purchaser in the event the Agreement terminates for any reason; and

(v) the balance of the Purchase Price, plus or minus proration and adjustments set forth in this Agreement, shall be paid in cash or by wire transfer of immediately available funds.

(c) Earnest Money. Prior to the Effective Date, Purchaser delivered to the Title Company (as defined herein), as escrow agent, the sum of [REDACTED] as a deposit (the "Initial Earnest Money") for the payment of the Purchase Price, which shall be released by the Title Company to Seller on November 1, 2021 ("the Reference Date"). On or before the Reference Date, Purchaser shall deposit as additional earnest money toward the payment of the Purchase Price with the seller an amount equal to [REDACTED] (the "Additional Earnest Money", the Additional Earnest Money, together with the Initial Earnest Money, the "Earnest Money") which shall be released to Seller on the Reference Date. The Earnest held by Seller shall become non-refundable subject to provisions of this Agreement that provide for a refund of the Earnest Money.

(d) Closing Escrow. Prior to the Closing Date, Purchaser and Seller shall provide to the Title Company joint escrow instructions to open an escrow for the consummation of the sale of the Purchased Assets to Purchaser pursuant to the terms of this Agreement in accordance with the general provisions of the usual form of joint escrow instructions used in similar transactions by such holder with special provisions inserted to conform with this Agreement, as shall be mutually acceptable to the parties hereto. Provided that all conditions to Closing set forth in this Agreement have been satisfied or, as to any condition not satisfied, waived by the party intended to be benefited thereby, on the Closing Date (other than those conditions which can only be satisfied at

the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), the Title Company shall conduct the Closing by recording or distributing the following documents and funds in the following manner:

(i) Record the Deed in the official records of the county in which the Land is located;

(ii) Deliver to Purchaser all documents that are required to be delivered by Seller to Purchaser pursuant to Section 6(a) hereof (to the extent the same shall be delivered to the Title Company at or prior to the Closing); and

(iii) Deliver to Seller (x) all documents that are required to be delivered by Purchaser to Seller pursuant to Section 6(b) hereof (to the extent the same shall be delivered to the Title Company at or prior to the Closing), and (y) the Purchase Price and such other funds, if any, as may be due to Seller by reason of credits under this Agreement, less all items chargeable to Seller under this Agreement.

(e) **Escrow.**

(i) Purchaser shall deposit [REDACTED] with the Title Company as an escrow agent prior to the Reference Date to be held in escrow and released to Seller at the earlier of (a) the closing date or (b) eleven (11) months after the Reference Date, in the amount of \$474,300.00 (“Escrow Release”). Upon the release of the portion of such escrow, the money should be included within the Additional Earnest Money.

(ii) In the event the Closing is extended as per this agreement, within prior to the date that is fifteen (15) months after the Reference Date, Purchaser shall deposit [REDACTED] with the Title Company as an escrow agent as additional Earnest Money (“Fifteen Month Escrow”).

(iii) Following the Reference Date, the Purchaser shall deliver to the Title Company in escrow the amount, if any that the HUD Reserves balance at the end of any month is less than the HUD Reserves balance as of the Reference Date (“HUD Reserve Escrow”) (which such amount shall be reconciled monthly, and if such amount held by the Title Company is greater than such aggregate deficiency, such additional amount held by the Title Company shall be refunded to the Purchaser), and in the event that the Agreement terminates for any reason, and the Escrow Payment is returned to Purchaser, the HUD Reserve Escrow shall be paid to Seller.

4. **Time and Placing of Closing.** The closing of the transactions contemplated hereby (the “Closing”) shall occur within eleven (11) months from the Reference Date, and on the date that is the first day of the month following the date that (x) all required U.S. Department of Housing and Urban Development (“HUD”) approvals are obtained (collectively, the “HUD

Approvals”), and (y) Licensure (defined herein). Notwithstanding the foregoing, in the event that the HUD Approvals and/or the State Approvals are obtained later than the twentieth (20th) day of a calendar month, at the option of Purchaser, the Closing shall occur on the first day of the second month following the HUD Approvals and the State Approvals (the date of Closing is herein is referred to as the “Closing Date”). The Closing shall be effective as of 12:00 a.m. (Eastern Time) on the Closing Date (the “Effective Time”). In the event Purchaser does not obtain HUD approval within 11 months from the Effective Date, the Purchaser shall, in good faith work with the HUD lender to determine whether and when the HUD approval is expected to be received and shall extend the Closing Date as is reasonably necessary to obtain the HUD approval, provided further that if the HUD lender does not reasonably believe that the approval will be received, Purchaser shall be required to pursue a traditional loan and close prior to the date that is 15 months from the Reference Date and all HUD contingency clauses within this agreement shall be null and void. Notwithstanding anything to the contrary herein, provided that Purchaser has funded the Fifteen Month Escrow, Seller shall extend the Closing Date so long as Purchaser is working in good faith with reasonable diligence towards Closing.

5. **Due Diligence; Title and Survey; and Licensure.**

(a) Due Diligence. Purchaser may request at reasonable times and upon prior notice to Seller, to enter upon the Property to conduct such inspections, investigations, tests and studies as Purchaser shall deem necessary, including, without limitation, environmental site assessments, engineering tests and studies, physical examinations of the Property, due diligence investigations and feasibility studies. Seller may reasonably restrict such access, and Purchaser shall comply with all Facility health policies governing visits. To the extent Purchaser hires any Third Party site inspectors, engineers or other parties that will invasively inspect and/or test the Property, Purchaser will first ensure that such Third Party(ies) have adequate insurance covering any potential damage done to the Property as a result of such inspection/testing. Purchaser shall exercise reasonable care when visiting the Property, in a manner which shall not materially adversely affect the operation of the Property or the Facilities. Notwithstanding the foregoing, no invasive tests may be performed without the explicit written authorization of Seller. Purchaser shall obtain insurance coverage that covers any visits to the facility and shall ensure that any third parties visiting the facility shall have in place insurance coverage.

(b) Purchaser shall not materially damage or destroy any portion of the Property in conducting its examinations and studies of the Property, and shall promptly repair and restore any portion of the Property damaged by the conduct of Purchaser or Purchaser’s representatives to substantially the condition such portion(s) of the Property was in immediately prior to such examinations or studies. The foregoing obligation to repair and restore the Property shall survive Closing or any termination of this Agreement. In addition, Purchaser shall defend, indemnify Seller and hold Seller, Seller’s trustees, beneficiaries, officers, directors, members, representatives, principals, partners, shareholders, employees, agents, contractors and tenants and the Facility harmless from and against any and all losses, costs, damages, claims, or liabilities,

including but not limited to, mechanic's and materialmen's liens and Seller's attorneys' fees, arising out of or in connection with Purchaser's inspection of the Facility, expressly excluding any losses, costs, damages, claims or liabilities arising from the mere discovery of any existing conditions and any losses, costs, damages, claims or liabilities arising from any action or inaction on the part of Seller. Purchaser's right to inspect under this paragraph shall be deemed revoked upon termination of this Agreement. Seller shall have the right to have its representative present during Purchaser's physical inspections of the Property.

(c) Due Diligence Period. Purchaser completed its due diligence period (the "Due Diligence Period") that expired upon the Effective date (the "Expiration Date"). During the Due Diligence Period, Purchaser shall have the right to determine whether or not it elects to proceed with the transaction (with such decision to be made by Purchaser in its sole and absolute discretion). In the event that, during the Due Diligence Period, Purchaser elects to terminate this Agreement, Purchaser shall give written notice to Sellers on or prior to the Expiration date that Purchaser has elected to terminate this Agreement (the "Purchaser's Termination Notice"), as applicable. In the event that the Purchaser's Termination Notice is given on or prior to the Expiration Date, which may be given by email to Seller's attorney with a follow up via overnight delivery as per the notice section, then, this Agreement shall automatically terminate, the Earnest Money plus any accrued interest shall be promptly returned to Purchaser and, except as otherwise expressly provided in this Agreement, the parties shall have no further obligations to each other with respect to the proposed transaction or the Property. Buyer acknowledges and agrees that, following the expiration of the Due Diligence Period, the results of Buyer's due diligence examinations, reviews and inspections shall not entitle Buyer to (a) terminate this Agreement (except as expressly provided herein) or (b) any reduction in, abatement of or credit against the Purchase Price.

(d) Title and Survey.

