

**Laurel Bay Health & Rehabilitation Center
(License # 061333)**

Date Notice Filed:	December 12, 2025
Name of Facility:	Laurel Bay Health & Rehabilitation Center
License No.	061333
Address:	32 Laurel Avenue Keansburg, NJ 07734
County:	Monmouth
Project Description:	This project involves the transfer of Ownership of the licensed operations to Ariel Bay Opco LLC and the real property at 32 Laurel Avenue, Keansburg, NJ 07734 to Ariel Bay Propco LLC
Post Closing Name:	Ariel Bay Rehab & Healthcare
Licensed Capacity:	123 long term care beds
Proposed Owner of Operations	Ariel Bay Opco LLC
Proposed Owner of Real Estate:	Ariel Bay Propco LLC
Proposed Management Company	Ariel Bay Management LLC

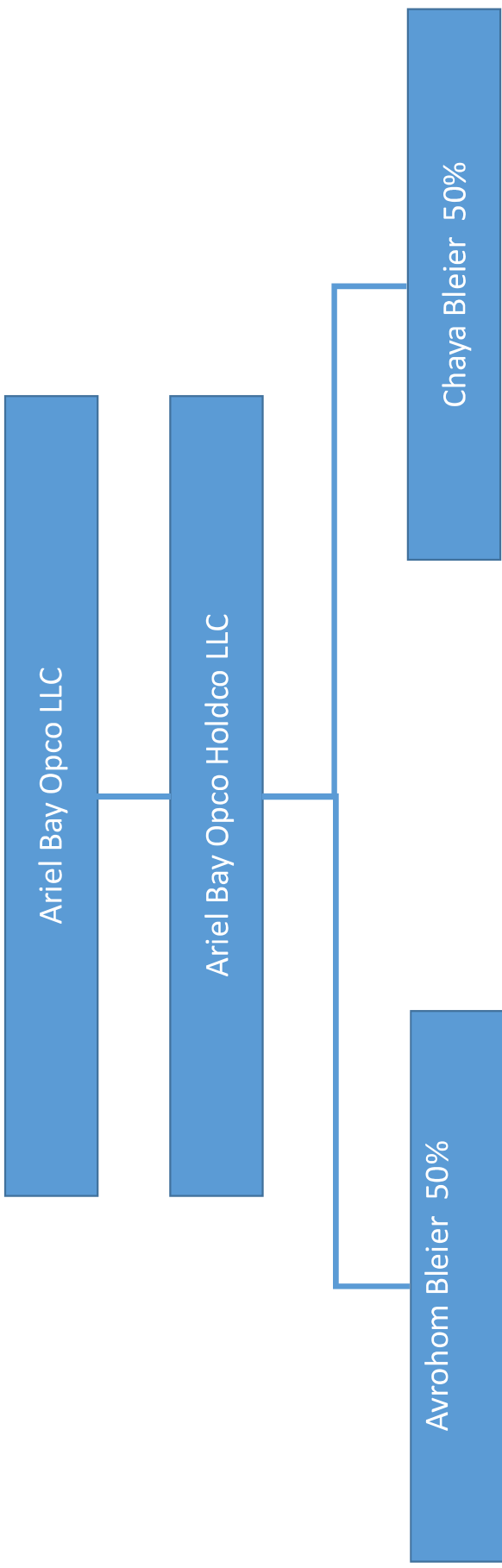
Pre-Closing Ownership
Laurel Bay Health and Rehabilitation Center, Inc.
(formerly known as "Beachview Care & Rehabilitation Center, Inc.)

Licensed Operator: Laurel Bay Health and Rehabilitation Center, Inc.
(formerly known as "Beachview Care & Rehabilitation Center, Inc.)

Joel Willinger	100%
37 Laurel Avenue, Keansburg, NJ 07734	

Building: Beachview Realty LLC	
Joel Willinger	90%
Chaya Willinger	10%

Post-Closing Ariel Bay Opco LLC – Org Chart



Ariel Bay Opco LLC Related Ownership

*Abigail House for Nursing & Rehabilitation
1105 -1115 Linden Street Camden, NJ 08102
NJ License # 060418

*New Carlton Rehab & Nursing Center
405 Carlton Ave Brooklyn, NY 11238
Medicare provider # 335131

*Only Chaya Bleier has an ownership interest

Note: The members/managers of Ariel Bay Opco LLC do not have an ownership/management interest in any other health care facilities in New Jersey or any other state, other than those listed above.

LEASE AGREEMENT

THIS LEASE (“Lease”) made as of _____, 2026, by and between Ariel Bay Opco LLC, a New Jersey limited liability company (“Lessee”), and Ariel Bay Propco LLC, a New Jersey limited liability company (“Lessor”).

RECITALS

WHEREAS, Lessor is the owner of the real property which is more particularly described on Exhibit A attached hereto and made a part hereof (the “Real Property”), upon which is built and there is currently operating a skilled nursing facility (including, without limitation, the license, Certificate of Need and certain other equipment and assets associated with the operation of the nursing facility), which is commonly known as Ariel Bay Rehab and Healthcare, situated at 32 Laurel Avenue, Keansburg, New Jersey 07734 (the “Facility”);

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

WHEREAS, Lessor and Lessee have obtained a term loan from Metropolitan Community Bank, as lender (the “Loan”), which Loan is secured by a first mortgage encumbering the Leased Premises.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, promises, representations and warranties set forth herein and for such good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

INCORPORATION OF RECITALS

1.1. Incorporation of Recitals. The aforesaid Recitals are hereby incorporated into this Lease as if fully set forth herein. The Lessor and Lessee are hereinafter sometimes collectively referred to as “Parties.”

ARTICLE II

LEASED PREMISES

2.1. Leased Premises. Lessor hereby leases to Lessee, and Lessee leases from Lessor, on the terms and conditions set forth in this Lease, the following assets:

(a) The Real Property including, without limitation, all buildings, structures, erections, improvements, appurtenances, easements and fixtures, including fixed machinery and fixed equipment situated thereon or forming a part thereof;

(b) All machinery, trade equipment, trade fixtures, furniture, furnishings, computers,

motor vehicles, accessories and supplies of all kinds owned by Lessor and used in the operation of the Facility,

(c) All of the right, title and interest of Lessor in and to all goodwill, registered or unregistered trademarks, trade or brand names, customer lists, data bases, service marks, phone numbers, website addresses and all other intellectual or intangible property pertaining to the Facility; and

(d) All of the right, title and interest of Lessor in and to any existing agreements with residents of the Facility.

(All of the items listed in Sections 2.1(a) through 2.1(d) herein are hereinafter collectively referred to as the "Leased Premises." Lessor and Lessee acknowledge and understand that all of the items which comprise the Leased Premises shall be transferred back to Lessor upon expiration of this Lease.)

ARTICLE III

TERM AND RENT

3.1. Term of Lease. The term of this Lease (the "Term") shall be for a fifteen (15) year period commencing as of 12:01 A.M. on _____, 2026 (the "Commencement Date") and ending at 11:59 P.M. on _____, 2040. Under any and all circumstances, Lessor shall not be liable to Lessee, in damages or otherwise, for any delay in delivering the Leased Premises to Lessee and Lessee shall have no right to terminate or rescind this Lease on account thereof.

3.2. Rent.

(a) Base Rent. For each year during the Term, Lessee shall pay to Lessor annual fixed rent in an amount equal to _____ 00/100 Dollars (\$_____.00) ("Base Rent"). Notwithstanding any provision to the contrary contained in this lease or any rider or addendum thereto, annual lease payments hereunder shall not be less than an amount equal to the total of Lessor's fixed charge payments for (i) principal and interest multiplied by 1.10 plus (ii) annual real estate property taxes plus (iii) annual property insurance plus (iv) reserve fund for replacements.

(b) Additional Rent. In addition to Base Rent, the Lessee shall pay to Lessor all Additional Rent. The terms "Additional Rent" or "additional rent" mean all sums, amounts, fees, expenses, costs (including, without limitation, legal fees and disbursements) and obligations of every kind and nature, whether known or unknown, general or special, ordinary or extraordinary, foreseen or unforeseen, direct or indirect, contingent or otherwise, relating to the operation, repair and maintenance of the Leased Premises (except Lessor's income taxes) which may arise or become due during the Term and are payable or reimbursable to Lessor under this Lease other than Base Rent, *plus* an amount equal to the net cash flow of the Lessee. "Net cash flow" means (A) the aggregate gross revenue and cash receipts of the Lessee *less* (B)(i) all operating expenses of the Lessee, other than any expense not involving a cash expenditure (such as any amount charged for amortization or depreciation); (ii) all payments on account of any loans made to, or obligations of, the Lessee; (iii) any sum expended by the Lessee for capital expenditures; (iv) reasonable and necessary reserves for

working capital or other purposes determined after consideration of the Lessee's financial position; (v) any taxes imposed on the Lessee; (vi) any management fees payable by the Lessee pursuant to a management agreement; and (vii) any paid or payable tax distributions to the Lessee's members. The terms "Base Rent" and "Additional Rent" shall be collectively referred to as "Rent."

(c) Terms of Payment. Base Rent shall be payable in equal monthly installments during each calendar year on the first (1st) day of each calendar month (or in the event the first day of the calendar month is not a business day, on the first business day following the first day of each calendar month) throughout the Term. Base Rent for any period which is less than a calendar month, whether prior to or after the Commencement Date or after the termination of the Term, shall be prorated on a daily basis.

(d) Dispute Resolution. If a dispute arises regarding the amount of Rent due during any time period under this Lease, Lessee shall pay to Lessor the full amount of Rent which is not in dispute and shall pay into escrow any amount of Rent which is in dispute. Both payments shall be made by the date the Rent would otherwise be payable. Disputes regarding the amount of Rent due under this Lease shall be resolved by an accounting firm to be chosen jointly by Lessor and Lessee, with the expenses shared equally by the Lessor and the Lessee.

3.3. Net Lease Provisions. Lessor and Lessee intend that the Rent herein specified shall be net to Lessor in each year during the Term and shall be timely paid by Lessee and that Lessor shall be indemnified by Lessee against all Rent. Lessee's obligation to pay Rent is independent of all, and is in no manner conditioned upon any, other covenants, conditions and obligations of Lessor or Lessee under this Lease. There shall be no abatement of Rent payments for any reason nor shall Lessee be entitled to any offsets or deductions from Rent payments due hereunder.

3.4. Rent Tax. If any governmental taxing authority levies, assesses, or imposes any tax, sales or use tax, privilege tax, excise or assessment (other than income or franchise taxes) upon or against the Rent payable by Lessee to Lessor, either by way of substitution for or in addition to any existing tax on land and buildings or otherwise, then Lessee shall be responsible for and shall pay such tax, excise or assessment, or, if Lessor pays same, Lessee shall reimburse Lessor for the amount thereof within twenty (20) days after written demand by Lessor. It is the intent of this Section 3.4 and all other provisions of this Lease to insure that the Rent paid to Lessor by Lessee will be received by Lessor without diminution by any tax, assessment, charge or levy of any nature whatsoever, except United States, State of New Jersey and local net income taxes, and the terms and conditions of this Lease shall be liberally construed to effect such purpose. Without limiting the generality of the foregoing, if any tax is assessed or based on gross income actually or constructively received by Lessor pursuant to this Lease, Lessee shall pay such amount which, when added to said gross income, shall yield to Lessor, after deduction of all such tax payable by Lessor with respect thereto, a net amount equal to that which Lessor would have realized therefrom had no such tax been imposed.

