Medford SNF LLC
185 Tuckerton Road
Medford, New Jersey 08055

APPLICATION SUMMARY FOR PUBLICATION

Date application filed: October 24, 2024

Current Name of facility: Medford Care Center

License number: 060313

Address: 185 Tuckerton Road
Medford, New Jersey 08055

County: Burlington County

Project Description: This project involves a Transfer of Ownership of the operations and real estate of Medford Care Center from Medford Convalescent & Nursing Center to Medford SNF LLC . The facility is currently licensed to operate 180 long term care beds.

Licensed capacity: 180 long term care beds

Current Licensed Owner: Medford Convalescent & Nursing Center

Proposed Licensed Owner: Medford SNF LLC

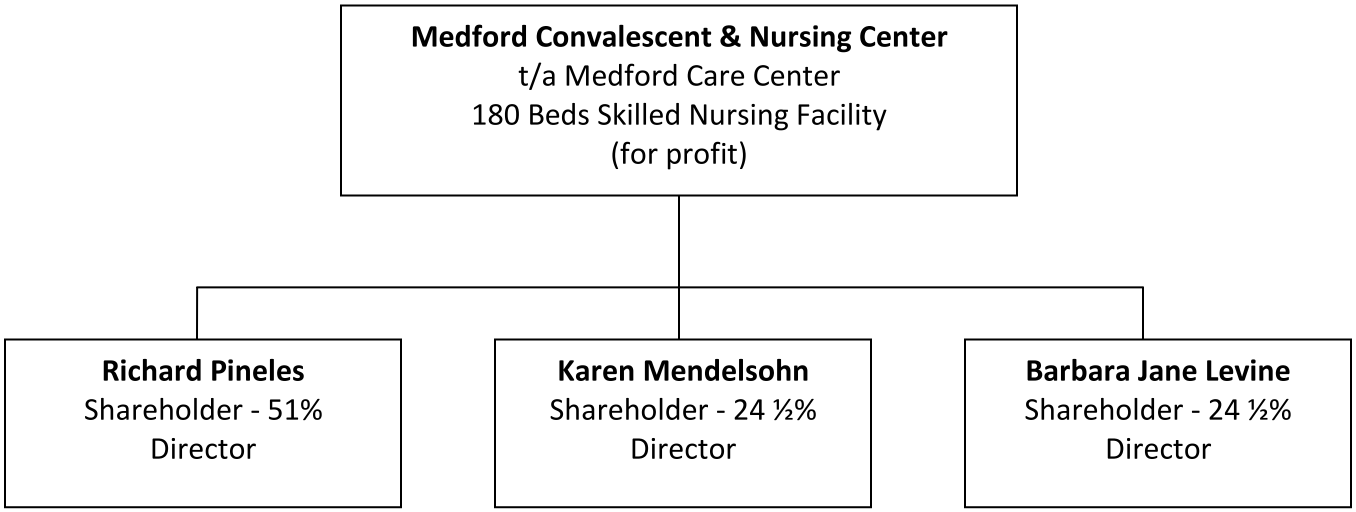
Proposed Name of Facility: Leafwood Lake at Medford

Proposed Management Company None

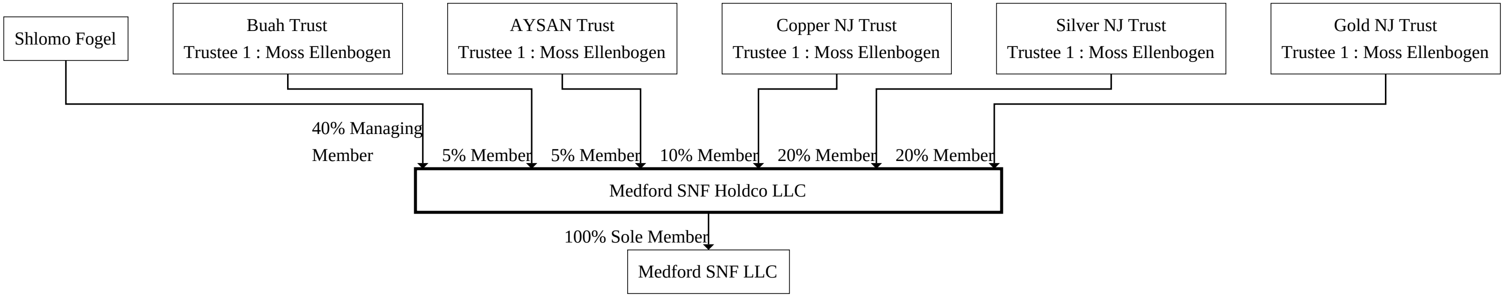
Owner of Real Estate: 185 Tuckerton Road, LLC