(i) Prior to the commencement of this Agreement, Seller shall provide Purchaser, if it has available and in its possession its most current title insurance policy for the Property. Purchaser shall order from Madison Title Agency (the "Title Company") a commitment (the "Title Commitment") for an ALTA 2006 owner's title insurance policy (the "Title Policy"), in an amount equal to the Purchase Price, dated or updated to the Closing Date, insuring or committing to insure, at its ordinary premium rates, Purchaser's good and marketable title in fee simple to the Property subject only to the Permitted Exceptions and shall include extended coverage over General Exceptions 1 through 5 inclusive as well as additional endorsements including (i) survey endorsement, (ii) unconditional Comprehensive Endorsement No. 1, (iii) ALTA Endorsement Form 3.1 endorsement (including compliance with parking requirements) which must specifically state that the use of the Facilities and the Land are "permitted uses" under the governing zoning ordinance, (iv) location endorsement, (v) access endorsement, (vi) one tax parcel endorsement, (vii) if the Land consists of more than one subparcel, contiguity endorsement, (viii) environmental lien

endorsement, and (ix) such other endorsements as Purchaser may reasonably require (items (i) through (ix) collectively referred to herein as the “Title Endorsements”); and

(ii) Prior to the commencement of this Agreement, Seller shall provide to Purchaser its most current survey of the Property in its possession. Purchaser may order a currently dated ALTA survey of the Property (the “Survey”); provided if the Seller’s prior survey is acceptable to the Title Company, at Purchaser’s election Seller shall provide, at Closing, an affidavit of no change with respect to the Survey.

(e) Title Defects. If Purchaser so elects, Purchaser shall order a title report Survey, zoning report, and elevation certificate (if applicable) within 15 days of the Effective Date, and within fifteen (15) Business Days following Purchaser’s receipt of the Title Commitment, Survey, zoning report, and elevation certificate (if applicable), Purchaser shall notify Seller of any matters shown on the Title Commitment, Survey, zoning report, and elevation certificate that make the title unmarketable or uninsurable and standard market rates or otherwise impact the use of the Facility or may result in issues with HUD or any Governmental Authority (such exceptions referred to herein as the “Title Defects”). If any updates to the Title Commitment or Survey shall disclose any additional matters, Purchaser shall have five (5) Business Days from the receipt of such updates within which to notify Seller thereof, in which case any such matters for which Purchaser provides notice shall also be treated as “Title Defects” hereunder. In the event that any Title Defects have not been cured by Seller on or before the date that is fifteen (15) Business Days prior to the Closing Date, Seller may elect in its sole discretion, by written notice to Purchaser, to either (i) undertake at its expense to cure such Title Defects prior to the Closing (the “Seller’s Election”), or (ii) not cure such Title Defects. In the event that Seller does not elect to cure such Title Defects pursuant to the immediately preceding sentence, or pay the additional increase in insurance premium to insure the title, Purchaser may, by notice to Seller on or prior to the Closing Date (x) terminate this Agreement in accordance with Section 13, in which event the Earnest Money plus all accrued interest shall be returned to Purchaser, or (y) indicate to Seller that, notwithstanding the Title Defects described in this Section 5(c), Purchaser elects to not terminate this Agreement as a result of such Title Defects (such Title Defects, as well as any matters shown in the Title Commitment or Survey to which Purchaser does not object as permitted herein, being thereafter deemed as “Permitted Exceptions” hereunder). Seller shall be required to pay off at the Closing, (i) all Indebtedness of Seller secured by the Property other than the HUD Loan and (ii) all Indebtedness of Seller covering, relating to or secured by any other Purchased Assets and to either pay off or cause the Title Company to insure or endorse over any mechanic’s or materialmen’s liens for work or materials undertaken or acquired by or on behalf of Seller, any Lien against Seller, and any other exceptions or encumbrances to title that may be cleared through the payment of money (provided, however, Seller shall be entitled to utilize the Purchase Price proceeds to effectuate any or all of the foregoing).

(f) Regulatory Approvals. Subject to the terms of this Agreement, from the Effective Date to the Closing, or the earlier termination of this Agreement pursuant to Section 13, New Operator will be responsible for taking all steps which may be taken prior to the Closing in order to obtain on or after the Closing all Permits from Governmental Authorities that are required as a result of the transactions contemplated in this Agreement and the OTA, including without limitation: (i) the timely submission to the New Jersey Department of Health (“DPH”) of an application for licensure (“Licensure”) with respect to operation of the Facilities, and ii) timely applications to be certified to participate in the Medicare and Medicaid reimbursement programs (the foregoing, collectively, the “Regulatory Approvals”). Seller agrees to use its best efforts to cooperate with New Operator in obtaining such Regulatory Approvals. Notwithstanding anything to the contrary in this Agreement, in no event shall New Operator be required to, and Seller may not, without the prior written consent of Purchaser, and may not require, without the prior written consent of Purchaser, New Operator to, accept any condition to the Regulatory Approvals that is caused solely by Seller's actions prior to the Effective Date, unless such condition, contract, commitment or action is acceptable to Purchaser and New Operator, jointly and severally, at their sole discretion.

6. Conditions to Closing.

(a) Purchaser's Conditions. Purchaser's obligation to consummate the transactions contemplated in this Agreement, pay the Purchase Price and accept title to the Purchased Assets shall be subject to the following conditions precedent on or prior to the Closing Date or the waiver thereof by Purchaser, which waiver shall be binding upon Purchaser only to the extent made in writing and dated on or prior to the Closing Date.

(i) Seller shall have substantially performed and complied in all respects with all covenants and conditions required by this Agreement to be performed or complied with by Seller.

(ii) Possession of the Property shall have been delivered to Purchaser free and clear of all tenancies and other occupancies and the Purchased Assets shall be delivered to Purchaser free and clear of all Liens except for any Permitted Exceptions and any occupancy rights of any residents of the Facilities.

(iii) Seller shall deliver to Purchaser or, if applicable, to the Title Company to be held in escrow in accordance with the terms of this Agreement and the escrow agreement entered into by and among the parties hereto and the Title Company, as escrow agent, on or before the Reference Date the following, each of which shall be in form and substance, and dated in blank to be dated as of the Closing Date:

(1) a Special Warranty Deed, in substantially the form annexed hereto as Exhibit C (the “Deed”) and in proper statutory form for recording, duly executed and acknowledged by Seller, sufficient to convey

to Purchaser fee simple title to the Property free of all Liens other than the Permitted Exceptions;

(2) a bill of sale, in substantially the form annexed hereto as **Exhibit D** (the “Bill of Sale”), duly executed and acknowledged by Seller, sufficient to convey to Purchaser good and indefeasible title, free of all Liens, in and to the Personal Property;

(3) an affidavit of title and such other affidavits as may reasonably be required by the Title Company in connection with the conveyance of the Property;

(4) an assignment by Seller (as applicable), in substantially the form annexed hereto as **Exhibit E** (the “General Assignment”), of all of Seller’s right, title and interest in, to and under the items described in Section 1(b) above;

(5) all Permits and certificates of occupancy in Sellers possessions, if any, issued by any Governmental Authority relating to the use, maintenance, occupancy or operation of the Facilities running to, or in favor of, Seller, to the extent legally assignable, except to the extent the same are required to be and are affixed at the Property, and of variances issued by any Governmental Authority relating to the ownership, use, occupancy, operation or maintenance of the Property;

(6) counterpart copies of all guaranties or warranties in Sellers possessions then in effect, if any, with respect to the Improvements and the Personal Property (the “Warranties”);

(7) Reserved;

(8) the Foreign Investment in Real Property Tax Act affidavit in substantially the form annexed hereto as **Exhibit F**;

(9) a form 1099 identifying Seller’s gross proceeds and Seller’s tax identification number, as required by the Title Company;

(10) the duly executed certificate of an authorized officer of Seller or its managing constituent, dated as of the Closing Date, to the effect and stating that (A) this Agreement and the Other Documents to which Seller is a party have been duly authorized, executed and delivered by Seller pursuant to all necessary resolutions or consents of the appropriate governing body of Seller, and appearing on said certificate are the true signatures of all persons who have executed this Agreement and the Other Documents to which Seller is a party on behalf of Seller, (B) the executing persons are fully authorized to act on behalf of Seller or its

constituent partners or members, as applicable and (C) conditions specified in Section 6(a)(i), Section 6(a)(ii), Section 6(a)(vi), Section 6(a)(vii), Section 6(a)(viii) and Section 6(a)(ix) have been satisfied;

(11) to the extent applicable, counterpart signature pages to the Assignment and Assumption of HUD Loan, in a form acceptable to the HUD Lender and reasonably acceptable to Seller and Purchaser to the extent required (the “Assignment of HUD Loan”), provided the parties agree that the Assignment of HUD Loan will be delivered prior to the Closing Date;

(12) such other customary closing documents required in the City of Bridgeton, county in which the Facility is located and/or State of New Jersey;

(iv) Purchaser shall receive from the Title Company an ALTA 2006 owner’s policy of title insurance, or a mark-up to the Title Commitment that is customarily made to title commitments in respect of transactions effected in the State of New Jersey, county and city where the Facilities are located that are comparable to the transactions contemplated under this Agreement, which commitment shall act as an irrevocable and unconditional commitment to issue the same, in an amount equal to the Purchase Price, dated, or updated to, the Closing Date, insuring, or committing to insure Purchaser’s good and marketable title in fee simple to the Property subject only to the Permitted Exceptions and shall include extended coverage over General Exceptions 1 through 5 inclusive and contain the Title Endorsements and Seller shall provide an affidavit of no change with respect to the Survey at Purchaser’s request;

(v) The closing conditions described in the OTA shall have been met, to the reasonable satisfaction of Purchaser, and the closing under the OTA shall occur concurrently herewith.