3.5. True Lease. It is the intent of Lessor and Lessee and the parties agree that this Lease is a true lease and that this Lease does not represent a financing agreement. Each party shall reflect the transaction represented hereby in all applicable books, records and reports (including income tax filings) in a manner consistent with "true lease" treatment rather than "financing" treatment.

ARTICLE IV
UTILITIES AND TAXES

4.1. Utilities. Lessee shall pay or cause to be paid all charges for electricity, telephone, cable, gas, oil, water, sewer and all other such services or utilities used on or related to the Leased Premises during the Term. Lessee covenants to place all utilities in Lessee's name as of the Commencement Date. In the event Lessor is billed directly by any utility company for any utilities or services supplied to Lessee during the Term, Lessor shall send Lessee the bill without any mark-up or surcharge of any kind whatsoever and Lessee shall promptly pay the same.

4.2. Taxes. Lessee shall be solely responsible for the payment at least five (5) days prior to delinquency of all general and special real estate taxes and assessments attributable to the Leased Premises from the Commencement Date through the Term, including without limitation any escrows required to be maintained by Lessor. Lessee shall pay all such taxes and assessments directly, if possible. Lessor shall bill Lessee for taxes and assessments only if Lessee does not pay such taxes or assessments before delinquency and Lessor is obligated to pay such taxes directly to remain current with all taxing authorities. Lessee shall pay the full amount of any increases and general and special real estate taxes and assessments resulting from alterations or improvements made by or for the benefit of Lessee. After the expiration or termination of this Lease, Lessee shall pay any portion (prorated on a daily basis) of tax bills which became due and payable after the expiration of this Lease covering a period during the Term. If any taxing authority acting under any present or future ordinance or regulation shall levy, assess or impose a tax, excise and/or assessment (other than an income or franchise tax) upon Lessee for rent payable by Lessee to Lessor, either by way of substitution for or in addition to any existing tax on land, buildings or otherwise, then Lessee shall be responsible for and shall pay such tax, excise and/or assessment or shall reimburse Lessor for the amount thereof, as the case may be. Lessee shall pay all quality assurance fees and assessments or bed taxes associated with the Facility when due.

ARTICLE V
MAINTENANCE AND REPAIR; IMPROVEMENTS

5.1. Maintenance and Repair. Lessee, at Lessee's sole cost and expense, shall keep the Leased Premises, including all buildings, fixtures, trade equipment, trade fixtures, furniture and other personal property leased to Lessee pursuant to this Lease, including, without limitation roof, foundation, all outer walls, plumbing, sprinklers, electrical, heating, ventilation, utility service, air conditioning and all other systems of the Leased Premises, in good condition and repair. Lessor shall not be responsible to make any improvements, repairs, maintenance or replacements whether occasioned by the act or negligence of Lessee and/or its agents, employees, invitees or licensees or otherwise, and Lessee shall pay for all improvements, repairs, replacements, maintenance and expenditures relating to the Leased Premises except that Lessor shall cooperate with Lessee and spend any capital improvement reserves maintained by Lessor for the Leased Premises as required by Lessor's Lender. The Leased Premises and its appurtenances shall at all times be kept in good order, condition, replacement and repair by Lessee, at Lessee's sole cost and expense, except for ordinary wear and tear (provided, however that, without limiting the generality of this Section 5.1, Lessee shall be obligated to replace any portion of the Leased Premises upon any obsolescence

thereof or if proper repair is impractical). All replacements made by Lessee hereunder shall be made in a good and workmanlike manner using the same or similar quality of materials as being replaced.

5.2. Improvements, Renovation, Alterations and Additions. Lessee shall have the right during the Term to make such non-structural interior alterations, changes and improvements to the Leased Premises as may be necessary or proper for the conduct of Lessee's business, for resident comfort and safety and for the full beneficial use of the Leased Premises. Lessee shall make such interior alterations, changes and improvements to the Leased Premises as may be required to comply with all licensure and certification with respect to the Leased Premises and all applicable laws. Lessee shall pay all costs and expenses of such permitted or required alterations, changes, and improvements, shall make the same in a good and workmanlike manner, and in accordance with all applicable laws, codes, and regulations, and shall assure Lessor, in form reasonably satisfactory to Lessor, that payment for the same will be made by Lessee. Lessee hereby completely and fully indemnifies Lessor against any mechanic's liens or other liens or claims in connection with the making of such alterations, changes, and/or improvements. Any liens arising out of such alterations, changes, and/or improvements shall be discharged of record by Lessee within fifteen (15) days after the same have been filed, by payment, bonding or otherwise as permitted by law.

5.3. Signage. All signs installed by Lessee shall comply with all requirements of appropriate governmental authority, and all necessary permits or licenses shall be obtained by Lessee. Lessee shall maintain all signs in good condition and repair at all times, and shall indemnify, protect, hold harmless and, at the option of Lessor, defend Lessor from injury to person or property, arising from the erection, installation and maintenance of said signs.

5.4. Surrender. Lessee shall deliver up and surrender to Lessor possession of the Leased Premises and all replacements thereof upon the expiration of this Lease or its termination in any manner whatsoever, in as good condition and repair and in substantially similar form, character and manner as the same shall be on the Commencement Date (without compensation to Lessee) with permitted changes, improvements and additions during the Term as authorized herein, subject to no liens, encumbrances, charges, restrictions, conditions, limitations or claims whatsoever, and deliver the keys to the Leased Premises at the office of Lessor or Lessor's agent. In addition, upon any such expiration or termination of this Lease, Lessee covenants and agrees to do such things and to take such action as may, from time to time, be necessary or appropriate to permanently surrender and withdraw from possession and operation of the Leased Premises, and shall thereafter be fully and permanently relieved of all powers, duties, responsibilities and obligations that are conferred or imposed upon Lessee under this Lease (except those obligations which survive the expiration or termination hereof as provided herein) and to restore and place Lessor in possession and operation of the Leased Premises, or any portion thereof, to the same extent as Lessor's possession and operation thereof as of the day immediately preceding the Commencement Date, and Lessee covenants and agrees to execute and deliver to Lessor all assignments, documents and other instruments, to the reasonable satisfaction of Lessor, in order to effectuate the provisions hereof, including, but not limited to, Lessee's execution and delivery of a transfer of operations Agreement acceptable to Lessor in form and substance in its sole and absolute discretion, which agreement addresses the surrender of the Leased Premises and the surrender of operations issues and procedures not governed by this Lease (with representations and warranties of title and indemnification provisions consistent with the terms of this Lease) and which appropriately transfers the Facility operations back to Lessor.

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

ARTICLE VI INSURANCE

6.1. General Liability, Medical Malpractice, Business Interruption and Umbrella Insurance. Throughout the Term, Lessee shall maintain with respect to the Leased Premises, comprehensive or commercial general liability, professional malpractice, business interruption, and umbrella policies of insurance. Such insurance shall be carried with an insurance company selected by Lessee and authorized to do business and admitted in the State of New Jersey. Lessee shall deliver to Lessor a certificate of any policy of such insurance maintained by Lessee. Such policy shall contain a provision that the same cannot be reduced in coverage, nor cancelled, without thirty (30) days’ prior written notice to Lessor. Said policy of insurance shall designate Lessor, any mortgagee of the Leased Premises and any other appropriate third party of whom Lessee has notice, as an additional insured.

6.2. Special Form Property Insurance. Lessor shall keep the Leased Premises (other than Lessee’s leasehold improvements), insuring its risk of loss by fire, casualty and other hazards, covered by “all risk” fire insurance. The cost of maintaining such insurance shall be paid by Lessee to Lessor as additional rent hereunder.

6.3. Workers’ Compensation. Lessee, at its sole cost and expense, shall at all times comply with the provisions of the workers’ compensation law and shall insure its liability thereunder. Lessee acknowledges and agrees that Lessor is under no obligation to indemnify, defend or hold Lessee harmless for any change or increase in Lessee’s workers’ compensation or unemployment compensation rates or experience as a result of this Lease, or because Lessee is determined to be a successor employer for purposes of workers’ compensation or unemployment compensation pursuant to the agreement of sale by which Lessor purchased the Facility.

6.4. Certificates of Insurance. Upon the Commencement Date of this Lease, Lessee shall furnish Lessor and other third parties which Lessor shall designate with appropriate certificates of insurance showing that each type of insurance required under this Article VI is in full force and effect and not cancellable or modifiable without thirty (30) days prior written notice to the other party.

6.5. Waiver of Subrogation. Lessor and Lessee hereby waive all rights of recovery for causes of action which either has or may have or which may arise hereafter against the other for any damage to the Leased Premises or the property or business of either of them or of anyone claiming through either of them, by way of subrogation or otherwise, caused by any of the perils coverable (whether or not covered) by a special form policy of property insurance or contents insurance (irrespective of whether or not such insurance coverage is in fact carried or obtained); or by any

other insurance for damage to property carried by the party whose property was damaged; provided, however, that the foregoing waiver shall apply only if and to the extent that a waiver of subrogation for property damage is not prohibited in the state in which the Leased Premises are located.

6.6. Lender Requirements. Notwithstanding anything contained in this Article VI to the contrary, if required by Lessor's lender or lenders, Lessee shall pay to Lessor each month, as Rent and in accordance with Article III, an amount necessary to establish any insurance reserves as required by such lender or lenders, and an amount necessary to pay all insurance premiums required by this Article VI and any attached schedules.

ARTICLE VII OTHER OBLIGATIONS

7.1. Access to Leased Premises. Lessee shall permit Lessor and its agents to enter upon the Leased Premises at all reasonable times during ordinary business hours and upon at least twenty-four (24) hours advance oral notice (unless in the case of emergency) to inspect and examine the Leased Premises. Lessor shall make reasonable efforts not to interfere with or disrupt Lessee's business and use and enjoyment of the Leased Premises during any such inspection or examination.

7.2. Compliance with Term Loan Agreement. Lessor and Lessee agree to comply with all covenants, conditions and obligations, including but not limited to all financial covenants, insurance requirements and financial reporting requirements which apply to the Lessor and Lessee set forth in those certain loan documents (the "Loan Documents") entered into in connection with the Loan. Lessor and Lessee hereby agree that all representations and warranties set forth in the Loan Documents that apply to the Lessee are and shall remain true and correct in all respects.

ARTICLE VIII PERSONAL PROPERTY

8.1. Lessor's Personal Property. Upon the expiration or termination of this Lease, Lessee shall leave the personal property of Lessor leased to Lessee under Section 2.1(c) hereof as repaired, rebuilt, replaced, restored, altered or added to as permitted or required by provisions of this Lease, subject to ordinary wear and tear (the "Lessor's Personal Property") in or on the Leased Premises. Any and all replacements of or additions to the personal property at the Facility made by Lessee shall become part of the Lessor's Personal Property, and any and all security interests and financing statements shall be cleared to the satisfaction of Lessor at Lessee's expense.

8.2. Consumables. Within fifteen (15) business days of the expiration or termination of this Lease, Lessor shall purchase or shall cause a successor tenant to purchase, at cost, a maximum of seven (7) days worth, or such other minimum amount that shall be required by applicable law, rule or regulation at the time of expiration or termination, of Lessee's consumable goods used or maintained in connection with the Facility, including but not limited to, food, cleaning materials and medical supplies.