All medical records, both active and inactive will continue to be stored securely at 185 Tuckerton Road, Medford, NJ 08055. The contact person is Shlomo Fogel at 347-576-3754 or by email at sfogel@fountainspringscm.com

Pre-Closing Organizational Structure for Medford Care Center



Post-Closing Organizational Chart



RELATED OWNERSHIP FACILITIES

BIRCHWOOD REHABILITATION AND HEALTHCARE CENTER
205 Birchwood Ave
Cranford, NJ 07016

FOUNTAIN SPRINGS AT CAPE MAY NURSING & REHAB CENTE
502 Route 9 North
Cape May Court House, NJ 08210

PREFERRED CARE AT CUMBERLAND
154 Sunny Slope Drive
Bridgeton, NJ 08302

ATLAS HEALTHCARE AT DAUGHTERS OF MIRIAM
155 Hazel Street
Clifton, NJ 07011

LAKELAND NURSING & REHAB
25 Fifth Avenue
Haskell, NJ 07420

MYSTIC MEADOWS REHAB & NURSING CENTER
151 Ninth Avenue
Little Egg Harbor Tw, NJ 08087

WATERFRONT REHABILITATION AND HEALTHCARE CENTER
633 State Route 28
Raritan, NJ 08869

LEASE AGREEMENT

This Lease Agreement (this "Lease") is made as of the ___ day of _____, 2024 (the "Effective Date"), by and between 185 Tuckerton Road LLC, a Delaware limited liability company, located at 2071 Flatbush Avenue, Suite, 22, Brooklyn, NY 11234 (the "Landlord") and Medford SNF LLC, a Nevada limited liability company located at 185 Tuckerton Road, Medford, NJ 08055 ("Tenant").

WHEREAS, Landlord is the owner in fee simple absolute of (i) the land located 185 Tuckerton Road, Medford, NJ 08055 (the "Land"), which is more fully described on Exhibit A attached hereto and made a part hereof; (ii) all buildings, structures, fixtures, equipment and other improvements located on the Land (the Land, together with all of the foregoing, the Personal Property and the Facility Beds, collectively, the "Premises"), including the 210-bed long term care facility previously known as "Medford Convalescent & Nursing Center", or as otherwise known from time to time (the "Nursing Facility"); and (iii) all tangible and intangible personal property, including any and all furniture, fixtures, equipment, and supplies owned by Landlord and located at the Nursing Facility, used in connection with the operation of the Nursing Facility (the "Personal Property"), including, subject to the approval of the New Jersey Department of Health ("DOH"), the right to operate all of the beds currently being operated at the Nursing Facility (the "Facility Beds") and further subject to any HUD (defined below) master lease as may be applicable to the Premises; and

WHEREAS, Tenant has obtained licenses from DOH to operate the Nursing Facility (collectively, the "DOH License"); and

WHEREAS, Landlord has agreed to lease to Tenant, and Tenant has agreed to lease from Landlord, the Premises, upon the terms and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the promises and covenants herein contained, it is mutually agreed by and between Landlord and Tenant as follows:

1. Grant.

(a) Landlord hereby leases and demises to Tenant and Tenant hereby hires and rents from Landlord the Premises for Tenant's use and operation of the Nursing Facility. The Premises are leased and shall be accepted subject to all encumbrances, conditions, covenants, easements, restrictions, rights-of-way, and other matters of record, if any, of record as of the date hereof.