(vi) New Operator shall have received the Licensure, or reasonably believes to obtain such, unless New Operator was negligent in obtaining such.

(vii) Purchaser shall have received the HUD Approvals unless not required in accordance with this Agreement;

(viii) On the Effective Date, to the extent that they materially restrain or prohibit the consummation of the transactions contemplated hereby, there shall not be any lawsuits filed or threatened against Seller that are not covered by insurance and being defended, subject to policy limits and any reservation of rights or being defended by Seller; nor shall there, to the extent that they materially restrain or prohibit the consummation of the transactions contemplated hereby, be any actions, suits, claims or other proceedings, pending or threatened, or injunctions or orders entered, pending or threatened against Seller.

(ix) The representations and warranties of Seller contained in Section 9 shall have been true, correct and complete in any material respect as of the Reference Date and updated as of the Closing Date (to the extent such representations are remade as set forth in Section 9, and as applicable, Purchaser shall have approved of any updates to the Schedules and/or Exhibits, pursuant to Section 9(u)).

(b) Seller's Conditions. Seller's obligation to consummate the transactions contemplated in this Agreement and deliver title to the Property shall be subject to the following conditions precedent on or prior to the Closing Date to the satisfaction of Seller or the waiver thereof by Seller, which waiver shall be binding upon Seller only to the extent made in writing and dated as of the Closing Date.

(i) Subject to the satisfaction or waiver by Purchaser of each of the conditions precedent to the obligations of Purchaser set forth in Section 6(a) (other than those conditions that by their nature can only be satisfied or waived at the Closing), Purchaser shall have delivered or caused to be delivered the balance of the Purchase Price due hereunder.

(ii) Purchaser shall have delivered the following:

(1) the duly executed certificate of an authorized officer of Purchaser or its managing constituent, dated as of the Closing Date, to the effect that (A) this Agreement and all Other Documents to which Purchaser is a party have been duly authorized, executed and delivered by Purchaser pursuant to all necessary resolutions or consents of the appropriate governing body of Purchaser, and appearing on said certificate are the true signatures of all persons who have executed this Agreement and the Other Documents to which Purchaser is a party on behalf of Purchaser, (B) the executing persons are fully authorized to act on behalf of Purchaser or its constituent partners or members, as applicable and (C) conditions specified in Section 6(b)(iii) have been satisfied; and

(2) counterparts to the Other Documents to which Purchaser is a party, duly executed by Purchaser.

(iii) The representations and warranties of Purchaser contained in this Agreement Section 9 shall have been true, correct, and complete and not misleading as of date hereof as of the Reference date, and as of the Closing Date, as applicable, and Purchaser shall be in full compliance with the terms and provisions of this Agreement, in each case subject only to exceptions permitted by this Agreement.

7. **Apportionments.**

(a) **Closing Prorations.** The following items shall be apportioned at the Closing between periods prior to the Closing and periods following the Closing, as of the Effective Time, and, to the extent all applicable amounts due and payable with respect to periods following the Closing have been or will be paid by or on behalf of Seller on or prior to the Effective Time, the Purchase Price shall be increased in the amount of any such items that relate to periods following the Closing, and, to the extent all applicable amounts due and payable with respect to periods prior to the Closing have not been or will not be paid by or on behalf of Seller on or prior to the Effective Time, the Purchase Price shall be decreased in the amount of any such items that related to periods prior to the Closing, to the extent not paid prior to the Effective Time.

(i) Real estate Taxes, assessments (other than special assessments), personal property taxes, and water, vault and sewer charges, as well as any other governmental charges or Taxes assessed on the Property or the other Purchased Assets, based on the rates and assessed valuation applicable in the fiscal year for which assessed; provided that if the Closing shall occur before the real estate tax rate or personal property tax rate is fixed, the apportionment of said taxes shall be based on the most recently ascertainable real estate tax fiscal year. Allocation of real estate taxes billed with respect to the Property to yearly periods shall be determined in accordance with local custom, as determined by the Title Company. If, at the Closing, the Property or any part thereof is affected by an assessment which, at the option of Seller, is payable in installments and the first installment is then a charge or lien, or has been paid, then such assessment shall be deemed to relate to periods prior to the Closing and all unpaid installments of such assessments, including those which are to become due and payable after Closing, shall be deemed to be due and payable at or prior to the Closing and to be a lien upon the Property and shall be paid and discharged by Seller at Closing, or, alternatively, a credit to the Purchase Price shall be given to Purchaser of an amount equal to such unpaid installments.

(ii) All charges and payments for utility services; provided that if there is no meter or if the current bill for any of such utilities has not been issued prior to the Closing Date, then such charges shall be adjusted at the Closing on the basis of the charges for the prior period for which bills were issued and shall be further adjusted when the bills for the current period are issued; provided further, to the extent possible, Seller shall terminate its accounts with the utility service providers and Purchaser shall establish its accounts with such utility service providers effective on the Closing Date, in which event, there shall be no proration for such utility services.

(b) **Survival.** The obligations of the parties hereto under this Section 7 shall survive the Closing.

8. **Interim Operations.** From the Effective date until the Closing Date, or the earlier termination of this Agreement in accordance with Section 13, Seller shall: (a) reserved, (b) reserved, (c) not create any Lien upon or affecting title to the Property or the Purchased Assets except for the Permitted Exceptions and any occupancy rights of any residents of the Facilities, without Purchaser's prior written consent unless such will be removed at closing; (d) not voluntarily take any action which will or would cause any of the representations or warranties in this Agreement to become untrue or be violated without the prior written consent of Purchaser, which consent shall be provided or denied within ten (10) Business Days after request therefor; (e) perform all of their obligations in respect of the Purchased Assets whether pursuant to any contracts, or other requirements affecting the Purchased Assets; (f) promptly notify Purchaser in writing (with any such writing to include a written update to the Schedules to the extent applicable) upon Seller becoming aware: (i) that any representation or warranty in this Agreement made by Seller was when made, or has subsequently become, untrue or inaccurate, (ii) of the occurrence or the non-occurrence of any event the occurrence or the non-occurrence of which has caused or may reasonably be expected to cause any condition to the obligations of any party hereto to effect the transactions contemplated under this Agreement, any Other Document or OTA not to be satisfied, (iii) of the failure of Seller to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by Seller pursuant to this Agreement or any Other Document, (iv) of any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated under this Agreement, any Other Document or OTA, (v) of any material notice or other material communication from any Governmental Authority in connection with the transactions contemplated under this Agreement, any Other Document or OTA, (vi) of the commencement or initiation or threat of commencement or initiation of any Action regarding the transactions contemplated under this Agreement, any Other Document or OTA or otherwise involving any Purchased Assets or the Business, or (v) any material event adversely affecting the ownership, use, occupancy, operation, management or maintenance of the Purchased Assets or the Business, whether or not insured against; and (g) not solicit, accept or negotiate with respect to any offer to purchase any of the Purchased Assets from any person or entity other than Purchaser. Wherever Purchaser's consent is required hereunder, such consent shall not be unreasonably withheld or delayed. In addition, Seller agrees that it shall not make any distributions of cash to the members, shareholders, equity holders, etc., of any cash or other property which results from the operation or ownership of the Facility on or after the Reference Date, and all such amounts shall be retained by Seller and transferred to Purchaser as a Purchased Asset pursuant to Section 1 herein.

9. **Seller's Representations and Warranties.** Except as set forth in the Seller Disclosure Schedules, Seller hereby makes the representations and warranties contained in this Section 9 to Purchaser. These representations and warranties are made as of the date hereof, and, subject to Section 9(u), shall be deemed remade as of the Closing Date, solely with respect to those representations set forth in Section 9(a), (b), (h), (j), (o), (q), (s), and (t).

(a) **Organization and Authority.** Seller is a New Jersey limited liability company that validly exists under the laws of the State of New Jersey. Seller has full power and right to enter into and perform its obligations under this Agreement and the

Other Documents, including, without being limited to, conveying the Property and the other Purchased Assets. The execution and delivery of this Agreement and the Other Documents to which Seller is a party and the consummation of the transactions contemplated hereby and thereby (1) have been duly authorized by all necessary action on the part of Seller, (2) do not require any governmental or other consent and (3) will not result in the breach of any agreement, indenture or other instrument to which Seller is a party or is otherwise bound.

(b) Non-Foreign Status. Seller is a “non-foreign person” within the meaning of Section 1445 of the United States Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(c) Reserved.

(d) Environmental Condition. To the best of Seller’s knowledge, Seller has not generated, stored or Released any Hazardous Substance on the Property prior to the Effective Date, and there is not currently any Hazardous Substance on the Property as of the Reference Date.

(e) Special Assessments. To the best of Seller’s knowledge, as of the Effective Date, there are no (1) pending or threatened special assessments affecting the Purchased Assets or (2) any contemplated improvements affecting the Purchased Assets that may result in special assessments affecting the Purchased Assets. To the best of Seller’s knowledge, there are no tax abatements, phase-ins or exemptions affecting the Purchased Assets.

(f) Access to Property. To the best of Seller’s knowledge, as of the Effective Date, Seller has no knowledge of any federal, state, county, municipal or other governmental plans to change the highway or road system in the vicinity of the Property or to restrict or change access from any such highway or road to the Property.