ARTICLE IX
INDEMNIFICATION

9.1. Lessee's Indemnification. During the Term of this Lease and after the surrender of the Leased Premises in accordance with Section 5.4 of this Lease, Lessee shall protect, defend (at Lessor's request), indemnify and hold harmless Lessor and Lessor's partners, members, officers, employees, agents and representatives (collectively the "Lessor's Representatives") from and against any claims, losses, costs, penalties, damages, charges or expenses (including reasonable attorney's fees) imposed or resulting from, or attributable in whole or in part to any violation of any law, order of governmental agency or ordinance, whether occasioned by the intentional act, omission, or negligence of Lessee or those holding under Lessee, and Lessee shall at all times protect, defend (at Lessor's request), indemnify and hold harmless Lessor and the Lessor's Representatives from and against all claims, losses, costs, charges, damages or expenses (including reasonable attorney's fees) arising out of or from any accident or other occurrence on or about the Leased Premises causing injury to any person or property whomsoever or whatsoever, and shall protect, defend (at Lessor's request), indemnify and hold harmless Lessor and the Lessor's Representatives from and against any and all claims, losses, costs, charges, damages or expenses (including reasonable attorney's fees) arising out of any failure of Lessee in any respect to comply with or perform all material requirements and provisions of this Lease, a breach of this Lease attributable to Lessee, or in any way relating to Lessee's operation of the Facility or its possession of the Leased Premises.

9.2. Prorations.

(a) It is understood and agreed that the Lessee shall be solely responsible for any litigation, debt, liability, cause of action or claim(s), including but not limited to tax liabilities and Medicare and Medicaid cost report reviews and audits, with respect to Lessee's operation of the Leased Premises arising, accruing or incurred by Lessee after the Commencement Date.

(b) All income and expense attributable to the Leased Premises (measured on an accrual basis) through 11:59:59 p.m. on the day prior to the Commencement Date shall be for the account of Lessor. Thereafter, such income and expense shall be for the account of Lessee. All operating income and expense applicable to any periods commencing before the Commencement Date and continuing thereafter shall be prorated between Lessor and Lessee based on the Commencement Date and in accordance with Lessor's current accounting practices consistently applied. Apportionable income will include, but shall not be limited to, all Medicaid reimbursements, Blue Cross or other insurance payments or advances, and payments or advances from private pay patients and all federal Social Security payments or advances, whether the funds related to such services are received before, on or after the Commencement Date. Apportionable operating expenses shall include, but shall not be limited to, such items as power and utility charges, phone, insurance premiums, and rents. In effecting the prorations, Lessor shall be credited for items of expense paid in advance but relating to services or operations of the Leased Premises after the Commencement Date (if any) and debited for items of expense accrued but not paid for as of the Commencement Date. The adjustments and prorations required by this Section 9.2(b) shall be estimated and made at the Commencement Date to the extent reasonably possible. It is acknowledged and agreed that since all of the information necessary to arrive at such adjustments and prorations will not be available on the Commencement Date, the Parties will make provisional adjustments and prorations based upon the best available information, including reasonable

estimates, and shall make final adjustments as soon as reasonably possible, but in any event within sixty (60) days after the Commencement Date. Final adjustments and prorations made after the Commencement Date shall be payable in cash promptly after all such adjustments are determined.

ARTICLE X

USE OF LEASED PREMISES

10.1. Compliance with Laws and Regulations. Lessee shall use the Leased Premises solely as a licensed Medicare- and Medicaid-certified skilled nursing facility and for no other purpose. On or before the Commencement Date, Lessee shall have acquired, and thereafter Lessee shall maintain all licenses, certificates, accreditations, approvals, permits, variances, waivers, provider agreements and other authorizations needed to operate the Leased Premises as a licensed, Medicare and Medicaid certified skilled nursing facility. Lessee hereby covenants, warrants and represents to Lessor that as of the Commencement Date and throughout the Term: (a) Lessee (and any subtenant, operator or manager of Lessee) shall be, and shall continue to be validly licensed and Medicare and Medicaid certified to operate a skilled nursing facility in accordance with the applicable rules and regulations of the New Jersey State Department of Health (“DOH”), federal governmental authorities and accrediting bodies, including, but not limited to, the United States Department of Health and Human Services (“DHHS”), the Centers for Medicare and Medicaid Services (“CMS”) and DOH; (b) Lessee (and any subtenant, operator or manager of Lessee) shall be, and shall continue to be, certified by and the holder of valid provider agreements with Medicare and Medicaid issued by DHHS, DOH and/or CMS and shall remain so certified and shall remain such a holder in connection with its operation of the Leased Premises as a licensed and Medicare and Medicaid certified skilled nursing facility; (c) Lessee (and any subtenant, operator or manager of Lessee) shall be, and shall continue to be in compliance with and shall remain in compliance with all applicable state and federal Laws, rules, regulations and procedures with regard to the operation of the Facility, including, without limitation, compliance under Laws governing patient confidentiality and privacy and the confidentiality of medical records; (d) Lessee (and any subtenant, operator or manager of Lessee) shall operate the Facility in a manner consistent with high quality skilled nursing services and sound reimbursement principles under the Medicare and Medicaid programs and as required under state and federal Law; and (e) Lessee (and any subtenant, operator or manager of Lessee) shall not abandon, terminate, vacate or fail to renew any licenses, certifications, accreditations, certificates, approvals, permits, variances, waivers, provider agreements or any other authorization which relates to the operation of the skilled nursing facility business or other permitted operations on the Leased Premises or in any way commit any act which will or may cause any such licenses, certifications, accreditations, certificates, approvals, permits, variances, waivers, provider agreements or other authorization to be revoked by any Governmental Authority or accrediting body having jurisdiction thereof. The term “Governmental Authority” shall mean any court, board, agency, arbitrator, commission, office or other authority of any nature whatsoever for any governmental unit (foreign, federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

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

ARTICLE XI
DAMAGE OR DESTRUCTION

11.1. Damage or Destruction.

(a) If the Facility is destroyed or so injured by any cause as to be unsuitable, in whole or in part, for the purpose of this Lease, Lessee shall immediately notify Lessor after the happening of such destruction or injury. If such destruction or injury renders the Facility unsuitable for the purpose of this Lease, as determined by DOH, if the holder of any mortgage on the Leased Premises so requires, Lessor, upon notice to Lessee, Lessor may terminate this Lease and Lessor and Lessee shall be released from any further liability hereunder thereafter accruing with respect to the Facility. Notwithstanding the foregoing, if Lessor's obligations to the holder of any mortgage on the Leased Premises have been satisfied in full and DOH approves and agrees to reimburse the costs of rebuilding the Facility, Lessor shall not so terminate this Lease with respect to the Facility, and Lessor shall repair or reconstruct the Leased Premises in substantially the same condition as just prior to the incident with the proceeds of the property casualty insurance carried by Lessee, as required hereunder (if not otherwise paid to the Lessor's mortgagee); provided, however, Lessor must be able to reasonably finance the rebuilding of the Facility and achieve an economic return from its investment reasonably acceptable to Lessor. Regardless of any casualty, this Lease shall continue in full force and effect without any abatement of Rent, and Lessee shall not be entitled to surrender possession of the Leased Premises as a result of such casualty. Lessor's receipt of Rent from Lessee's rental interruption insurance shall be credited against Rent payments due from Lessee hereunder. Lessee shall proceed with reasonable diligence to repair or reconstruct the Leased Premises and Lessee shall be liable for any costs of repair or replacement to the Leased Premises, whether or not such damage, or the costs of repairing such damage, is fully covered by the proceeds of Lessee's insurance required to be carried hereunder. If Lessee fails to commence such repair or reconstruction within thirty (30) days of the destruction or injury, Lessor shall have the option, subject to the approval of DOH, to either terminate this Lease upon written notice to Lessee or repair and reconstruct the Leased Premises in substantially the same condition just prior to the incident and costs and expenses incurred as a result thereof shall be deemed Rent hereunder and shall be payable to Lessor by Lessee, upon demand. Upon payment of all such sums demanded by Lessor, Lessee may re-enter and resume possession of the Leased Premises pursuant to the terms of this Lease. All insurance proceeds collected under the Policies shall be paid to Lessor, and made available to Lessee to pay for or reimburse Lessee for the costs and expenses for such repairs and reconstruction subject to the terms, conditions and provisions of any mortgage or other loan documents encumbering the Leased Premises. If the holder of any mortgage on the Leased Premises does not make the insurance proceeds available to Lessor, then Lessor may terminate this Lease upon thirty (30) days' notice to Lessee.

(b) All provisions contained in the Loan Documents between Lessor and the holder of any mortgage on the Leased Premises, or any other document in connection therewith which concern or pertain to the restoration of the Leased Premises, the application of insurance proceeds and any and all matters concerning a casualty, shall take precedence over and be in lieu of any contrary provision provided for in this Lease, and in all respects are binding upon Lessee, which agrees to and acknowledges the same.

(c) If the Leased Premises are repaired or reconstructed pursuant to this Section 11.1, Lessor and Lessee shall reevaluate the capital cost reimbursement obtained by Lessee, if any, taking into account all such repairs and reconstruction and any federal, state and/or local income tax benefit available to Lessee as a result of any such repairs and reconstruction (including, without limitation, any depreciation expense allowed or allowable) and Lessor and Lessee shall mutually agree to increase or decrease the Rent accordingly. If Lessor and Lessee cannot agree on the amount of increase or decrease in Rent, Lessor and Lessee shall engage by mutual consent, at the expense of Lessor and Lessee to be borne equally, a qualified certified public accountant knowledgeable in Title XVIII and XIX of the Social Security Act and the provisions of long-term care reimbursement to determine the increase or decrease in the Rent, which decision shall be binding.

ARTICLE XII EMINENT DOMAIN

12.1. Eminent Domain.

(a) In the event the entire Leased Premises shall be taken by condemnation or eminent domain, this Lease shall terminate as of the day possession shall be taken by the taking authority, and Lessor and Lessee shall be released from any further liability hereunder thereafter accruing. In the event only a portion of the Leased Premises shall be taken by condemnation or eminent domain and the portion so taken does not render the balance unsuitable for the purpose of this Lease, this Lease shall not terminate but Lessor agrees to restore the Leased Premises with reasonable speed to an architectural unit as nearly like its condition prior to such taking as shall be practicable, and if during and/or after the work of restoration, Lessee is deprived of the use of all or a part of the Leased Premises, an appropriate reduction of Rent, depending upon the time during which and the portion of said Leased Premises of which Lessee is so deprived, shall be granted.

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

(c) Lessee shall not be entitled to any part of any award or settlement of damages representing the value of land and buildings appropriated, the value of this Lease or any estate therein, or damage to the residue of the Leased Premises or other property of Lessor; it being agreed as between Lessor and Lessee that any such award shall be the sole property of Lessor. However, in any condemnation proceeding, Lessee may claim and receive compensation from the condemning authorities for damages to its fixtures, for the cost of removal and damage by reason thereof, and for moving expenses, and shall be entitled to all proceeds specifically allocated by the condemning authority on account thereof. No appropriation of part or all of the Leased Premises or cancellation of this Lease pursuant to this Article XII shall be deemed an eviction of Lessee, or a breach of any covenants of Lessor hereunder.