(b) In addition to this Lease, Tenant grants Landlord a security interest in all of Tenant's tangible personal property related to or arising out of its operation of the Nursing Facility. Tenant agrees to execute such other documents, including financing statements, as may be necessary in order to grant and perfect such security interest. Tenant hereby grants Landlord, and Landlord's agents, attorneys or consultants the authorization necessary to file the requisite UCC financing statements or other legally binding documentation required to adequately perfect Landlord's lien interest as set forth in this Article 1 and hereby waives, to the fullest extent permitted by law, any objection to or claims of imperfection which it may now or hereafter have with respect to Landlord's security interest in all of Tenant's tangible personal property.

Notwithstanding the foregoing, in the event Tenant seeks to obtain a line of credit or mortgage loan, Landlord shall subordinate, if required by the line of credit lender or mortgage loan lender, its security interest in Tenant's assets in favor of the line of credit lender or the mortgage loan lender.

2. Quiet Enjoyment.

If and so long as this Lease remains in full force and effect, Landlord covenants and agrees that Tenant may peaceably and quietly enjoy the Premises and Tenant's possession of the Premises will not be disturbed by Landlord, its successors and assigns, subject, however, to the terms of this Lease, the Mortgage (defined below), the Superior Lease (defined below) and any and/or all other agreements and any amendments thereto, to which this Lease is subordinated.

3. Term.

(a) Tenant has provided Landlord with a copy of its DOH License. Tenant shall diligently proceed to secure all additional required licenses and any other approvals, permits or licenses required for the operation of the Nursing Facility (together with the DOH License, the "Licenses") by Tenant on and after the Commencement Date (including, but not limited to, the Medicare tie in notice, Medicaid provider agreement and Medicaid provider number) and shall from time to time, upon request of Landlord, advise Landlord of the status of Tenant's efforts to secure the Licenses. Tenant shall promptly advise Landlord upon Tenant's receipt of the Licenses, and upon such receipt provide Landlord a copy thereof.

(b) The initial term (the "Initial Term") of this Lease shall commence on _______ ___, 202_ (the "Commencement Date") and shall terminate and expire on the day immediately preceding the end of the month of the fifth (5th) anniversary of the Commencement Date (the "Expiration Date"), unless extended or sooner terminated as provided herein. The twelve (12) month period (including prorated months) commencing on the Commencement Date, and each twelve (12) month period thereafter, is herein referred to as a "Lease Year."

4. Base Rent.

(a) Commencing as of the Commencement Date and for the balance of the Term of this Lease, Tenant covenants and agrees to pay to Landlord: (i) base rent in the amounts set forth below (collectively, "Base Rent") and (ii) additional rent equal to any and all other sums, costs, expenses, charges or other payments which Tenant assumes, agrees or is obligated to pay pursuant to any provision of this Lease (collectively, the "Additional Rent") (Base Rent and Additional Rent are hereinafter collectively referred to as the "Rent"). Rent is payable, in advance of the first day of each calendar month, without demand or offset, throughout the Term and shall be payable by wire transfer to Landlord, or at Landlord's election, by check at the Landlord's address set forth herein or to such other address or payee as Landlord may designate in writing to Tenant from time to time, provided however, that if Rent shall be payable for any period prior to the first day of the first full month during the Term, then such Rent for such month shall be paid in a proportionate amount for the number of days in such period and paid as and when the first equal monthly installment is payable as aforesaid. Rent for the first month of the Lease shall be prorated based on a 30-day period.

(b) Base Rent is set forth on Exhibit B annexed hereto and made part hereof.

(c) If Tenant shall fail to pay any installment of Rent within five (5) business days after the due date thereof, Tenant shall pay Landlord a late charge equal to six (6%) percent of the amount of such installment plus ten (10%) percent of any unpaid amounts, compounded annually, until such amount is paid.

(d) Tenant shall pay Landlord, as a separate and independent covenant not subject to setoff, claim of breach, counterclaim, impairment or any other challenge, any and all Base Rent and Additional Rent due under this Lease.