(g) Existing Mortgages. Other than any HUD Insured mortgage or deed of trust, there are no mortgages or deeds of trust currently encumbering the Property, recorded or otherwise unless disclosed on a title report. Except for the Permitted Exceptions, there are no Liens affecting the Property or the other Purchased Assets other than disclosed in a title report. In addition there are no mechanic’s liens, materialman’s liens or similar claims or liens claimed or which may be claimed against any of the Property or the other Purchased Assets for work performed or commenced prior to the Closing Date.

(h) Leases. Seller shall terminate all leases as of the Closing date other than any occupancy rights of any residents of the facility.

(i) Permits. Seller shall provide Purchaser with its Permits in its possession.

(j) Intellectual Property. Other than the trade name “Cumberland Manor Nursing and Rehabilitation Center” Seller does not own any intellectual property in connection with or applicable to the Property or the other Purchased Assets, including any registered trade names, logotypes, trademarks or copyrights.

(k) RESERVED.

(l) RESERVED.

(m) Litigation. Except as disclosed to Purchaser and set forth on Schedule (m), and updated accordingly, Seller is not aware of any pending or threatened litigation, investigations, claims, lawsuits, governmental actions or other proceedings, including without limitation, any desk audit or full audit, involving the Purchased Assets, as of the Effective Date, or the operation thereof before any court, agency or other judicial, administrative or other governmental or quasi-governmental body or arbitrator.

(n) Compliance with Applicable Laws. The Property (including any parking areas or facilities) and the other Purchased Assets to the best of Sellers knowledge, have been and are presently used and operated in compliance with, and in no way violate any Applicable Law or Permit of any kind whatsoever affecting the Purchased Assets or any part thereof, including without limitation, any statutes or laws pertaining to the services and care provided for the residents at the Facilities, or any Permitted Exceptions.

(o) Reserved,

(p) RESERVED

(q) Brokers. No broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement or any Other Document based upon arrangements made by or on behalf of Seller.

(r) Intentionally Omitted.

(s) No Defaults. The execution, delivery and performance of this Agreement, the OTA and any of the Other Documents by Seller does not and will not:

(i) conflict with or result in any breach of the provisions of, or constitute a default under any Seller’s certificate of formation or operating agreement;

(ii) to the best of Sellers knowledge. violate any restriction to which Seller is subject or, with or without the giving of notice, the passage of time, or both, violate (or give rise to any right of termination, cancellation or acceleration under) any mortgage, deed of trust, license, material lease, indenture or other material agreement or instrument, whether oral or written, to which Seller or the Facilities is a party, or by which it or its property is bound, which will not be

satisfied or terminated on or prior to the Closing as a result of the transactions contemplated in this Agreement or the OTA, or result in the termination of any such instrument or termination of any provisions in such instruments that will have a material adverse effect upon or result in the creation or imposition of any Lien upon the Purchased Assets;

(iii) constitute a violation of any Applicable Law by which Seller or the Facilities are subject, the violation of which will have a material adverse effect upon the Purchased Assets or Facilities; or

(iv) create any Lien on the Purchased Assets in favor of any Third Party.

(t) Truth and Accuracy of Representations and Warranties. No representation or warranty by or on behalf of Seller contained in this Agreement and no statement by or on behalf of Seller in any certificate, list, exhibit or other instrument furnished or to be furnished to Purchaser by or on behalf of Seller pursuant hereto contains any untrue statement of fact.

(u) Disclosure Schedule Update. Seller shall be permitted to update the Disclosure Schedule (as defined below) up to ten (10) business days prior to the Closing Date, or within such ten (10) business days to the extent of a current development or discovery within such period, by advising Purchaser thereof and delivering a revised and updated Disclosure Schedule to Purchaser as promptly as practicable after the occurrence of the applicable event or condition which causes such breach. Any such revision or update to the Disclosure Schedule shall be deemed to have cured any breach of any representation or warranty made in this Agreement for purposes of determining whether a breach has occurred when such representations or warranties are made as of the Closing Date for purposes of Section 12(a) below solely to the extent that such inaccuracy or breach was not a result of any deliberate action or inaction by Seller to misrepresent to Purchaser or New Operator; provided, however, such revision or update shall not be deemed to have cured any breach of any representation or warranty, subject to updates regarding surveys and litigations made as of the date of this Agreement.

(v) Survival of Representations and Warranties. The representations and warranties of Seller contained herein shall survive the Closing as set forth in Section 12(f).

10. **Purchaser's Representations and Warranties.** Purchaser hereby makes the representations and warranties contained in this Section 10, to Seller. These representations and warranties are made as of the date hereof, and shall be deemed remade as of the Closing Date.

(a) Organization and Authority. Purchaser is a limited liability company that has been duly organized and validly exists under the laws of the State of Delaware and is duly qualified to do business in the State in which the Property is located. Purchaser has full power and right to enter into and perform its obligations under this Agreement and

the Other Documents. The execution and delivery of this Agreement and the Other Documents to which Purchaser is a party and the consummation of the transactions contemplated hereby and thereby (1) have been duly authorized by all necessary action on the part of Purchaser, (2) do not require any governmental or other consent (except as otherwise provided herein), and (3) will not result in the breach of any agreement, indenture or other instrument to which Purchaser is a party or is otherwise bound.

(b) No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Other Document based upon arrangements made by or on behalf of Purchaser.

(c) Survival of Representations and Warranties. The representations and warranties of Purchaser contained herein shall survive the Closing as set forth in Section 12(f).

11. **Risk of Loss.**

(a) Fire or Other Casualty. The risk of any loss or damage to any of the Purchased Assets by fire or other casualty prior to the Reference Date is assumed by Seller. Seller shall give Purchaser written notice of any material fire or other casualty within ten (10) calendar days of the occurrence of same, which notice shall include a description thereof in reasonable detail and an estimate of the cost of and time to repair. In the event that the Purchased Assets shall suffer any fire or other casualty or any injury and Purchaser does not elect to cancel this Agreement as hereinafter provided, Seller agrees if the repair will be under \$50,000, to repair the damage at its sole cost and expense before the Closing date or, in the alternative, the Purchase Price shall be reduced based on a reasonable approximation of the cost of such repair as agreed to by the parties hereto, in which case Seller shall assign to Purchaser the proceeds of or claims in respect of any loss of income insurance or equivalent coverage maintained by them with respect to losses of income following the Closing. In the event of any material damage or destruction of the Purchased Assets, Purchaser, by written notice to Seller within 10 days of notice of such Risk of Loss or casualty, shall have the option to cancel this Agreement. For the purposes hereof, "material" damage or destruction shall include any damage or destruction that would require more than Two Hundred Thousand Dollars (\$200,000.00) to repair (including in said amount the amount of any revenues lost as a result of said fire or other casualty). If Purchaser so elects to cancel this Agreement, this Agreement shall terminate and be of no further force and effect, Purchaser shall be refunded the Earnest Money plus accrued interest and neither party shall have any liability to the other hereunder.

(b) Eminent Domain. The risk of any loss or damage to the Purchased Assets by condemnation before the Reference Date is assumed by Seller. In the event any condemnation proceeding is commenced or threatened, Seller shall give Purchaser written notice thereof within three (3) calendar days after the occurrence of same, together with such reasonable details with respect thereto as to which Seller may have

knowledge. As soon as the portion or portions of the Purchased Assets to be taken are reasonably determinable, Seller shall give Purchaser written notice thereof together with Seller's estimate of the value of the portion or portions of the Purchased Assets to be so taken. In the event of any material taking of the Purchased Assets, Purchaser, by written notice to Seller at any time thereafter, shall have the option to terminate this Agreement in accordance with Section 13, Purchaser shall be refunded the Earnest Money plus accrued interest and neither party shall have any liability to the other hereunder. For the purposes hereof, a "material" taking shall include: (i) any taking (1) the effect of which would be to require more than Fifty Thousand Dollars (\$50,000.00) to repair the balance of the Purchased Assets or (2) materially impair the use or operation of the Purchased Assets; or (ii) any threat of a taking or any reasonably equivalent indication on the part of a condemning authority of such intention where there is no reasonable basis to conclude that the actual taking would not be material. If Purchaser shall not so elect to terminate this Agreement, then the sale of the Purchased Assets shall be consummated as herein provided that the Purchase Price provided for herein (without abatement) and Seller shall assign to Purchaser at the Closing all of Seller's right, title and interest in and to all awards made in respect of such condemnation and any claims in respect of any rent insurance or equivalent coverage maintained by it (to the extent related to periods following the Closing), and shall pay over to Purchaser all amounts theretofore received by Seller in connection with such taking or such insurance. Purchaser shall be entitled to participate in any such condemnation proceeding, and Seller shall cooperate with Purchaser in such respect.

(c) Survival. The parties' obligations, if any, under this Section 11 shall survive the Closing.