ARTICLE XIII
NOTICES

13.1. Notices. Any notice, demand or communication required, permitted or desired to be given hereunder shall be deemed effectively given when personally delivered or mailed by prepaid certified mail, return receipt requested, when sent via email, or when sent by recognized overnight carrier addressed as follows:

If to Lessor:

Ariel Bay Propco LLC
32 Laurel Avenue
Keansburg, New Jersey 07734
Attn:
Email:

If to Lessee:

Ariel Bay Opco LLC
32 Laurel Avenue
Keansburg, New Jersey 07734
Attn:
Email:

If to either Lessor or Lessee, with a copy to:

NBC Law
675 Third Avenue, 8th Floor
New York, New York 10017
Attn: Brett J. Burnbaum, Esq.
Email: bburnbaum@nbclaw.com

or such other address, and to the attention of such other person as either party may designate by written notice.

ARTICLE XIV
QUIET ENJOYMENT

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

ARTICLE XV
SUBLETTING AND ASSIGNMENT

15.1. Subletting and Assignment. Lessee shall not, without the prior written consent of Lessor, assign this Lease or lease all or any part of the Leased Premises. There shall be no limitation on Lessor's ability to assign or lease. A transfer or series of transfers of membership or ownership interest in Lessee shall constitute an assignment for purposes of this Lease, requiring Lessor's consent.

ARTICLE XVI
RESIDENT RECORDS AND TRUST FUNDS

16.1. Resident Records and Trust Funds. Any and all resident records, including all resident care agreements relating to the residents of the Facility and the resident trust funds belonging to the residents of the Facility shall be transferred to Lessee. Lessee shall take possession of and assume responsibility for the administration and safekeeping of the resident trust funds and the maintenance and safekeeping of the records of residents at the Facility on the Commencement Date, and Lessee shall discharge all custodial duties associated with such resident trust funds and resident records in accordance with all applicable laws.

ARTICLE XVII
RESERVED

ARTICLE XVIII
DEFAULT

18.1. Default by Lessee and Remedies of Lessor.

(a) If Lessee fails to pay any installment of Rent or fails to pay any other charges, costs or expenses payable by Lessee within ten (10) business days after the same becomes due; or defaults in the prompt and full performance of any other of Lessee's covenants, obligations or agreements hereunder, and fails to correct such failure within thirty (30) days of receipt of written notice from Lessor of such default (unless such default cannot reasonably be cured within thirty (30) days, in which event such period shall be extended for such additional time as is reasonably required to correct such default, provided Lessee shall have commenced in good faith to cure such default within the first such thirty (30) day period and shall proceed with all due diligence to correct such default thereafter); or if the leasehold interest of Lessee be levied upon under execution or be liened or attached and such levy, lien or attachment is not removed within sixty (60) days of the date Lessee receives notice of it; or Lessee makes an assignment for the benefit of creditors; or a receiver be appointed for any property of Lessee; or Lessee abandons the Leased Premises; or an event of default shall have occurred and be continuing under any loan documents encumbering the Leased Premises; or an event of default shall have occurred and be continuing under any loan facility of Lessee, then and in any such event, Lessor may terminate this Lease and Lessee's right to possession of the Leased Premises. Lessor, in addition to all other remedies given to Lessor at law or in equity,

may by written notice to Lessee, terminate this Lease and reenter the Leased Premises by summary proceedings. In any event, Lessor may dispossess Lessee, it being the understanding that under no circumstances is this Lease to be an asset for Lessee's creditors by operation of law or otherwise. In the event of such reentry Lessor shall re-let the Leased Premises, and in the event of a reletting shall apply the Rent therefrom first to the payment of Lessor's cost and expenses, including reasonable attorneys' fees incurred by reason of Lessee's default, and the cost and expense of reletting and then to the amount of Rent and all other sums due from or payable by Lessee hereunder.

(b) Except as provided in this Lease to the contrary, Rent and other sums not paid when due or within any applicable grace period shall bear interest from the date when the same are first payable under the terms of this Lease until the same shall be paid at an annual rate of interest equal to the commercial short term rate of interest announced from time to time by Citibank, N.A. as its Base Lending Rate, plus five percent (5%), unless such rate shall not be permitted by law, in which event the maximum rate permitted by law shall be charged (hereinafter referred to as the "Lease Interest Rate"). The term "Base Lending Rate" means the commercial short term rate of interest announced by Citibank, N.A. automatically and simultaneously with each change in the Base Lending Rate made by Citibank, N.A. from time to time. Any publication issued or published by Citibank, N.A. from time to time or a certificate signed by an officer of Citibank, N.A. stating its Base Lending Rate as of a date shall be conclusive evidence of the Base Lending Rate on that date. Lessee further acknowledges that its late payment of any Rent or other sums will cause Lessor to incur certain costs and expenses not contemplated under this Lease, the exact amount of which is extremely difficult or impracticable to fix. Such costs and expenses will include, without limitation, loss of use of money, administrative and collection costs and processing and accounting expenses. Therefore, if any installment of Rent is not received by Lessor when due or within any applicable grace period, except as provided in this Lease to the contrary, or any other sum due herein is not paid when due, Lessee shall immediately pay to Lessor a late charge equal to five percent (5%) of the unpaid amount. Such late charge is in addition to any interest due pursuant to the first sentence of this Section 18.1(b). Lessor and Lessee agree that the late charge represents a reasonable estimate of costs and expenses incurred by Lessor from, and is fair compensation to Lessor for, any loss suffered by such non-payment by Lessee. Acceptance of the late charge shall not constitute a waiver of Lessee's default with respect to such non-payment by Lessee or prevent Lessor from exercising any other rights and remedies available to Lessor under this Lease.

(c) Upon the filing of a petition by or against Lessee under the Bankruptcy Code, Lessee, as debtor and as debtor-in-possession, and any trustee who may be appointed shall (1) timely perform each and every obligation of Lessee under this Lease until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (2) pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Leased Premises an amount equal to the Rent and other charges otherwise due pursuant to this Lease; and (3) reject or assume this Lease within sixty (60) days after the filing of such petition under the Bankruptcy Code or within such time period as the Bankruptcy Code may allow. Lessee, as debtor and as debtor-in-possession, and any trustee shall be deemed to have rejected this Lease in the event of the failure to comply with any of the above. Included within and in addition to any other conditions or obligations imposed upon Lessee or its successor in the event of assumption and/or assignment is the prior written consent of any mortgagee to which this Lease has been assigned as collateral security.

(d) No failure of Lessor to enforce any rights or remedies upon default of Lessee shall prejudice or affect the rights of Lessor upon any subsequent or similar default.

(e) In the event of a default by Lessee of any of the terms, covenants, conditions or provisions of this Lease, which default is not cured within any applicable grace period, Lessor shall have the right to invoke any remedy permitted to Lessor in law or in equity.

ARTICLE XIX

REPRESENTATIONS AND WARRANTIES

19.1. Lessee's Representations and Warranties. Lessee represents and warrants to Lessor as follows:

(a) Lessee is a limited liability duly organized, validly existing and in good standing under the laws of the State of New Jersey.

(b) The execution, delivery and performance of this Lease by Lessee will not violate any statute or regulation of any governmental authority, and will not as of the Commencement Date conflict with or result in a breach of or default under any of the terms, conditions or provisions of Lessee's certificate of formation, partnership agreement, other material agreements, or any order, writ, injunction, decree, agreement or instrument to which Lessee is a party, or by which it or its property, may be bound;

(c) The execution, delivery and performance of this Lease has been duly authorized by all necessary action of Lessee and this Lease constitutes the valid and binding obligation of Lessee, enforceable in accordance with its terms;

(d) There is no suit, claim, action or legal, administrative, arbitration, or other proceeding or governmental investigation pending or threatened, by or against Lessee, and there exists no event or condition of any character, which could prevent the consummation of the transactions contemplated by this Lease or materially adversely affect Lessee's performance of the terms and conditions hereunder;

(e) Subject to the express provisions herein, at all times during the Term, Lessee shall (i) use commercially reasonable efforts, exercised in good faith, to operate the Leased Premises and otherwise conduct its business there only in the ordinary course, and in compliance with all statutory and regulatory requirements of any federal, state or local authority, (ii) continue to operate the Leased Premises and will maintain them in substantially their condition as of the Commencement Date, reasonable wear and tear excepted, including but not limited to repairs and replacements permitted under this Lease, and in a lawful manner, (iii) not encumber all or any portion of the Leased Premises and will not enter into any contracts with respect to the Leased Premises (except in the ordinary course of business and in accordance with the permitted uses of the Leased Premises hereunder), (iv) use its best efforts, exercised in good faith, to preserve the goodwill of the Facility, (v) not take any action which would materially adversely affect the reimbursement formula or tax benefits with respect to the Leased Premises or any portion thereof, and (vi) not dissolve, merge or consolidate with or into any other person or entity, or otherwise change its identity or company or capital structure;

(f) At all times during the Term, Lessee shall cause to be done all things needed to preserve its rights and franchises and comply with all laws applicable to it, and to continue to conduct its business in the ordinary course;

(g) At all times during the Term, Lessee shall promptly pay all of its obligations, indebtedness, taxes, charges and impositions, whether or not relating to the Leased Premises or this Lease, as they become due unless contested in good faith and diligently pursued; and

(h) At all times during the Term, Lessee shall comply in all material respects, with all statutes, laws, ordinances and governmental rules, regulations and ordinances to which it is subject or which are applicable to the Leased Premises and to Lessee's business, properties or assets.

19.2. Lessor's Representations and Warranties. Lessor hereby represents and warrants to Lessee the following, all of which shall survive the delivery and execution of this Lease:

(a) Lessor is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of Delaware and is qualified to do business in the State of New Jersey and has the power and authority to own its properties and assets and to carry on its business as now being conducted;

(b) The execution, delivery, and performance of this Lease will not violate any provision of law, any order of any court or other agency of federal or state government or any provision of any indenture, agreement, or other instrument to which Lessor is a party or by which it or any of its properties or assets are bound; conflict with, result in a breach of, or constitute (with passage of time or delivery of notice, or both), a default under any such indenture, agreements or other instrument; or result in the creation or imposition of any lien or other encumbrance of any nature whatsoever upon any of the properties or assets of Lessor;

(c) This Lease has been duly executed and is a valid and binding obligation of Lessor, fully enforceable in accordance with its terms;

(d) There is no action, suit, examination, review, or proceeding by or before any governmental instrumentality or agency now pending or, to the knowledge of Lessor, threatened against Lessor, which, if adversely determined, would materially impair the right of the Lessor to carry on the business as contemplated under this Lease; and

(e) Lessor is not in default in the performance, observation, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument to which it is a party, which default would have a material adverse affect on the Leased Premises.

ARTICLE XX

OPERATION AND BUSINESS RESTRICTIONS

20.1. Single Purpose Entity. Lessee represents and warrants to Lessor that Lessee is a single purpose entity formed for the sole and exclusive purpose of operating the Facility in accordance with applicable law and pursuant to the terms and conditions of this Lease and other ancillary documents executed by and between Lessee and Lessor.

20.2. No Other Business. Lessee shall not engage in any business or activity, other than those which are necessary and related to its function as the operator of the Facility. No assets of Lessee, or of the Facility, shall be used in or commingled with any other business or activity involving any of Lessee's officers, directors, members, managers, owners, representatives, agents, successors and assigns, and their respective successors, assigns, agents and representatives.

20.3. No Other Debts or Obligations. Lessee shall not have any other liabilities, other than those which are necessary and related to its function as the operator of the Facility.

20.4. Event of Default. Notwithstanding anything to the contrary set forth in this Lease, any breach of the terms and conditions of this Article XX by Lessee shall be considered an "Event of Default" under this Lease.