(e) This Lease shall be deemed and construed to be absolutely net to Landlord, and Tenant shall pay to Landlord, absolutely net throughout the Term, the Rent, free of any charges, assessments, impositions or deductions of any kind and without abatement, deduction or set-off whatsoever, other than as expressly provided for herein. Tenant shall be obligated to pay for all taxes, insurance, and all other costs and expenses, except as expressly indicated otherwise in this Lease which shall include without limiting the generality of the foregoing, items of repair, maintenance, and/or improvements relating to the Premises. It is the intent of Landlord and Tenant, 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.

5. Real Estate Taxes.

(a) During the Term hereof, Tenant shall pay all real estate taxes, assessments, water and sewer rents and water and sewer charges and all other governmental levies and charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind, including any fine, penalty or interest imposed thereon, which are assessed or imposed upon the Premises or any part thereof, or become payable in respect of the use or occupancy of the Premises as herein provided (collectively, “Taxes”) directly to the applicable taxing authority. Tenant shall not be liable for the payment of any arrearage penalties or charges, late fees or Taxes which accrue prior to the Commencement Date. If any Taxes may be paid in installments, Tenant may exercise such option to pay the same in installments. All Taxes that Tenant has agreed to pay pursuant to this Lease and which are not so paid by Tenant may be paid by Landlord on thirty (30) days prior written notice to Tenant. Any amount so paid by Landlord shall be deemed Additional Rent and shall be due and payable by Tenant on demand from Landlord.

(b) Notwithstanding the foregoing, at Landlord’s election, any amount payable by Tenant under the provisions of this Section shall be paid by Tenant to Landlord within ten (10) days after Landlord shall have submitted a bill and statement (which statement shall include a copy of the appropriate Tax bills) to Tenant showing in reasonable detail the computation of the amounts due Landlord hereunder. In addition, Landlord shall have the right to reasonably estimate the amount payable by Tenant under the provisions of this Section for each applicable fiscal tax year, and Tenant shall pay one-twelfth (1/12) of such amount each month at the time each installment of Base Rent is due. As soon as practicable after the end of an applicable fiscal tax year, Landlord shall furnish Tenant with a statement prepared showing the actual amount payable by Tenant under the provisions of this Section for such fiscal tax year. In the event that any Superior Mortgagee (as hereinafter defined) shall require a so called "tax reserve", Tenant shall, within ten (10) days after request by Landlord, post with such Superior Mortgagee any required tax reserve such that the payment of Taxes as required by this Article 5 may be processed and paid by Superior Mortgagee utilizing Tenant's funds.

(c) Tenant shall be responsible for the payment, before delinquency, of all Taxes, including without limitation, all rent and occupancy taxes assessed: (i) on the furniture, fixtures, equipment and other property of Tenant at any time situated on or installed in the Premises, (ii) on all Alterations (defined below) or other improvements in or to the Premises made or installed by Tenant subsequent to the Commencement Date, if any, or (iii) attributable to Tenant's use or manner of use of the Premises.

6. Condition.

Tenant shall accept the Premises in its "AS IS" "WITH ALL FAULTS" condition and state of repair as of the Commencement Date without representation or warranty, express or implied, in fact or by law, by Landlord, and without recourse to Landlord, as to title thereto, the nature, condition or usability thereof or as to the use or occupancy which may be made thereof or the condition thereof. Except as specifically set forth herein, Landlord shall not be responsible for any defect in or to the Premises or any changes therein and the Rent shall in no event be withheld, abated or diminished on account of any defect, change or damage to the Premises. Tenant acknowledges that it has done its own inspection and examination of the Premises and is relying solely on those inspections and examinations and not on any representations of the Landlord. Notwithstanding the foregoing, if there are any life safety code violations issued prior to the Commencement Date by the applicable municipality against the Nursing Facility, Landlord shall reimburse Tenant for any costs incurred to satisfy such municipal violations, as well as tendering payment for any penalties or fees resulting therefrom. Additionally, Landlord represents and warrants that the Nursing Facility contains the number of physical beds equal to the number of licensed beds at the Nursing Facility.