12. Indemnification.

(a) By Seller. In addition to and not in lieu, place, stead and/or substitution of any other indemnity set forth elsewhere herein, Seller shall indemnify, save, protect, defend and hold harmless, Purchaser, its Affiliates, and their respective members, managers, employees, shareholders, officers, directors and agents (collectively, the "Purchaser Indemnitees"), from and against any and all direct Liabilities, judgments, claims, suits, proceedings, settlements, losses, damages, Liens, penalties, interest obligations, expenses (including reasonable out of pocket costs of investigation and defense and reasonable attorney fees and expenses), and any diminution in value of the Purchased Assets resulting therefrom (collectively, "Losses") incurred or suffered by any such Purchaser Indemnitee arising from, by reason of or, in connection with (i) any inaccuracy in, or breach of any representation or warranty of Seller contained in this Agreement or any certificate delivered pursuant hereto on the part of Seller, (ii) any breach by Seller of any covenant or agreement made by Seller in this Agreement (including under this Section 12), (iii) ownership of the Facilities prior to the Reference Date, (iv) any fraud on the part of any Seller or its Representatives, (v) the Excluded Liabilities, and (vi) any losses or liabilities incurred by the Facility after the Reference Date which relate to ownership or operations prior to the Reference Date which result in a reduction in the cash or cash equivalents transferred pursuant to Section 1.a.(xi).

Notwithstanding the foregoing, any request for reasonable out of pocket expenses or reasonable attorney fees and expenses shall only be made, after seller has been notified and seller does not defend such action.

(b) By Purchaser. In addition to and not in lieu, place, stead and/or substitution of any other indemnity set forth elsewhere herein, Purchaser shall indemnify, save, protect, defend and hold harmless Seller, their employees, members, managers, shareholders, officers, directors and agents (collectively, the “Seller Indemnitees”), from and against any and all applicable Losses incurred or suffered by any such Seller Indemnitee arising from, by reason of or, in connection with (i) any breach by Purchaser of its obligations, representations, warranties, agreements or covenants hereunder (ii) Purchaser’s ownership of the Purchased Assets and its assumption of the HUD Loans following the Effective Time, and (iii) any Liabilities of Purchaser or New Operator.

(c) In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Agreement is made against or received by any indemnified party (hereinafter “Indemnitee”) hereunder or upon an Indemnitee becoming aware of a fact, condition or event that otherwise constitutes a basis for a claim for indemnification against the Indemnitor (an “Indemnitee’s Claim”), said Indemnitee shall notify the indemnifying party (hereinafter “Indemnitor”) in writing within twenty-one (21) calendar days of Indemnitee’s receipt of written notice of said Indemnitee’s Claim, provided, however, that Indemnitee’s failure to timely notify Indemnitor of Indemnitee’s Claim shall not impair, void, vitiate or invalidate Indemnitor’s indemnity obligation hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee’s delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor’s right or ability to defend or indemnify the Indemnified Claim. Upon its receipt of any or all Indemnitee’s Claim(s), Indemnitor shall, in its sole, absolute and unreviewable discretion, diligently and vigorously defend, compromise or settle said Indemnitee’s Claim at Indemnitor’s sole and exclusive cost and expense and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee’s Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within two (2) calendar days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee’s Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee’s Claim without Indemnitor’s prior written consent. Failure to obtain such consent shall be deemed a forfeiture by Indemnitee of its indemnification rights hereunder. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee’s Claim and/or to diligently pursue the same to its conclusion, in the event that Indemnitor cannot produce documentation establishing the availability of funds sufficient to cover its obligations with respect to Indemnitee’s Claim or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee’s Claim, on seven (7) calendar days

prior written notice to Indemnitor during which time Indemnitor may cure any of the foregoing conditions, the foregoing shall immediately, automatically and without further notice be an event of default hereunder (an “Indemnification Default”) and thereafter Indemnitor may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitor’s Claim at Indemnitor’s sole and exclusive cost and expense, including but not limited to attorneys’ fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitor all said Indemnitor’s Claims and the reasonable costs, expenses and attorneys’ fees incurred by Indemnitor to defend, settle or compromise said Indemnitor’s Claims.

(d) RESERVED

(e) Calculation of Losses. No indemnification payment by an Indemnitor with respect to any indemnification claims payable under this Section 12 shall be payable until such time as the indemnification claims have an aggregated cumulative amount of Losses which equals or exceeds [REDACTED] (the “Basket Amount”), after which time such Indemnitor shall be liable in full from the first dollar of loss for the accumulated indemnifiable Losses subject to the provisions of this Section.

(f) Limitations.

(i) With respect to Fundamental Representations, the amount of indemnification payable by Seller under this Section 12 shall not exceed the Purchase Price, and the amount of any indemnification payable by Purchaser under this Section 12 shall not exceed the Purchase Price. In all other cases, the amount of indemnification payable by Seller under this Section 12 shall not exceed one-half of the Purchase Price, and the amount of any indemnification payable by Purchaser under this Section 12 shall not exceed one-half of the Purchase Price.

(ii) Each Indemnitor shall take all reasonable steps to mitigate the amount of Losses for which it is seeking indemnification hereunder.

(iii) Purchaser shall not be entitled to assert a claim for Losses to the extent Purchaser had actual knowledge of such claim prior to Closing, except in the event that such claim relates to a period prior to the Reference Date and Purchaser notified Seller of such claim prior to the Closing Date and within 10 days of knowledge of such.

(g) Calculation of Indemnity Payments. The amount of any Loss for which indemnification is provided under this Section 12 shall be reduced by any insurance proceeds or recoveries for such Losses (net of any increases in premiums and net of any expenses incurred in pursuing claims for such insurance proceeds). The Indemnitor shall be required to seek full recovery for any Losses under all insurance policies to the same

extent as if such Losses were not subject to indemnity hereunder. In the event an insurance recovery is realized with respect to any indemnified Losses, then the Indemnitee shall pay the amount of the recovery to the Indemnitor to the extent that any such Losses have already been paid to the Indemnified Parties by the Indemnitor. The Indemnitor shall be subrogated to all rights of the Indemnified Parties with respect to any Losses paid by the Indemnitor; provided, that such subrogation will not adversely affect the Indemnitee in any material manner. The amount of any Loss for which indemnification is provided this Section 12 shall not be reduced by any net tax benefit available to the Indemnitee arising from the accrual or payment of any such Loss,. Any indemnification payments paid by Seller or Purchaser pursuant to this Agreement shall be treated as adjustments to the Purchase Price received by Seller for tax purposes.

(h) Survival. The representations and warranties set forth in Sections 9(a), 9(b), 9(d), 9(j), and 9(s) of this Agreement (collectively, the “Fundamental Representations”) shall survive the Closing for a period of 12 months. All other representations and warranties in this Agreement shall survive the Closing for a period of 12 months. All covenants and agreements set forth in this Agreement shall survive the Closing for a period of 12 months. Notwithstanding the forgoing, claims related to fraud or intentional accts resulting in such Losses shall survive 24 months. The parties’ obligations under this Section 12 shall survive the Closing for the applicable survival period specified herein plus 60 days (the “Indemnity Cut-Off Date”) and, as to any indemnification obligation that exists and has not yet been satisfied, until the satisfaction of indemnification obligation. For the avoidance of doubt, no claim for indemnification under this Section 12 shall be made after the Indemnity Cut-Off Date.

(i) Purchaser Acknowledgment. Purchaser acknowledges and agrees that, except as specifically set forth in Section 9 above, (A) Seller is not making, and Purchaser is not relying upon, any representation or warranty, express or implied, regarding Seller, Seller’s business or operations, the Purchased Assets or otherwise, and (B) the Purchased Assets are being sold “AS IS,” “WHERE IS,” AND “WITH ALL FAULTS,” WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THEIR CONDITION, TITLE, ENVIRONMENTAL MATTERS, PERMIT STATUS, CONSTRUCTION, FAULTY CONSTRUCTION OR DAMAGE TO IMPROVEMENTS, VIOLATION OF LAWS, FITNESS FOR ANY PARTICULAR PURPOSE, DEVELOPMENT, MERCHANTABILITY, OPERATION, FINANCIAL PERFORMANCE, OR ANY OTHER WARRANTY OR MATTER OF ANY NATURE WHATSOEVER, EXPRESS OR IMPLIED, KNOWN OR UNKNOWN.

(j) Exclusive Remedy. If the Closing has occurred, the sole and exclusive remedy available to a party in the event of a breach by the other party of any representation, warranty, covenant or other provision of this Agreement or any of the Other Documents shall be the indemnifications provided for under this Section 12.

(k) Tail Insurance. Seller and Old Operators shall obtain a tail insurance policy which shall cover a three year period, and such policy shall be paid in full at the

Closing, with Seller paying for 2/3rds and Purchaser paying for 1/3rd of the policy premium.

13. **Remedies.**

(a) **Seller's Default.** If, Seller shall default under this agreement and not transfer the property to New Purchaser at the fault of Seller,(any of the foregoing, a "Seller Failure"), then Purchaser shall have the right, at any time prior to the Effective Time to (1) terminate this Agreement by written notice to Seller and receive a refund of the Earnest Money, or (2) specifically enforce this Agreement. It being understood that, in respect of Purchaser's right to specifically enforce the terms of this Agreement, Purchaser shall not be required to post a bond or make any other undertaking, and Seller agrees to not assert the defense that a remedy at law would be adequate.