ARTICLE XXI

MISCELLANEOUS

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

21.2. Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Lease shall not operate as, or be construed to be a waiver of, any subsequent breach of the same or other provision hereof.

21.3. Legal Fees. In the event either party resorts to legal action to enforce the terms and provisions of this Lease, the prevailing party shall be entitled to recover the costs of such action incurred, including, without limitation, reasonable attorneys' fees.

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

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

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

21.7. Entire Agreement; Amendments. This Lease contains the entire agreement between the Parties hereto with respect to the subject matter hereof. All representations, promises and prior or contemporaneous undertakings between such Parties are merged into and expressed in

this instrument, and any and all prior agreements between such Parties are hereby canceled. The agreements contained in this Lease shall not be amended, modified, or supplemented except by a written agreement duly executed by both Lessor and Lessee.

21.8. Counterpart Execution; Facsimile Execution. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute one agreement. Delivery of an executed counterpart of a signature page to this Lease by facsimile transmission or e-mail in pdf format shall be effective as delivery of a manually executed counterpart. Any party so delivering this Lease shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile or e-mail transmission.

21.9. Survival of Representations and Warranties. Except as specifically provided otherwise in this Lease, all representations and warranties of Lessor and Lessee shall survive the execution of this Lease for a period of five (5) years.

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

21.11. No Partnership. By virtue of entering into this Lease, Lessor does not, in any way or for any purpose, become a partner of Lessee in the conduct of Lessee's business or otherwise, or joint venturer, or a member of a joint enterprise with Lessee. By virtue of entering into this Lease, Lessee does not, in any way or for any purpose, become a partner of Lessor in the conduct of Lessor's business or otherwise, or joint venturer, or a member of a joint enterprise with Lessor.

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

- (a) That Lessee has accepted and is in possession of the Leased Premises;
- (b) That this Lease is unmodified and in full force and effect or, if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification;
- (c) Whether or not there are then existing any setoffs or defenses in favor of Lessee against the enforcement of any of the terms, covenants, and conditions of this Lease by Lessor and, if so, specifying the same, and also whether or not Lessor has observed and performed all of the terms, covenants, and conditions on the part of Lessor to be observed and performed and, if not, specifying same; and
- (d) The dates to which Rent and all other charges hereunder have been paid.

21.13. Lessee's Waiver of Claim for Physical Injury.

(a) Lessor and the Lessor's Representatives shall not be liable for, and Lessee waives all claims for, damage to person or property sustained by Lessee or any person claiming through Lessee resulting from any accident or occurrence in, about, or upon the Leased Premises.

(b) Such waiver shall include but not be limited to claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair or any other capital improvement, replacement, repair or maintenance; (ii) injury done or occasioned by wind; (iii) any defect in or failure of plumbing, heating, or air conditioning equipment, electric wiring, gas, water and steam pipes, stairs, rail or walks; (iv) broken glass; (v) the backing up of any sewer pipe or washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about the Leased Premises; (vi) the escape of steam or hot water; (vii) water, snow or ice being upon or coming through the roof, skylight, trap door, stairs, walks or any other place upon or near the Leased Premises; (viii) the falling of any fixture, plaster, drywall or stucco; and (ix) any act, omission or negligence of trespassers.

21.14. Priority.

(a) This Lease shall be subject and subordinate at all times to the lien of any first mortgage or deed of trust or encumbrances which may now or which may at any time be made a lien upon the Leased Premises or Lessor's interest therein. Such subordination shall be automatic without the necessity for execution of any instrument of subordination, provided, upon request, Lessee shall execute and deliver such further instrument or instruments confirming such subordination and subordinating this Lease to the lien of any such mortgage or deed of trust or encumbrances as shall be desired by first mortgagee or party secured or proposed first mortgagee or party proposed to be secured and Lessee hereby appoints Lessor the attorney-in-fact of Lessee, irrevocably, to execute such instruments for Lessee. If Lessor's interest under this Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of any mortgage or deed of trust on the Leased Premises, Lessee shall, upon the election of the transferee, attorn to such transferee and be bound under the terms, covenants and conditions of this Lease for the remaining term, with the same force and effect as if the transferee were Lessor under this Lease, and, if requested by the transferee Lessor shall execute an instrument confirming such attornment.

(b) If the holder of a mortgage on the Leased Premises shall succeed to the rights of Lessor under this Lease, whether through possession, foreclosure action, or delivery of a new deed, then at the request of such party so succeeding to Lessor's rights ("Successor Lessor") and upon such Successor Lessor's written agreement to accept Lessee's attornment, Lessee shall attorn to and recognize Successor Lessor as Lessee's Lessor under this Lease, and shall promptly execute and deliver any instrument that Successor Lessor may reasonably request to evidence such attornment. Lessee hereby irrevocably appoints Lessor or Successor Lessor attorney-in-fact of Lessee to execute and deliver such instrument on behalf of Lessee, should Lessee refuse or fail to do so within seven (7) days after request therefor. Upon such attornment, this Lease shall continue in full force and effect as, or as if it were, a direct lease between Successor Lessor and Lessee upon all of the terms, conditions, and covenants as are set forth in this Lease and shall be applicable after such attornment.

21.15. Default by Lessor. Lessor shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct

any such default) after notice to Lessor by Lessee properly specifying wherein Lessor has failed to perform any such obligations. Lessee agrees to give to the holder of record of any mortgage covering the Leased Premises notice simultaneously with any notice given to Lessor to correct any default of Lessor as hereinabove provided and agrees that the holder of record of any mortgage shall have the right, within thirty (30) days after receipt of said notice, to correct or remedy such default before Lessee may take any action under this Lease by reason of such default. Lessor shall also give to the holder of any mortgage copies of any notices of default which it may give or send to Lessee.

21.16. Liens. Lessee shall not do or suffer anything to be done whereby the Leased Premises, or any portion thereof, or any interest therein, may be encumbered by any liens of mechanics, laborers, or materialmen, chattel mortgages or any other liens. Lessee shall, whenever and as often as any such liens are filed against the Leased Premises, or any portion thereof, purporting to be for labor or material furnished or to be furnished to Lessee, discharge the same of record within thirty (30) days after the date of filing by payment, bonding or otherwise, as provided by law. In the event of the default of Lessee in procuring the discharge, as aforesaid, of any such lien, Lessor may, with ten (10) days prior notice, procure such discharge and the expenses incurred by Lessor in obtaining such discharge shall be paid by Lessee as additional rent within ten (10) days after notice from Lessor of the amount thereof.

21.17. Liability of Lessor. Notwithstanding anything herein stated to the contrary, the liability of Lessor for the failure of Lessor to perform any covenant, term or condition of this Lease on Lessor's part to be performed shall be limited solely to Lessor's interest in the Leased Premises, and neither Lessor nor Lessor's Representatives shall have any personal liability for damages suffered by Lessee or anyone claiming through Lessee as a result of Lessor's default; Lessee hereby agreeing to look solely and exclusively to Lessor's interest in the Leased Premises as satisfaction of such damages.

21.18. Arbitration. Except with respect to the provisions of Article XXI of this Lease, in the event of a dispute as to the rights and duties of the Parties under this Lease, the Parties shall meet and confer and attempt in good faith to resolve the dispute. The Parties agree that any and all disputes, claims or controversies arising out of or relating to this Lease that are not resolved by their mutual agreement within thirty (30) days shall be submitted to final and binding arbitration before the American Health Lawyers Alternative Dispute Resolution Service ("AHLA"), or its successor, pursuant to the United States Arbitration Act, 9 U.S.C. Sec. 1 et seq. The arbitration shall be conducted in accordance with the provisions of AHLA arbitration rules in effect at the time of filing of the demand for arbitration. The Parties are entitled to be represented by counsel at the arbitration hearing and the rights and remedies otherwise available to the Parties, if established, under applicable Federal, state or local law, shall remain available in the arbitration proceeding. Either Party may commence the arbitration process called for in this Lease by filing a written demand for arbitration with AHLA, with a copy to the other Party. The Parties shall cooperate with AHLA and with one another in selecting an arbitrator from AHLA's panel of neutrals, and in scheduling the arbitration proceedings. The Parties shall participate in the arbitration in good faith and share the costs of the arbitration proceeding equally. The provisions of this Section 21.18 may be enforced by any court of competent jurisdiction, and the Party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys fees, to be paid by the Party against whom enforcement is ordered.

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

[signatures appear on following page]

IN WITNESS WHEREOF, the Parties have executed or caused the execution of this Lease by their respective officers duly authorized as of the day and year first above written.

LESSOR:

ARIEL BAY PROPCO LLC

By: _____

Name:

Title: Authorized Signatory

LESSEE:

ARIEL BAY OPCO LLC

By: _____

Name:

Title: Authorized Signatory

Exhibit A

Legal Description of Real Property

MANAGEMENT AGREEMENT

This Management Agreement (this “Agreement”), dated as of January 30, 2026, is by and between **Ariel Bay Opco LLC**, a New Jersey limited liability company (“Operator”), and **Ariel Bay Management LLC**, a New Jersey limited liability company (“Manager”).

WHEREAS:

- A. Operator is the tenant and operator of a certain facility known as Laurel Bay Health & Rehabilitation Center, situated at 32 Laurel Avenue, Keansburg, New Jersey 07734 (“Facility”);
- B. Operator desires to engage Manager to provide management services with respect to the management and operations of the Facility; and
- C. Manager is willing to provide management services with respect to the Facility on the basis, terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual representations, covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, Manager and Operator intending to be legally bound do hereby represent, covenant and agree as follows:

ARTICLE 1

OPERATING TERMS AND APPOINTMENT AND EMPLOYMENT OF MANAGER AS AGENT AND GENERAL MANAGER OF THE NURSING FACILITY

1.1 Employment of Manager. Operator hereby appoints and employs Manager, and Manager agrees to act, as operating manager of the Facility to supervise, direct and control the day-to-day business activities and management of the Facility, including all phases of its operations in the name of, on behalf of and for the account of Operator upon the terms and conditions hereinafter stated. Manager shall, subject to compliance by Operator of its obligations hereunder, do all things as may be required to assist Operator in obtaining, and to maintain and preserve all necessary licenses, permits, approvals and accreditations to operate the Facility so as to comply with all applicable laws, rules and regulations and to be eligible for participation in all applicable Medicaid and Medicare programs, and any successor programs, with the same degree of diligence and skill consistent with the management of other similar facilities in the same service area as the Facility.

1.2 Control Retained by Operator. Operator shall at all times retain and exercise control over the Facility, and Manager shall perform the functions described in this Agreement to be performed by it in accordance with written policies and directives adopted by Operator. By entering into this Agreement, Operator does not delegate to the Manager any of the powers, duties, and responsibilities vested in the Operator by law, or by its organizational documents or operating agreement. Operator may, according to the terms of this Agreement (i) adopt as Facility policy recommendations and proposals made by Manager, or (ii) adopt as Facility policy the Operator’s own proposal notwithstanding objections thereto by Manager, provided that in such case Operator will indemnify, defend and hold harmless Manager with respect to such matters. Whenever this Agreement calls for the approval of Operator, such approval shall be expressed in a writing as set forth under Section 1.14 hereof.