7. Use.

(a) The Premises shall be used by Tenant for the operation of the Nursing Facility. In no event shall Tenant add, reduce or otherwise modify Facility Beds or apply for changes in any of the Licenses for the Nursing Facility without Landlord's prior written consent. Further, Landlord expressly retains all of its present and future rights to request, at its sole cost and expense, approval from DOH to increase the total number of Facility Beds at the Nursing Facility. Tenant shall not do or permit anything to be done upon the Premises or any part thereof which would: (i) make void or voidable any insurance in force upon the Premises; (ii) make it difficult or impossible to obtain fire or other insurance upon the Premises at commercially reasonable rates; (iii) cause or be likely to cause damage to the Premises or any part thereof; (iv) constitute a public or private nuisance; or (v) violate applicable law or the Certificate of Occupancy for the Premises. At the end of the Term, all rights to the Facility Beds shall belong to Landlord. Other than as specifically set forth in Section 6 hereof, Landlord has not made and does not make any representations or warranties whatsoever with respect to the Premises or otherwise with respect to this Lease, express or implied, including any warranty regarding the merchantability or warranty regarding the suitability of the Premises for their intended commercial purposes. Other than as specifically set forth in Section 6 hereof, Tenant hereby waives all statutory warranties and assumes all risks resulting from any defects (known or unknown, patent or latent) in the Premises or from any failure of the same to comply with any law or the uses or purposes for which the same may be occupied and assumes all responsibility for repair of any defect (known or unknown, patent or latent) in the Premises and affirmatively is obligated to keep the Premises fit for its permitted use and in no event shall Landlord be liable for any loss, injury, death or damage to persons or property, which at any time may be suffered or sustained by Tenant or by any person who may at any time be using or occupying or visiting the Premises or may be in, on or about the same, and Tenant shall indemnify Landlord from and against all claims, liability, loss or damage whatsoever, including reasonable attorney's fees, on account of any such loss, injury, death or damage.

8. Insurance.

(a) Tenant shall, at Tenant's sole cost and expense, keep the Premises insured for the benefit of Landlord and Tenant: (i) in an amount which shall be sufficient to prevent Landlord or Tenant from becoming a co-insurer of any loss (but in no event in an amount less than one hundred percent (100%) of the full replacement value thereof, excluding foundation and excavation costs), against loss or damage by fire and lightening, including, by an extended coverage endorsement, windstorm, hail, explosion (except boiler), riot, riot attending a strike and civil commotion, damage from aircraft and vehicles and smoke damage and flood if such flood insurance is required by any Superior Mortgagee; (ii) against loss or damage by a steam boiler, pressure vessel or other such apparatus as Landlord may reasonably deem necessary to be covered by such insurance and in such amount or amounts as Landlord may from time to time reasonably require; and (iii) against damage to plate glass, if any, in the Premises. At Landlord's election, Landlord shall have the right to insure the Premises against the aforesaid casualties and Tenant shall, within ten (10) days after invoice therefore, reimburse Landlord for all amounts paid for said casualty insurance, which cost shall not materially exceed the costs which Tenant would have incurred if Tenant had obtained such required insurance.

(b) Tenant, at Tenant's sole cost and expense, shall maintain for the mutual benefit of Landlord and Tenant, comprehensive general liability insurance (occurrence form) against claims for personal injury, death or property damage occurring upon, in or about the Premises and on, in or about the adjoining streets and passageways with limits of $1,000,000 per occurrence and $3,000,000 in the aggregate, which limits are customary in the industry. If in the future the limits for such coverage that are customary in the industry increase, Landlord shall notify Tenant and Tenant shall obtain insurance with such customary limits.

(c) Tenant, at Tenant's sole cost and expense, shall maintain workers' compensation insurance (including employers' liability insurance), with a waiver of subrogation satisfactory to Landlord in its reasonable discretion, covering all persons employed at the Premises by Tenant to the extent required by law and business interruption insurance covering risk of loss due to the occurrence of any of the hazards covered by the insurance to be maintained by Tenant described in Section 8.1(b) with coverage in a face amount of not less than the aggregate amount, for a period of twelve (12) months following the insured-against peril, of 100% of all Rent.