(b) **Purchaser's Default.** If Purchaser shall not close on the purchase of the Property within the time provide for in the Agreement, including all extensions which Seller shall grant to Purchaser so long as Purchaser is working in good faith with reasonable diligence towards Closing, (a "Purchaser Failure"), then Seller shall have the right to declare this Agreement terminated by written notice to Purchaser, provided that no Seller Failure has occurred or is then occurring, and the Earnest Money plus any accrued interest shall be paid to Seller as liquidated damages. For the avoidance of doubt, Purchaser and its Affiliates shall have liability for damages of any kind or nature or arising in any circumstances in connection with this Agreement or any Other Document other than the payment of such Earnest and accrued interest thereon to Seller pursuant to this Section 13(b)..

(c) **Mutual Termination.** This Agreement may be terminated and the transactions contemplated under this Agreement and the Other Documents may be abandoned at any time prior to the Closing by mutual written consent of Purchaser and Seller.

(d) **Effect of Termination.** In the event of the termination of this Agreement, written notice of such termination shall be delivered immediately to the other party, specifying the provision hereof pursuant to which such termination is made, and the provisions of this Agreement shall immediately become void and have no further force or effect, without any Liability to any Person in respect hereof or of the transactions contemplated hereby on the part of any party hereto or any Affiliates thereof, or any of its or their respective directors, officers, employees, agents, consultants, representatives, advisers and equityholders, except that The Earnest Money shall be distributed or returned in accordance with the provisions of this Agreement, and the provisions of Section 12, this Section 13, Section 14, Section 15, Section 16 and Section 17 shall survive the termination of this Agreement and shall be enforceable against the parties hereto.

14. **Notices.** All notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered (i) upon the delivery (or refusal to

accept delivery) by messenger or overnight express delivery service (or, if such date is not on a business day, on the business day next following such date), or (ii) on the third (3rd) business day next following the date of its mailing by certified mail, postage prepaid, at a post office maintained by the United States Postal Service, or (iii) upon the receipt by facsimile or email transmission as evidenced by a receipt transmission report, addressed as follows:

if to Seller: Omni II, LLC
4201 Route 9
Howell, NJ 07731
Email: ZRothschild@autumnhc.net

with a copy to: Zev Rothschild, Esq.
4201 Route 9
Howell, NJ 07731
Email: ZRothschild@autumnhc.net

if to Purchaser: Cumberland Realty SNF
15 America Ave
Lakewood, NJ 08701
Email: dovgreen22@gmail.com

with a copy to: GUTNICKI LLP
4711 Golf Road, Suite 200
Skokie, Illinois 60076
Attention: Aaron Rokach, Esq.
Email: arokach@gutnicki.com

Either party may, by notice given as aforesaid, change the address or addresses, or designate an additional address or additional addresses, for its notices, provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

15. **Closing Costs**. Seller shall bear the cost to record any instrument to clear Seller's title except the Permitted Exceptions. Seller shall pay all costs and fees customarily paid by sellers in a real estate sale transaction in the City of Bridgeton, State of New Jersey. Purchaser shall pay all costs and fees customarily paid by purchasers in a real estate sale transaction in the City Bridgeton, State of New Jersey. Seller on one side and Purchaser on the other agree to pay their own attorneys' fees incurred in connection with the negotiation, preparation and consummation of the transactions contemplated hereby. Purchaser shall bear the cost of any taxes and fees required to record a mortgage or deed of trust or in relation to the HUD TPA.

16. **Choice of Law**. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF NEW JERSEY AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT, AND IN ALL OTHER RESPECTS.

17. Restrictions

In accordance with the original purchase agreement of the Facility by Seller with a closing date of on or about April 30, 2012 (“Original Purchase Date”), the facility was bound by the following restrictions, which Purchaser and New Operator agree to assume:

- a) Utilization of Nursing Home as Nursing Home or Similar Facility: Preference to County Residents. Subsequent to acquisition or transfer, as the case may be, of the Nursing Home Real Property and the Nursing Home Business Assets from the County, and the Nursing Home License, under the terms of this Agreement the Purchaser shall continue to utilize the Nursing Home Real Property as a geriatric center, nursing home facility, long-term care or assisted living facility or similar healthcare-related facility for a period of at least fifteen (15) years from the Original Purchase Date. Although, as of the Contract Date, the Purchaser does not intend to sell or transfer ownership of the Nursing Home, the Purchaser may transfer ownership of the Nursing Home at any time (in accordance with Applicable Laws) as long as such transfer does not violate the requirements of this Section, and provided that Purchaser provides evidence, satisfactory to the County that the party to whom the Purchaser proposes to transfer the Nursing Home, has agreed to comply with the terms of this Section. To the extent permitted by Applicable Laws, subsequent to the Closing Date, the Purchaser agrees to give preference to residents of the County with respect to admissions. This Section shall survive closing on the Closing.
- b) Purchaser and New Operator agree that it will accept Medicaid-eligible persons as residents of the Nursing Home to the extent allowed by law, and will endeavor to accept all such persons for whom the Nursing Home is a last resort because of their financial status. Purchaser will give priority to Medicaid-eligible residents of Cumberland County, to the extent permitted by law and shall provide a minimum of 85% of the beds as available for Cumberland residents for a minimum of 5 years from the Original Purchase Date. The Purchaser, to the extent permitted by law, shall assign a minimum of 70% of the beds to Medicaid payees/residents for a minimum of 5 years from the Original Purchase Date and 51% of the beds to Medicaid payees/residents for a minimum of 10 years from the Original Purchase Date. Purchaser shall provide to the County, on an annual basis, commencing an annual report evidencing compliance with this Section, failure to comply with this covenant may cause the County to be liable for up to \$900,000 in payments to the State, for which the County will look to the Purchaser for payment and indemnification pursuant to this Agreement.

18. **Miscellaneous.**

(a) Entire Agreement. This Agreement, together with all exhibits and schedules attached hereto and any other agreements referred to herein, constitutes the entire agreement of the parties hereto and may not be modified or canceled except pursuant to the terms hereof or an instrument in writing signed by the parties hereto. The Schedules and Exhibits annexed hereto are hereby incorporated herein by reference as

fully as though set forth herein. This Agreement may not be modified or amended except in writing signed by the parties hereto. All understandings and agreements heretofore and between the parties are merged in this Agreement and all exhibits and schedules attached hereto, which alone fully and completely expresses their agreement.

(b) Waiver. No waiver of any term, provision or condition of this Agreement, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

(c) Dispute Resolution. All disputes of the parties arising out of or relating in any way to this Agreement, or any document or agreement between the parties or their Affiliates related to the Facilities, shall be resolved first by attempting to talk through the issue with the other party or using mediation if either group believes it would be helpful prior to initiating arbitration, and reaching resolution. If such attempts fail, such disputes shall be resolved by arbitration before a panel of three arbitrators (each an "**Arbitrator**", and together, the "**Arbitrators**"). The Arbitrators shall be chosen as follows: New Operator chooses Eric Lindenauer as the first Arbitrator. Old Operator chooses Rabbi Dov Kahan as the second Arbitrator. The first and second Arbitrators shall between themselves choose the third Arbitrator. In the event New Operator or Old Operator desire to change its choice of Arbitrator, it shall be allowed to choose a new Arbitrator who they believe to be knowledgeable in the nursing home industry, fair and free of material conflict, however such new choice of Arbitrator shall need approval of the other party which approval shall not be unduly denied, conditioned or delayed. If a proposed arbitrator is rejected, the proposing party may ask for the reasons for the rejection in writing and the other party shall provide the same within one Business Day. In the event of any dispute hereunder, either party may submit the dispute in writing (with sufficient specificity and factual detail relating the contentions of each party) to the Arbitrators, and the Arbitrators shall review the dispute, speak with the parties, permit the parties to submit evidence, permit the parties to call and cross examine witnesses and decide the dispute in writing. The Arbitrators shall have no power to alter or modify any express provision of this Agreement or to render an award, which has the effect of altering or modifying any express provision hereof.

(d) Jurisdiction; Venue. EXCEPT AS PROVIDED OTHERWISE IN THIS AGREEMENT, IN THE EVENT ANY DISPUTE BETWEEN THE PARTIES HERETO RESULTS IN LITIGATION, OR TO THE EXTENT A PARTY MUST GO TO A COURT OF LAW TO ENFORCE A JUDGMENT ARRIVED AT THROUGH ARBITRATION PURSUANT TO SECTION 17(C) OF THIS AGREEMENT, ALL SUCH ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREIN SHALL BE LITIGATED IN COURTS HAVING SITUS IN NEW JERSEY OR THE U.S. COURT WITH JURISDICTION THEREOF. EACH OF THE PARTIES HERETO HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN SAID CITY AND

STATE. EACH OF THE PARTIES HERETO HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH PARTIES BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH PARTY, AT THE ADDRESS SET FORTH FOR NOTICE IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST SUCH PARTY IN ACCORDANCE WITH THIS SECTION.