1.3 Management Services to Be Provided by Manager. During the Term of this Agreement, Manager shall, as agent and on behalf of Operator, manage all aspects of the day-to-day operations of the Facility, including, but not limited to staffing, hiring, supervising and firing of all personnel; accounting (but not audit), billing, collections, setting of rates and charges; and general on-site administration, as more particularly set forth herein. In connection therewith, Manager shall be responsible to conduct the following actions:

(a) Select, employ, supervise and train on behalf of Operator an adequate staff as required by law. All employees at the Facility shall be employees of Operator and carried on the Operator's payroll and shall not be deemed employees or agents of Manager; Operator retains the right to approve the hiring of the administrator and director of nursing;

(b) Establish general salary scales, personnel policies and appropriate employee benefits for all employees, provided that any material changes in salary scale or benefits shall require the prior approval of Operator and provided, further, that absent Operator's prior written approval, all expenditures contemplated by such salary scales and employee benefits are described in the then currently approved Budget;

(c) Issue appropriate bills for services and materials furnished by the Facility and use its best efforts to collect accounts receivable and monies owed to the Facility; design and maintain accounting, billing, resident and collection records; and prepare and file insurance, Medicare, Medicaid and any and all other necessary or desirable applications, reports and claims related to revenue production. Operator expressly assigns to Manager, to the extent permitted by applicable law, the full right, power and authority as its agent to administer, process and collect, on Operator's behalf, all Medicare and Medicaid receivables. Operator hereby grants Manager the right to enforce Operator's rights as creditor under any contracts relating to the Facility or in connection with rendering any services at the Facility for purposes of collecting accounts receivable and monies owed the Facility, and Manager shall use its reasonable efforts to collect all such receivables and monies;

(d) Plan, supervise and conduct a program of regular maintenance and repair and maintain a maintenance log of all repairs, replacements or improvements made to the Facility; provided, however, any and all contracts and agreements entered into by Manager in connection herewith shall be for a term of one (1) year or less, and shall provide for payments within the then current Budget (hereinafter defined);

(e) Purchase all necessary food, beverage, medical, cleaning and other supplies, equipment, furniture and furnishings for the operation and maintenance of the Facility and contract for all necessary services for the account of Operator, and credit to Operator any and all refunds, volume discounts, rebates, reduced rates for timely payment, or other benefits derived from business done at, on or through the Facility;

(f) Disburse funds for the orderly payment of accounts payable, employee payroll, taxes, insurance premiums and all expenses authorized in the Budget (hereinafter defined) or otherwise under the terms of this Agreement;

(g) Implement rates and charges, provided that Manager shall not institute any new rates or charges without Operator's prior approval and institute standards and procedures for admitting and discharging residents, for charging residents for services and for collecting the charges from residents or third parties;

(h) Furnish any and all policy manuals needed with reference to the operation of the Facility and propose revisions to said policy manuals as are needed from time to time to assure, to the best of Manager's ability, that the Facility comply with all applicable local, state and federal laws, regulations and requirements in all material respects (provided that the foregoing does not constitute a guaranty of the same by Manager). Such policy manuals shall remain the property of the Manager throughout the Term of this Agreement and upon its termination shall be returned to the Manager, however, Operator may continue to use such manuals for a period up to six (6) months;

(i) Obtain and maintain insurance coverage for the Facility in such amounts as required by Operator, naming Operator, Manager and such other persons reasonably requested by Operator as additional insureds, provided that such policies shall not be canceled or materially altered or amended without at least 30 days prior written notice to each insured named therein, notwithstanding any act or negligence of Manager that otherwise might result in forfeiture of said insurance, and provided that such insurance shall not be invalidated by any act or negligence of Operator or Manager. Manager shall furnish to Operator evidence of all insurance coverage required herein within 30 days of the date hereof and renewals thereof at least 30 days prior to expiration;

(j) Obtain, at Operator's expense, and keep in force during the Term of this Agreement, Employees Fidelity Insurance in an amount of one month's revenue to protect Operator against misapplication of funds from the operation of the Facility by Manager, Manager's employees and Operator's employees, not to exceed \$1 million;

(k) Negotiate and enter into, in the name of and on behalf of Operator, such agreements, contracts and orders as it may deem necessary or advisable for the furnishing of services, concessions and supplies including, but not limited to accountants (for the preparation of cost reports and reviewed annual statements) utilities, telephone systems and cable, for the operation and maintenance of the Facility; provided, however, that, absent the Operator's prior written approval, any and all contracts and agreements entered into by Manager in connection herewith shall provide for payments within the then currently approved Budget. Furthermore, any contract entered into by Manager which would reasonably be expected to have a material impact on the Facility's revenue (other than Medicaid and Medicare contracts) shall be subject to Operator's prior approval if amounts exceed \$15,000 annually;

(l) Use its best efforts to assure compliance with all applicable employment, wrongful discharge, anti-discrimination, occupational safety, and health and other similar laws and regulations affecting employment of personnel, and with private employment or union contracts;

(m) Handle and settle all employee relations matters, union and non-union, and assist and advise Operator in negotiations with any labor union representing employees of Manager who work at the Facility, provided, any collective bargaining agreement or labor contract resulting from negotiations with any labor union must be approved by Operator who shall be the only person authorized to execute the same;

(n) Commence or defend any litigation arising out of the operations of the Facility, provided that the institution of any litigation (except for collection actions regarding patient accounts receivable) and any settlement in the amount of \$5,000.00 or more must be approved by Operator. Manager shall provide Operator with prompt written notice of any litigation not requiring Operator's prior approval;

(o) Assist in maintaining all licenses, certifications, permits and accreditations, all as required by law for the operation of the Facility and all necessary or required contracts with third party payors and other similar governmental and non-governmental agencies and intermediaries;

(p) Maintain accounting and internal control systems using accounts and classifications consistent with those used in similar facilities, including suitable books and records of control and accounts as are necessary or required in order to comply with all state and federal standards, rules and regulations;

(q) Establish such bank accounts for the Facility as separate, segregated accounts in Operator's name as Manager deems necessary or desirable, provided that such accounts shall permit checks thereon to be signed by any appropriate officer or employee of Manager (such officer or employee to be specifically designated), and Operator shall have one signatory to each of such accounts (such signatory to be specifically designated); and provided that Operator agrees to execute, from time to time, any documents reasonably required by any such bank wherein such accounts are held, including, without limitation, a power of attorney if required to collect on any account receivable for the Facility; and provided further, funds in such account or accounts shall not be commingled with any other funds controlled by Manager or Operator, and will be disbursed only in accordance with this Agreement, the Budget and, from time to time, upon the specific instructions of Operator, so long as, in each such case, the disbursement is for the benefit of the Facility;

(r) Make or cause to be made all such capital improvements as may be required to maintain the Facility, provided that any capital expenditures in excess of those set forth in the then current Budget must be approved by Operator;

(s) Within ten (10) business days after the commencement of the Term hereof, and annually thereafter, if required by Operator, prepare and present to Operator written emergency and evacuation procedures for the protection, warning and safe and timely evacuation of all residents, guests, invitees and staff from the Facility (the "Emergency and Evacuation Procedures"). Manager agrees to consult with insurance carriers or loss prevention consultants, if so required by Operator, and to change such Emergency and Evacuation Procedures if so recommended; provided, that the Emergency and Evacuation Procedures shall at all times comply with applicable governmental requirements. Manager shall take such steps as it deems appropriate to assure the proper training of the personnel and administrator of the Facility and shall assure that all residents receive and are knowledgeable about such Emergency and Evacuation Procedures;

(t) Coordinate ancillary services, including, but not limited to, the provision of food, barber/beautician services, speech therapy, occupational therapy, inhalation therapy, physical therapy and rental of equipment as Manager may deem reasonable, necessary or desirable in connection with the operation of the Facility; and Manager shall contract on behalf of Operator with such consultants or other professionals in connection with the providing and delivery of such services on a competitive price basis as Manager shall elect in its reasonable business judgment, upon prior consultation with the Operator; provided, however, that absent the Operator's prior written approval, any and all contracts and agreements entered into by Manager in connection herewith shall provide for payments within the then currently approved Budget and shall have a term which can be cancelled with 90 days or less notice;

(u) Maintain, on a continuing basis, a quality assurance program in order to provide objective measurements of the quality of health care provided at the Facility and in connection

therewith shall utilize patient interviews, periodic inspections and such other techniques as Manager may reasonably deem necessary to maintain the quality of health care;

(v) Notwithstanding any of the above provisions to the contrary, all expenditures described therein shall be made only in accordance with the operating budget approved by the Operator pursuant to Section 1.5 hereof, except that the Manager may make expenditures not contemplated by the then currently approved Budget aggregating not more than the greater of \$50,000 or 10% of the Budget with the prior approval of Operator which will not be unreasonably delayed, conditioned or withheld. In the event of any emergency requiring prompt action for the protection and safety of the Facility or the residents and staff therein or for the protection of the operating licenses of the Facility, or Medicaid or Medicare certifications, in which it is not practicable to obtain prior approval from the Operator or a representative of the Operator, Manager shall be entitled to take any required or necessary action without Operator's prior approval but with prompt notification to Operator not to exceed two (2) business days, following which a report of the occasion for such action and the action taken shall be made to Operator.

1.4 Obligations of Manager. Manager shall use its best efforts to ensure that the Facility and the operation thereof by Manager comply with all federal, state and local laws, rules, regulations and ordinances and standards of accrediting bodies applicable to the Facility or the operation thereof by Manager. In the event the Term of this Agreement or the actions taken hereunder by Manager or Operator, at any time, shall fail to comply with any federal, state or local law, rule regulation or ordinance, such failure shall be cured as soon as practical by Manager and/or Operator and, to the extent such failure requires the modification of this Agreement, Manager and Operator agree to make such modification to cause this Agreement to comply with all applicable rules, laws, regulations and ordinances.

Manager shall promptly provide to Operator as and when received by Manager, all notices, reports or correspondence from governmental agencies and accrediting bodies that assert deficiencies or charges against the Facility or that otherwise relate to the suspension, revocation, or any other action adverse to any approval, authorization, certificate, termination, license, permit or accreditation required or necessary to own or operate the Facility. With Operator's prior approval, Manager may appeal any action taken by any governmental agency against the Facility, provided that such contest shall not result in the suspension of operations of the Facility; and provided that Operator shall adequately secure and protect the Manager from loss, cost, damage or expense by bond or other means reasonably satisfactory to Manager in order to contest by proper legal proceedings the validity of any such statute, ordinance, law, regulation or order, except that Operator shall have no obligation to secure and protect Manager from any loss, cost, damage or expense that arises out of Manager's negligent acts or omissions.

1.5 Budget. Within twenty (20) business days after the commencement hereof and annually thereafter for each fiscal year of the Facility (i.e., calendar year) during the Term hereof, Manager shall submit for Operator's approval (which approval shall not unreasonably be withheld or delayed) at least forty-five (45) days prior to the beginning of such fiscal year a budget (the "Budget") covering the operations of and proposed capital expenditures to be made with respect to the Facility containing the following items:

(a) A capital expenditure budget outlining a program of recommended capital expenditures for the next fiscal year.

(b) A budget setting forth an estimate of operating revenues and expenses for the Facility for the next fiscal year.

(c) All other matters required by the Basic Documents (hereinafter defined).

If at any time circumstances indicate that the approved Budget does not properly take into account the projected needs of the Facility, Manager shall notify Operator of the same and shall submit to Operator a proposed revision to the approved Budget which Operator shall approve or disapprove within thirty (30) days after submission. Operator's failure to disapprove a proposed revision within thirty (30) days shall be deemed to be approval of the proposed revision. If the proposed revision is disapproved by Operator, Operator and Manager shall endeavor to agree on a revised Budget.