(d) Tenant, at Tenant's sole cost and expense, shall maintain for the mutual benefit of Landlord and Tenant, professional liability insurance with limits of $1,000,000 per occurrence and $3,000,000 in the aggregate per facility or such other amounts reasonably determined by Landlord to be consistent with market coverage for nursing facilities in the State of New Jersey (covering such risks, as may be required by any Superior Mortgagee). In the event that Tenants cost to obtain professional liability insurance on an occurrence basis shall materially exceed a similar policy on a claims made basis, Tenant shall have the right to obtain professional liability insurance only on a claims made basis with a tail policy (which tail policy shall be fully paid prior to the expiration or sooner termination of the Lease and shall provide coverage for a period of no less than three (3) years).

(e) If and to the extent any portion of the Premises is under the Flood Disaster Protection Act of 1973 ("FDPA"), as it may be amended from time to time, in a Special Flood Hazard Area, within a Flood Zone designated A or V in a participating community, Tenant shall procure a flood insurance policy in an amount reasonably required by Landlord, but in no event less than the amount sufficient to meet the requirements of applicable law and the FDPA, as such requirements may from time to time be in effect.

(f) Tenant, at Tenant's sole cost and expense, shall maintain for the mutual benefit of Landlord, Tenant and Superior Mortgagee any additional insurance coverages which may be required by Landlord or any Superior Mortgagee, which coverages are or shall become commercially reasonable (as defined in Section 15(a)) for similar transactions, including, but not limited to business interruption insurance, terrorism insurance, specialty fixture insurance or rent loss insurance, but Tenant shall not be required to pay any mortgage insurance premiums. Further, to the extent that any Superior Mortgagee shall require that Tenant post an insurance reserve for all or any of the insurance coverage set forth herein, or otherwise required by Superior Mortgagee, Tenant shall make such reserve deposits within ten (10) days after Landlord's request therefore.

(g) All policies of insurance shall provide that same shall not be cancelable, terminable, modifiable or non-renewable on less than thirty (30) days' actual prior notice to all insureds and any Superior Mortgagee, and same shall name Landlord as "Loss Payee" with respect to subsection (a) above and "Additional Insured" with respect to all other policies required hereunder. Tenant shall also procure any other insurance or insurance in such greater amounts to the extent (a) required by HUD, and/or (b) reasonably required by a Superior Mortgagee, and/or required by law as it relates to the Premises and/or any portion thereof and/or the operation of the Nursing Facility. All insurance provided under this Lease shall be issued by insurers reasonably satisfactory to Landlord and licensed to do business in the State of New Jersey. Tenant shall deposit with Landlord and, if requested by Landlord, any Superior Mortgagee, duplicate policies of insurance as well as certificates of insurance in the applicable ACORD form for all insurance required under this <u>Article 8</u> prior to Tenant's possession of the Premises and, at least seven (7) days prior to the expiration date of any policy, the renewal certificates for such insurance shall be delivered by Tenant to Landlord, together with reasonably satisfactory evidence of its payment.

(h) All policies procured by Tenant or Landlord with respect to the Premises and the fixtures and equipment therein, whether or not required hereby to be carried, which insure the interest of one party only, shall (if it can be so written and either does not result in additional premium or the other party agrees to pay upon demand any additional resulting premium) include provisions denying to the insurer acquisition by subrogation of rights of recovery against the other. Both Landlord and Tenant, to the extent permitted by the applicable policy, hereby waive any rights of recovery against the other for any direct damage or consequential loss normally covered by such policies, against which such party is protected by insurance, to the extent of the proceeds paid under such policies, whether or not such damage or loss shall have been caused by any acts or omissions of the other party.

9. Utilities.

(a) During the Term hereof, Tenant shall pay all costs and expenses for all utilities, including, without limitation, electric current, water, heating oil, gas or other fuel, and cleaning services supplied to, servicing, or used in connection with the Premises and all mechanical systems therein, including, without limitation, the heating, air conditioning, ventilation and lighting equipment, directly to the utility company or vendor providing such utilities. Tenant shall not use or install any fixtures, equipment or machines the use of which in conjunction with other fixtures, equipment or machines would result in an overload of the electrical equipment supplying electric current to the Premises. Tenant shall not permit its use of electric current to exceed the capacity of then existing risers, feeders, the electrical service panel or bus ducts to the Premises.