(e) Exhibits and Schedules. If any exhibits or schedules are not attached hereto, the parties hereto agree to attach such exhibits and schedules as soon as reasonably practicable but in any event prior to ten (10) days before the Closing Date. The parties hereto agree that the party charged with providing an exhibit or schedule to this Agreement shall, to the extent necessary after delivery thereof, amend or supplement all exhibits and schedules in order for the same to be current, true and correct as of the Closing Date.

(f) Headings. The headings of the various Sections of this Agreement have been inserted only for the purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, qualify or restrict any of the provisions of this Agreement.

(g) Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

(h) Further Assurances. Each of Seller and Purchaser shall provide to the other such further assurances as may reasonably be required hereunder to effectuate the purposes of this Agreement and, without limiting the foregoing, shall execute and deliver such affidavits, certificates and other instruments as may be provided for hereunder.

(i) Severability. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but, each term and provision shall be valid and be enforced to the fullest extent permitted by law.

(j) Usage. All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, or “any” shall mean “any and all”; “or” shall mean “and/or” “including” shall mean “including without limitation.

(k) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors,

administrators, successors and assigns. This agreement may not be assigned to another party without the written consent of the other party.

(l) Notwithstanding anything to the contrary contained in this Agreement, the parties agree that they do not have and will not have any claims against any Affiliate of the other party, member, director, officer, employee, or any other party related to such party, arising out of or in connection with this Agreement or the transactions contemplated hereby. Except as otherwise specifically set forth in this Agreement, the parties agree to look solely to the other party for the satisfaction of any liability or obligation of such party arising under this Agreement or the transactions contemplated hereby, or for the performance by such party of any of the covenants, representations, warranties or other agreements contained herein, and further agrees not to sue or otherwise seek to enforce any personal obligation against any Affiliate, member, director, officer, employee, or any other party related to such party (or their assets or properties) with respect to any matters arising out of or in connection with this Agreement or the transactions contemplated hereby.

(m) No Strict Construction. The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any of the parties hereto.

(n) Certain Definitions. Capitalized terms used in this Agreement, but not defined in this Agreement shall have the meanings ascribed to them in Exhibit G.

Halachic Validation The undersigned Parties hereby admit (with the same effect of 100 witnesses) that this Agreement was effected by Kinyan Agav Sudar and/or other Kinyanim, each intended to be independently effective and not conditioned upon each other, and were stated to be effective immediately (at the time of the Kinyan), all in full accordance with halacha and with use of an object valid to effect a Kinyan. The Kinyan was made in a Bais Din Chashuv in a manner that all Halachic authorities deem the covenants, waivers, obligations, and acquisitions, valid without any Asmachta or any other claim of invalidation. In addition, the conditions referred to in this Agreement were all set in the manner used by Bnei Gad and Bnei Reuven and in accordance with all halachic requirements. The Kinyan was made for each transfer separately so that the invalidation of one transfer shall not affect the validity of any other transfer. The Parties accept as binding the position of any Halachic authority, even if not generally accepted, that most broadly supports the validity of this Agreement and its implied intent.~~~

The parties admit that the intent and interpretation of this agreement is in a manner consistent with the requirements of halachah, and the transactions were effected in a manner that do not constitute a Kinyan Dvorim or Ayn Bo Mamash. Specifically, all obligations were accepted as a Hischayvus, and the parties became a Kablan in regards to any required acts. All this was effected with a valid Kinyan.~~~

Any portion of this Agreement and related transaction documents that violates the laws of Ribbis shall be structured as a Heter Iska.~~~

The Parties are agreeing to this Agreement without duress. The Parties, irrevocably and without time limit, void any declaration of disclaimer (including any declaration of disclaimer that purports to disclaim the voiding effect of this paragraph, ad infinitum) that they may ever have made regarding this Agreement, and they represent that they did not make any such declaration of disclaimer. The Parties hereby irrevocably void and waive any defense or counterclaim that could void or impair or in any way limit the validity and enforceability of this Agreement.~~~

The Parties hereby waive their constitutional and other legal rights to pursue any claims in regard to this Agreement, the contents thereof, or the transaction contemplated therein, in any other forum, including State or Federal Court. The parties have had the opportunity to review this waiver with an attorney, and have either done so, or knowingly accepted the provisions hereof. Judgment rendered by the aforesaid authority may be entered in any court having jurisdiction thereof.~~~

This this Agreement and related transaction documents are intended to be, and is, binding, consistent with the binding nature of all agreements, documents, obligations, and acquisitions that are properly effected in a Jewish Court of Law in accordance with the laws and rules established by Rabbinical authorities. THIS IS ALL VALID AND IN GOOD STANDING.

[Remainder of this page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

SELLER:

LTC Management, LLC,
a New Jersey limited liability company

By: 
Name: Angel Stern
Its: M. For AGOR

PURCHASER:

Cumberland Realty SNF LLC,
a Delaware limited liability company

By: 
Name: Dov Green
Its: Partner

EXHIBIT G

DEFINITIONS

The terms defined in this Exhibit G, whenever and wherever used in this Agreement (including in all Exhibits and Schedules, unless otherwise defined therein), shall have the respective meanings ascribed to them below for all purposes of this Agreement (each such meaning to be equally applicable to the singular and the plural forms of the respective terms defined). All reference herein to a Section, Exhibit or Schedule are to a Section, Schedule or Exhibit of or to this Agreement, unless otherwise indicated. The words “hereby”, “herein”, “hereof”, “hereunder” and words of similar import refer to this Agreement as a whole (including all Exhibits and Schedules hereto) and not merely to the specific section, paragraph or clause in which such word appears. The words “include”, “includes”, and “including” shall be deemed to be followed by the phrase “without limitation.” Unless the context requires otherwise, the word “or” shall not be interpreted as an expression of either state of possibility but shall be construed to mean “and/or.” Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

“Accounts Receivable” means all accounts and notes receivables (whether current or non-current) of Seller, including trade account receivables outstanding as of the Effective Time and any other rights to receive payment as of the Effective Time in respect of services rendered prior to the Effective Time.

“Action” means any claim, controversy, action, cause of action, suit, litigation, arbitration, investigation, opposition, interference, audit, assessment, hearing, complaint, demand or other legal proceeding (whether based in contract, tort or otherwise, whether civil or criminal and whether brought at law or in equity) that is commenced, brought, conducted, tried or heard by or before, or otherwise involving, any Governmental Authority.

“Affiliate” means, with respect to any specified Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such specified Person. For purposes of the foregoing, (a) a Person shall be deemed to control a specified Person if such person (or a Family Member of such Person) possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such specified Person or (b) if such other person is at such time a direct or indirect beneficial holder of at least 25% of any class of equity interests of such specified Person.

“Applicable Law” means, with respect to any Person, any federal, state or local statute, law, ordinance, rule, regulation, writ, Order or other requirement of any Governmental Authority applicable to such Person or any of its Affiliates or any of their respective properties, assets, officers, directors, members, partners or employees (in connection with such officer’s, director’s member’s, partner’s or employee’s activities on behalf of such person or any of its Affiliates).

“Books and Records” means all books, records and other materials pertaining to the Seller or the Business of any and every kind, including lists (e.g., business contacts of Seller), programs, correspondence, compact disks, compact disk lists, ledgers, files, reports, plans,

drawings and operating records of every kind, held or maintained by Seller or any of Affiliate of Seller, disk or tape files, printouts, runs or other computer-prepared information pertaining to the Acquired Assets or the Business.

“Business” means the business conducted by Seller and proposed to be conducted by Seller as of the Effective Date.

“Business Day” means any day means except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close..

“Cash” means, when used with respect to any Person, all cash, cash equivalents, certificates of deposit, bank deposits, treasury bills and other cash equivalents of such Person.

“Closing Date” means the date on which the Closing actually occurs.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Environmental Laws” means all federal, state and local statutes, regulations, ordinances, directives and other provisions having the force or effect of law, all judicial and administrative Orders and determinations, all contractual obligations and all common law, in each case concerning public health and safety, worker health and safety, pollution or protect of the environment, including all those relating to the presence, use, production, generation, handling, transportation, storage, disposal, distribution, labeling, testing, processing, discharging, Release, threatened Release, control or cleanup of any Hazardous Substances, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6921, *et seq.*) and regulations adopted thereunder.

“Governmental Authority” means any federal, state local or municipal government or any subdivision thereof, any regulatory or administrative authority, or any agency or commission or any court, tribunal or judicial or arbitral body.

“has provided,” “made available” and similar formulation means such information in question that was delivered or provided by Seller or its Representatives to Purchaser by way of online file sharing, cloud file sharing, email attachments, written correspondences, compact disks, disk or tape files, printouts, compressed file containers or other electronic or physical delivery means.

“Hazardous Substances” means any pollutants, contaminants or chemicals, and any industrial, toxic or otherwise hazardous materials, substances or wastes regulated under any Environmental Laws.