If Operator does not respond to an annual budget proposal in a timely manner, then such annual budget will be established by Manager as equivalent to the prior year's budget, subject to a consumer price index increase.

An approved Budget shall constitute authorization for Manager to expend funds to operate and manage the Facility pursuant to such Budget, and Manager may do so without further approval. Manager shall adhere to the Budget and use best efforts to achieve the operating results consistent with the Budget and shall notify Operator of any proposed increases in expenditure, which, except as otherwise provided in this Agreement, must be approved in advance by Operator.

1.6 Extraordinary Services. Whenever Manager and Operator determine that services not included in the services described in Section 1.3 are necessary or desirable for the efficient, economic, and profitable operation of the Facility ("Extraordinary Services"), Manager shall advise Operator of the need and cost therefor and make recommendations related thereto. Manager shall then perform the Extraordinary Services in accordance with the direction of Operator. Such Extraordinary Services may include repairs, replacements, and alterations to the Facility not covered by an approved Budget. Operator hereby approves the reasonable costs that Manager may incur in the course of performing the following Extraordinary Services: preparation and filing of Medicaid or Medicare rate increase requests, and/or cost reports, and representing Operator's interests in connection with any audit, review or appeal with respect thereto.

1.7 Reports to Operator. Manager shall:

(a) Prepare and deliver to Operator within twenty-five (25) days after the close of each of the first eleven (11) months of the fiscal year, unaudited financial statements for the Facility covering the prior month and year to date and containing a balance sheet and statement of income and provide any reasonably required assistance in the preparation of audited financial statements for the operation of the Facility as shall be reasonably required. Such audited financial statements shall be prepared by an independent accounting firm chosen by the Manager and approved by the Operator and regularly retained for the preparation of such reports in accordance with generally accepted accounting principles consistently applied and shall be delivered to Operator and Manager promptly after the end of each fiscal year of the Facility.

(b) Prepare and deliver to Operator within thirty (30) days after the close of each month such other financial, clinical and statistical reports covering the prior month and fiscal year to date that will enable Operator to assess the performance of the Facility.

(c) Maintain a comprehensive system of office records, books and accounts in connection with its management and operation of the Facility in form satisfactory to Operator, which shall belong to Operator. Such books and records shall be kept in accordance with generally accepted accounting principles (“GAAP”).

(d) Make available to Operator for inspection and/or copying by Operator upon request, all books, records and financial data relating to the Facility in Manager’s possession, all of which Manager agrees to keep safe and separate from any records not having to do with the Facility.

(e) Provide Operator with copies of all licensure and/or certifications surveys conducted at the Facility and any correspondence related thereto.

(f) Notify Operator of any reports of incidents made the Department of Public Health or the Board of Registration in Medicine, prior to reports if feasible and otherwise as soon as reasonably practicable.

(g) Provide Operator with monthly reports of the following items (which include those items not requiring prior Operator approval under this Agreement): new contracts and updates on amendments to or terminations of existing contracts, significant personnel changes, material changes to rates and charges, material collection actions incident reports and other reports filed on behalf of the Facility, and disputes or litigation of any type.

1.8 Licenses, Permits and Certification.

(a) Manager shall use its best efforts to maintain, all necessary licenses, permits, consents, approvals and certifications from all governmental agencies and accrediting bodies which have jurisdiction over the ownership and operation of the Facility (collectively, the “Licenses”).

(b) Neither Operator nor Manager shall knowingly take any action or fail to take any action which may cause any governmental authority having jurisdiction over the operation of the Facility to institute any proceeding for the denial, suspension, rescission or revocation of any necessary license, permit, consent or approval. Manager shall not knowingly take any action or fail to take any action which may materially adversely affect the amount of, and Operator’s right to accept and obtain, payments under Medicare, Medicaid or any other public or private third party medical payment program.

(c) Manager shall have the right, on behalf of Operator and with Operator’s prior approval, to contest by appropriate legal proceedings, diligently conducted in good faith in the name of Operator and at Operator’s expense, the validity or application of any law, ordinance, rule, ruling, regulation, order or requirement of any governmental agency having jurisdiction over the operation of the Facility. Operator shall cooperate with Manager with regard to the contest. Manager shall process all third party payment claims for the services provided at the Facility, including, without limitation, contest to the exhaustion of all applicable administrative proceedings or procedures, adjustments and denials by governmental agencies or their fiscal intermediaries as third party payors.

(d) Operator and Manager shall use their best efforts to comply with all federal, state and local laws, rules, regulations and requirements which are applicable provided that Operator, at its sole expense and without cost to Manager (but which cost shall be an operating expense of the Facility), shall have the right to contest by proper legal proceedings the validity, so far as applicable to it, of any such law, rule, regulation or requirement, provided that such contest shall not result in a

suspension of operations of the Facility, and provided further, Operator shall not be deemed to be in breach of this covenant if Operator's failure is the result of a failure by Manager to comply with its obligations hereunder.

(e) Manager shall not knowingly permit the use of the Facility for any purpose which might void any policy of insurance covering the Facility or which might render any loss insured thereunder uncollectible, or which would be in violation of any governmental restriction, or any deed, covenant, easement or agreement applicable to the Facility that has been provided to Manager (the "Basic Documents").

(f) Manager shall use its reasonable best efforts to comply promptly with any and all orders, evaluation, reports, or other requirements of any federal, state, regional, county, or municipal authority affecting the Facility or the operation thereof, and order of the Board of Fire Underwriters or other similar bodies. Manager, however, shall not take any action under this section so long as Manager has been informed that Operator is contesting, or has affirmed its intention to contest any such order or requirement, unless a failure to comply promptly with any such order or requirement would expose Manager to civil or criminal liability or subject the Facility to danger. Manager shall promptly, and in no event more than seventy-two (72) hours after receipt, notify Operator of all such orders, notices, evaluations, reports or other requirements. Manager shall immediately deliver to Operator copies of all notices received by it or received at the Facility from any trustees, mortgagee, ground landlord, or other party relating or pertaining to any of the Basic Documents.

1.9 Administrators and Directors of Nursing. Manager shall, on an ongoing basis and subject to replacement in Manager's discretion, assist the Facility in choosing qualified Administrators and Directors of Nursing.

1.10 Taxes. Manager shall deliver to Operator a copy of any assessment, tax notice or tax bill received by Manager and shall pay the same as and when due; provided, Manager shall not cause such payment to be made if (i) same is in good faith being contested by Operator at its sole expense and without cost to Manager, or by Manager as is set forth below; (ii) enforcement thereof is stayed; and (iii) Operator shall have given Manager written notice of such contest and stay and authorized and directed the nonpayment thereof, not less than ten (10) days prior to the date on which such tax assessment, or charge is due and payable. Any federal, state or local taxes, assessments or other governmental charges imposed on the Facility and arising from Operator's period of operating the Facility are the obligations of Operator, not of Manager. With the Operator's prior approval, Manager may contest the validity or amount of any such tax or imposition on the Facility. Manager, on behalf of Operator, shall cause all Social Security and federal and state income tax withholding and other employee taxes which may be due and payable to be paid from the revenues of the Facility before the payment of any other operating expenses therefrom. Interest or penalty payments shall be reimbursed by Manager to Operator if imposed upon Operator by reason of negligence on the part of Manager in making the payment.

1.11 Good Faith Effort by Manager. Manager shall act in good faith and use its best reasonable efforts to perform its obligations hereunder, but shall have no liability to Operator for any decisions made with respect to or any actions taken or in the omission of any actions in connection with the Facility's operations, so long as such decisions, actions or omissions were made or taken in good faith and meet the standards of this Agreement. Any action taken or omitted by Manager with the oral or written consent of Operator or in reliance on written advice from Manager's accountant, with respect

to financial reporting matters, or its legal counsel with respect to legal questions, shall be conclusively deemed to have been taken in good faith and met the standards of this Agreement.

1.12 Additional Funding. In the event funds in one of the Facility' operating accounts are or will be insufficient to meet expenses of the Facility set forth in an approved Budget or otherwise permitted or approved hereunder, and any other expenses approved in writing by Operator, Manager shall promptly notify Operator of such deficiency, and, thereupon, Operator shall, or, at the request of Operator, Manager may, provide funds to meet such expenses. Manager, if it makes such an advance, shall be reimbursed the full amount thereof together with interest on such amount from the date of such advance calculated at a rate of ten percent (10%) per annum. Manager shall not be obliged to advance any of its own funds to or for the account of Operator or to incur any liability hereunder for such expenses unless Operator shall have furnished Manager with funds necessary to discharge the same. Nevertheless, if Manager at any time advances any funds for such expenses, Operator shall immediately reimburse Manager for such funds upon demand, with interest as aforesaid, unless the parties agree otherwise.

ARTICLE 2

MANAGEMENT FEE

Manager shall manage for the account of Operator and Operator shall pay Manager a management fee for services rendered during the Term equal to five percent (5%) of net revenue, payable monthly ("Management Fee"). Notwithstanding the foregoing, no Management Fee shall be due or paid for any period where such payment would cause a default under any credit facility of Operator.

ARTICLE 3

OTHER TRANSACTIONS WITH MANAGER OR ITS AFFILIATES

Notwithstanding anything else herein contained, Manager shall not, without the prior approval of Operator after full disclosure by Manager of such affiliation and interest, cause Operator to enter into any contract with Manager or any Affiliates thereof (as defined in Article 6 below) for services required to be provided by Manager under this Agreement, or pay any amount to Manager or its Affiliates other than as provided in this Agreement, or reimbursement of bona fide expenses to unrelated third parties.

ARTICLE 4

TERM AND TERMINATION

4.1 Term. The term of this Agreement ("Term") shall commence on the date of this Agreement and shall continue for ten (10) years or until the earlier termination of the lease between Operator and the Facility owner, the closing of the Facility, or pursuant to Section 4.2 or Section 4.3 below. The Agreement shall automatically renew for successive periods of five (5) years unless notice of termination is given by Manager or Operator at least sixty (60) days prior to end of any such successive period.

4.2 Termination by Operator. Except as otherwise specified below, Operator may terminate this Agreement upon the giving of thirty (30) days' prior written notice to the Manager upon the happening of any of the following events:

(a) A receiver, liquidator, or trustee of Manager shall be appointed by court order or a petition to liquidate or reorganize Manager under any bankruptcy, reorganization, or insolvency law shall have been filed and such order or petition is not vacated or dismissed within ninety (90) days, or Manager shall file a petition in bankruptcy, or if Manager shall make an assignment for the benefit of its creditors;

(b) A material breach of this Agreement by the Manager which has not been cured within seven (7) days, for a breach of a payment obligation, or sixty (60) days for all other breaches, after written notice thereof by the Operator to the Manager including, without limitation, the following:

(i) Manager negligently fails to correct any material deficiencies capable of correction, or to obtain waivers which are capable of being obtained for such deficiencies, or negligently fails diligently to prepare a plan of correction for any remaining deficiencies for which the Facility are cited pursuant to any licensure, certification and/or accreditation survey or negligently fails to implement a plan of correction within the time permitted for such corrections, with the cure period specified in such survey, if any.

(ii) There has been a formal notice by the appropriate governmental or regulatory agency (the "Notice") that the operating license for the Facility or any substantial portion thereof will be revoked, not renewed or restricted, which Notice is not rescinded, vacated or stayed by action of Manager (or otherwise) at least sixty (60) days prior to the effective date of the Notice;

(iii) The Facility shall have received formal notice that it will lose eligibility for reimbursement under Medicaid or Medicare which notice is not rescinded, vacated or stayed by action of Manager (or otherwise) at least sixty (60) days prior to the effective date of the notice; or

(iv) A "freeze in admissions" has been imposed on the Facility which has not been lifted within 30 days.

4.3 Termination by Manager. Manager may terminate this Agreement upon the giving of thirty (30) days' prior written notice to the Operator upon the happening of any of the following events:

(a) A receiver, liquidator, or trustee of Operator shall be appointed by court order or a petition to liquidate or reorganize Operator under any bankruptcy, reorganization, or insolvency law has been filed and such order or petition is not vacated or dismissed within ninety (90) days, or Operator shall file a petition in bankruptcy, or if Operator shall make an assignment for the benefit of its creditors; or

(b) A material breach of this Agreement by Operator which has not been cured within seven (7) days, for a breach of a payment obligation, or sixty (60) days, for other breaches, after written notice thereof by the Manager to the Operator.

Notwithstanding anything to the contrary herein contained, neither party shall have the right to terminate this Agreement as a result of any of the reasons set forth in this Section 4.4 or Section 4.3 hereof if the event is caused by strikes, other labor disturbances, fires, windstorm, earthquake, arbitrary and capricious action by third party payors, war or other state of national emergency, terrorism, or acts of God, or other events not the fault of either party, in which the negligence of either party hereto is not a materially contributing factor to the occurrence of such event.

4.4 Payments on Termination. Upon any termination of this Agreement by either party, all accrued and unpaid management fees, and any other accrued and unpaid sums owed by either party to the other, shall be paid in full prior to the effective date of such termination unless agreement is terminated by Operator pursuant to Section 4.3(b).

4.5 Manager's Obligations After Termination. Upon the expiration or termination of this Agreement, Manager shall:

(a) deliver to Operator, or such other person or persons designated by Operator, copies of all books and records of the Facility and all funds in the possession of Manager belonging to Operator or received by Manager pursuant to the terms of this Agreement or of any of the Basic Documents for or on behalf of Operator.

(b) assign, transfer, or convey to such person or persons all service contracts and personal property relating to or used in the operation and maintenance of the Facility, except any personal property which was paid for and is owned by Manager.

(c) make itself available at reasonable times, for a period of sixty (60) days after such expiration or termination, to consult with and advise Operator or such other person or persons regarding the operation and maintenance of the Facility.

ARTICLE 5

INDEMNIFICATION

5.1 Indemnification by Manager. Manager shall indemnify and hold harmless Operator from and against any and all liabilities, losses, damages, claims, demands, costs or expenses (including reasonable attorneys' fees) ("Claims") to the extent arising from, or in connection with the breach of Manager's obligations hereunder or the willful or negligent acts or omissions of Manager or its agents or employees (except to the extent arising from, or in connection with, willful or negligent acts or omissions of Operator or its agents (other than Manager) or employees), provided, however, that Manager shall have no liability to Operator under this section unless Manager is timely notified in writing of all claims asserted and actions instituted against Operator and is given the opportunity to defend the same at its own expense.

5.2 Indemnification by Operator. Operator shall indemnify and hold harmless Manager from and against any and all Claims to the extent arising directly or indirectly, from the breach of Operator's obligations hereunder, or out of the, or in connection with the operation of the Facility, excepting only to the extent caused by Manager's (or its agents' or employees') willful or negligent acts or omissions, provided, however, that Operator shall have no liability to Manager under this section unless Operator is timely notified in writing of all claims asserted and actions instituted against Manager and is given the opportunity to defend the same at its own expense.

5.3 Waiver of Subrogation. To the extent available under policies of insurance, with or without extra cost, each party hereby waives all liability of and all rights of recovery and subrogation against the other party or any of the officers, agents or employees of the other party for any loss of or damage in connection with this Agreement, and each party hereby agrees that neither such party nor any of its officers, agents, employees, or its or their insurers will sue the other party or any of the officers, agents or employees of the other party, for any such loss of or damage. Each party further agrees that to the extent such a waiver is required by this Section 5.3 all insurance policies carried by such party will contain waivers by the insurer of such liability, recovery, subrogation and suit.

ARTICLE 6

MUTUAL COVENANTS

Manager and Operator each covenant that during the Term of this Agreement, except as otherwise approved in writing by the other, neither it nor any of its subsidiaries or related entities shall, either directly or indirectly, for itself or through, on behalf of or in cooperation with any person, persons, partnership or corporation divert or attempt to divert any business or customer of the Facility to any competitor by direct or indirect inducement or otherwise other than for services not provided by the Facility.

ARTICLE 7

MISCELLANEOUS

7.1 Additional Covenants. The parties hereby make the additional covenants set forth in this Section, which are material covenants and upon which each relies as an inducement to enter into this Agreement:

(a) Operator and Manager will cooperate with each other in every reasonable respect and will furnish the other party with all information in its possession as may be reasonably required by the other party for the performance of its obligations hereunder and will permit the other party to examine and copy any data in its possession or control affecting the operation of the Facility.

(b) Operator will examine documents submitted by Manager and render decisions pertaining thereto, when required, promptly to avoid unreasonable delay in the progress of Manager's work. Operator shall execute and deliver all applications and other documents that may be deemed by Manager to be necessary or proper to be executed by Operator in connection with the Facility, subject to the limitations in this Agreement with respect to the budget and other rights of Operator.

(c) Operator acknowledges that Manager retains all ownership and other rights in all proprietary systems, manuals, materials and other information, in whatever form, unless otherwise indicated herein, developed by Manager in the performance of its services hereunder; and nothing contained in this Agreement shall be construed as a license or transfer of such information either during the Term of this Agreement or thereafter.

(d) Manager acknowledges that Manager will prepare in a timely manner, at Operator's expense, for Operator's execution, and will file, all cost reports, payroll tax and real estate tax filings required to be made by Operator.

(e) Operator agrees that it will provide, on a timely basis, sufficient funding for Manager to make the expenditures set forth in the Budget.

7.2 Relationship of Parties. Nothing contained in this Agreement shall constitute or be construed to be or to create a partnership, joint venture or lease between Operator and Manager with respect to the Facility.

7.3 Use of Facility. Manager shall use the Facility solely for the operation of a skilled Facility and for all activities in connection therewith which are customary and usual to such a facility.

7.4 Notices.

(a) If Manager shall require the approval of Operator for any matter hereunder, Manager will give written notice to Operator that it requests such approval, specifying in the notice the matter as to which approval is requested and reasonable detail respecting the matter. Any provisions hereof to the contrary notwithstanding in emergency situations (as determined by Manager), Manager shall not be required to seek or obtain Operator's approval for any actions or omissions which Manager, in its sole judgment, deems necessary or appropriate to respond to such situations, provided Manager promptly thereafter reports such action or omission to Operator in writing.

(b) Any notice, demand, offer or other writing required or permitted pursuant to this Agreement shall be effective only as follows:

(i) if transmitted by hand delivery, on the Business Day delivered or intended for delivery to the addressee;

(ii) if transmitted by reputable overnight courier service, then on the Business Day following the Business Day of transmission to such courier service; and

(iii) if transmitted by postage pre-paid United States mail, on the third Business Day following such transmission to the United States mail.

Any such transmission shall be effective only if in writing and addressed as follows:

To Operator, by addressing the same to:

Ariel Bay Opco LLC
32 Laurel Avenue
Keansburg, New Jersey 07734
Attn: Avrohom Bleier
Email: avibleier1@gmail.com

To Manager, by addressing the same to:

Ariel Bay Management LLC
411 Boulevard of the Americas
Suite 301
Lakewood, NJ 08701
Attn: Avrohom Bleier

Email: avibleier1@gmail.com

or to such other address or to such other person as may be designated by at least ten (10) days prior written notice given from time to time during the Term hereof by one party to the other. Rejection or refusal by the addressee to accept, or the inability of the courier service or the United States Postal Service to deliver because of change of address of which no notice was given, shall be deemed to be receipt of the notice sent.

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

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

7.7 Access to Books, Records and Documents.

(i) Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, Manager shall in accordance with 42 CFR 420.302, make available, upon written request, to the Secretary of Health and Human Services, or upon request, to the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement, and all books, documents and records of the Manager that are necessary to verify the nature and extent of the costs of any services furnished pursuant to this Agreement for which payment may be made under the Medicare program.

(ii) If Manager carries out any of the duties of this Agreement through a subcontract or subcontracts with an aggregate value or cost of \$10,000 or more over a twelve (12) month period with a related organization, such subcontract or subcontracts shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract or subcontracts, the related organization shall, as provided in Section 952, make available, upon written request, to the Comptroller General of the United States, or any of its duly authorized representatives, the subcontract or subcontracts, and all books, documents and records of such organization that are necessary to verify the nature and extent of the costs of any services furnished pursuant to such subcontract or subcontracts for which payment may be made under the Medicare program.

(iii) Operator will preserve all records of the Facility with respect to the Term hereof and the seven (7) years prior thereto, for a period of not less than seven (7) years, and shall give Manager access during business hours to all such records.

7.8 Assignment. Operator shall have the right at any time to assign all of its rights and obligations under this Agreement to any nominee. Manager shall not have the right to assign its rights and obligations under this Agreement without the express written consent of Operator in its sole discretion. Upon any such assignment, this Agreement shall be binding upon and inure to the benefit of such nominee and the non-assigning party. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their permitted successors and assigns.

7.9 Recourse. Notwithstanding any other provision of this Agreement, the monetary obligations of Operator pursuant to this Agreement shall be satisfied solely from its interest in the Facility and the revenues thereof and receivables and accounts related thereto, and Manager shall have no recourse to any other asset of Operator, or any partner, member, officer, director, shareholder or affiliate thereof to satisfy any monetary obligation of Operator under this Agreement.

7.10 Anti-fraud and Abuse. The parties expressly agree that nothing contained in this Agreement shall require either party, or their respective agents and employees, to refer any patients to, or order any goods or services from, the other party. Notwithstanding any unanticipated effect of any provision of this Agreement, neither party will knowingly or intentionally conduct itself in such a manner as to violate the prohibitions against fraud and abuse in connection with the Medicare and Medicaid Programs.

7.11 Captions and Headings. The captions and headings throughout this Agreement are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or scope or intent of this Agreement nor in any way affect this Agreement.

7.12 Prevailing Party. In the event of litigation arising out of this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, arising out of such litigation.

7.13 Waivers. No party shall be deemed to have waived any rights provided to such party under this Agreement without a written statement by such party indicating that such party was aware of such rights and intended to waive such rights. No waiver of any right by a party or failure to exercise any right of a party with respect to any occurrences or events shall be deemed a waiver of such party's right with respect to any other occurrence or event or with respect to a later happening of the same occurrence or event.

7.14 Severability. If any provision of this Agreement or the application hereof to any person or circumstance shall be determined by any court of competent jurisdiction to be invalid or unenforceable for any reason, then such determination shall not affect the remainder of this Agreement or the application of such provision to any other persons or circumstances.

7.15 Authority. Each person signing this Agreement on behalf of a party hereto represents that he has the authority to do so.

7.16 Governing Law. This Agreement shall be construed in accordance with and governed by the substantive laws of the Commonwealth of New Jersey.

[signatures appear on next page]