“Improvements” means, with respect to any real estate property, all buildings, improvements and fixtures, and components thereof, including the roof, foundation, load-bearing walls and other structural elements thereof; heating, ventilation, air conditioning, mechanical, electrical, plumbing and other building systems; environmental control, remediation and abatement systems; sewer, storm and waste water systems; irrigation and other water distribution systems; parking facilities; fire protection, security and surveillance systems; and telecommunications, computer, wiring and cable installations, included within such property.

“Indebtedness” means, with respect to any Person, and without duplication, (i) any indebtedness or other obligation for borrowed money; (ii) any obligation incurred for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the Ordinary Course of Business; (iii) the face amount of all letters of credit issued for the account of such Person; (iv) obligations (whether or not such Person has assumed or become liable for the payment of such obligation) secured by Liens; (v) capitalized lease obligations; (vi) unfunded obligations for pension, retirement, severance benefits for any officer, director or employee of such Person; (vii) unfunded obligations for deferred compensation for any officer, director or employee of such Person; (viii) all guarantees and similar obligations of such Person; (ix) all bankers acceptances and overdrafts; (x) all interest, prepayment premiums and penalties, and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any indebtedness; (xi) under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (xii) issued or assumed as the deferred purchase price of property or services (other than trade accounts payable or accounts payable to independent contractors), and (xiii) for all accrued interest on, and arising from any breach of, any of the foregoing.

“Liability” means any liability, obligation, claim, Indebtedness, penalty, cost or expenses (including costs of investigation, collection, defense, and environmental remediation or investigation), deficiency, guaranty or endorsement of or by any Person of any type, secured or unsecured, whether accrued, fixed, absolute, or contingent, asserted or unasserted, due or to become due, whether or however arising (including contract, tort, negligence or strict liability), liquidated or unliquidated, known or unknown and whether or not current or long term.

“Lien” means any claim, lien (statutory or otherwise), encumbrance, pledge, Liability, restriction, charge, instrument, license, preference, priority, security agreement, covenant, right of recovery, option, charge, hypothecation, easement, security interest, interest, right of way, encroachment, mortgage, deed of trust, imperfection of title, prior assignments, Tax (including federal, state and local Tax), Order or other encumbrance or charge of any kind or nature whatsoever including (i) any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing; (ii) any assignment or deposit arrangement in the nature of a security device; and (iii) any leasehold interest, license or other right, in favor of a Third Party or Seller, to use any portion of the Acquired Assets, whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or

unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown.

“Order” means any decree, order, injunction, rule, judgment, and consent of or by any Governmental Authority.

“Ordinary Course of Business” means the ordinary course of business of Seller consistent with past custom and practice.

“Other Documents” means Bill of Sale, Deed, General Assignment, Seller Disclosure Schedule and any certificates, instruments, agreements and other documents contemplated under this Agreement.

“Permits” means all municipal, state, federal and local consents, Orders, filings, franchises, permits, approvals, certificates, licenses, agreements, waivers, and authorizations issued by, or otherwise granted by, any Governmental Authority that are held by, or used in connection with, or required for, the Business or the Acquired Assets (including all modifications thereto or renewals thereof).

“Person” means any person, firm, corporation, partnership, joint venture, limited liability company, association or other entity (governmental or private).

“Reference Date” means November 1, 2021.

“Release” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, depositing, escaping, leaching, migrating, dumping or disposing, or other release into the indoor or outdoor environment, including soil, land, surface or subsurface strata, waters (including navigable ocean, stream, pond, reservoirs, drainage basins, wetland, ground, and drinking), sediments, ambient air (including indoor), and all other environmental media or natural resources.

“Representative” means, with respect to any Person, any of its attorneys, accountants, agents, consultants or other representatives.

“Seller Disclosure Schedules” means the schedules of exceptions to the representations and warranties of Seller in this Agreement (which shall be delivered to Purchaser by Seller prior to the execution and delivery of this Agreement by the parties hereto).

“Seller’s Knowledge,” “Knowledge of Seller” and similar formulations means the actual knowledge of any director, managing member, managing partner, officer or employee of Seller with respect to the relevant fact or other matters at issue or should have had actual knowledge of such relevant fact or other matter assuming the diligent exercise of such individual’s duties as a director, managing member, managing partner, officer or employee of Seller, and after

reasonable investigation of all employees of Seller or any Affiliate thereof reasonably expected to have actual knowledge of such fact or matter.

“Tax” and, with correlative meaning, “Taxes” means with respect to any Person (i) all federal, state, local, county, foreign and other taxes, assessments or other government charges, including any income, alternative or add-on minimum tax, estimated gross income, gross receipts, sales, use, ad valorem, value added, transfer, capital stock franchise, profits, license, registration, recording, documentary, intangibles, conveyancing, gains, withholding, payroll, employment, social security (or similar), unemployment, disability, excise, severance, stamp, occupation, premium, property (real and personal), environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment, charge, or tax of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign) whether such Tax is disputed or not; (ii) liability for the payment of any amounts of the type described in clause (i) above relating to any other Person as a result of being party to any agreement to indemnify such other Person, being a successor or transferee of such other Person, or being a member of the same affiliated, consolidated, combined, unitary or other group with such other Person; or (iii) liability for the payment of any amounts of the type described in clause (i) arising as a result of being (or ceasing to be) a member of any affiliated group as defined in Section 1504 of the Code, or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax law (or being included (or required to be included) in any Tax Return relating thereto).

“Tax Return” means any report, return, declaration, claim for refund or other information or statement supplied or required to be supplied by Seller relating to Taxes, including any schedules or attachments thereto and any amendments thereof.

“Third Party” means any Person other than Seller, Purchaser or any of their respective Affiliates.

“Transaction Expenses” shall mean (i) the aggregate attorneys’, accountants’ and brokers’ fees and expenses incurred or to be incurred by Seller that remain unpaid as of the Effective Time, (ii) the amount of real estate transfer tax imposed by Applicable Law and consistent with payment customs of the location in which the relevant real estate property is located in connection with the transactions contemplated by this Agreement, (iii) payment of all special and betterment assessments, water rates and sewer charges, in each case on a prorated basis and adjusted as of the Effective Time and (iv) all other fees and expenses relating to the transfer of Property in accordance with this Agreement (including, without limitation, cost of recording, preparing the Deed and applicable brokerage commissions), in each case of (i), (ii), (iii) and (iv), to the extent not paid in full prior to or at the Closing.

The following terms used in this Agreement shall have the meanings set forth in the corresponding Paragraphs, subparagraph, Sections or subsections of this Agreement:

<u>Defined Term</u>	<u>Section</u>
“AAA”	Section 18(c)
“Agreement”	Recitals
“Bill of Sale”	Section 6(a)(iii)(2)
“Broker”	Section 9(q)
“Closing”	Section 4
“CMS”	Section 9(k)
“Deed”	Section 6(a)(iii)(1)
“Earnest Money”	Section 3(c)
“Disputes”	Section 18(c)
“DPH”	Section 5(d)
“Effective Date”	Recitals
“Effective Time”	Section 4
“Excluded Assets”	Section 1
“Excluded Liabilities”	Section 2
“Facility”	Section 1
“General Assignment”	Section 6(a)(iii)(4)
“Health Care Licenses”	Section 9(t)(i)
“Indemnification Default”	Section 12(c)
“Indemnitee’s Claim”	Section 12(c)
“Indemnitee”	Section 12(c)
“Indemnitor”	Section 12(c)
“Land”	Section 1
“Licensure”	Section 5(d)
“Losses”	Section 12(a)
“New Operator”	Recitals
“Old Operator”	Recitals
“OTA”	Recitals
“Permitted Exceptions”	Section 5(c)
“Personal Property”	Section 1
“Property”	Section 1
“Purchase Price”	Section 3(a)
“Purchased Assets”	Section 1
“Purchaser Failure”	Section 13(b)
“Purchaser Indemnitees	Section 12(a)
“Purchaser”	Recitals
“Regulatory Approvals”	Section 5(d)
“Seller Failure”	Section 13(a)
“Seller Indemnities”	Section 12(b)
“Seller’s Election”	Section 5(c)
“Seller”	Recitals
“Survey”	Section 5(b)(ii)
“Title Commitment”	Section 5(b)(i)
“Title Company”	Section 5(b)(i)

“Title Defects”	Section 5(c)
“Title Endorsements”	Section 5(b)(i)
“Title Policy”	Section 5(b)(i)
“Waiving Party”	Section 6(c)
“Warranties”	Section 6(a)(iii)(6)

Schedule 2(b)(ii)

HUD Lenders

Cumberland: Housing & Healthcare Finance, LLC

Schedule 9(i)

Permits

Permits are available in the facility.

Schedule 9(m)

Litigation

Cumberland:

Caption	Docket #	Allegation
Spencer v. Cumberland Manor Nursing & Rehabilitation Center <i>et al.</i>	CUM-L-706-18	Suffered a fracture, pressure ulcer, infections, malnutrition, and dehydration
Williams v. Cumberland Operations <i>et al.</i>	CUM-L-69-18	Fall eventually leading to death
Willis v. Cumberland Manor Nursing Rehabilitation et al	CUM-L-889-18	Improper treatment and pressure ulcer leading to death