(b) Landlord shall not be required to furnish Tenant with any services of any kind whatsoever such as, but not limited to, water, steam, heat, gas, hot water, electricity, light and power to the Premises and Landlord shall not be held liable for: (i) any failure of water supply, electric current or any services by any utility; (ii) injury to person (including death) or damage to property resulting from steam, gas, electricity, water, rain or snow which may flow or leak from any part of the Premises or from any pipes, appliances, plumbing works from the street or subsurface or from any other place; (iii) temporary interference with lights or other easements; and (iv) maintenance or repair work conducted by or for Landlord, unless same is the direct result of the Landlord's gross negligence or willful misconduct. Interruption or curtailment of any utility services shall not constitute constructive eviction or partial eviction, nor entitle Tenant to any compensation or abatement of Rent.

10. Maintenance.

(a) Tenant covenants to take good care of the Premises and the parking lots, sidewalks, curbs and vaults, if any, adjoining the Premises, and to keep the same in good working order and repair and to make promptly all necessary repairs thereto, interior and exterior, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen, and equal in quality and class and does hereby expressly waive any right to make repairs at the expense of Landlord as provided for in any statute or law in effect at the time of the execution of this Lease or any amendment hereto, or any other statute or law which may hereafter be enacted during the term of this Lease. Such repairs shall be executed pursuant to the provisions of Article 11, below. Tenant covenants to keep the Premises and sidewalks in a clean and orderly condition and free of dirt, rubbish, snow and ice. Tenant shall invest (or fund into replacement reserves) no less than $350.00 per bed annually as a maintenance contribution to the property or such higher amount as required by any Superior Mortgagee or HUD.

(b) Tenant shall pay, as Additional Rent, the full cost of maintenance, repairs, and replacements, if Tenant does not perform such repairs after notice by Landlord, as set forth in Section 10(c) of this Lease. All repairs shall, to the extent reasonably achievable, be at least equivalent in quality to the original work or the property to be repaired shall be replaced. Tenant will not take or omit to take any action the taking or omission of which might materially impair the value or the usefulness of the Premises or any parts thereof for the Premises uses. Subject to applicable privacy rules and regulations, Tenant shall permit Landlord to inspect the Premises and Tenant's book and records at all reasonable times and on reasonable advance notice in furtherance of this provision. Tenant shall provide copies of all State and Federal survey results, lawsuits, complaints, investigations (including, but not limited to AG or OIG investigations), proceedings or other actions which allege negligence or malfeasance related to Tenant's operations.

(c) Landlord's Notice of Maintenance Issues. If at any time, Landlord has a reasonable basis to believe that there are material or significant maintenance problem areas, then Landlord shall give Tenant written notice thereof setting forth its concerns in reasonable detail, and within 10 business days, Tenant shall provide Landlord with its written response as to whether a problem actually exists. Upon agreement on problems with maintenance of the Premises, Tenant shall deliver to Landlord a plan of correction within 10 business days after agreement on the problem. Tenant shall diligently pursue correction of all problem areas within 30 days after receipt of the notice or such longer period as may be necessary for reasons beyond its reasonable control such as shortage of materials, or delays in securing necessary permits and approval of all regulatory agencies, but not caused by a lack of diligence by Tenant. Upon expiration of the 30 days, or longer period, as required, Tenant shall deliver evidence of completion to Landlord or an interim report evidencing Tenant's diligent progress towards completion. Upon completion, Landlord shall have the right to re-inspect the Premises, at no cost to Tenant. If, in Landlord's sole judgment, Tenant's repairs do not adequately correct the deficiencies set forth in Tenant's plan of correction, Landlord may order Tenant to perform further repairs to address outstanding problem areas. Upon completion of these further repairs, Landlord shall have the right to re-inspect the Premises and Tenant shall pay a re-inspection fee of $1,000.00 within 10 days of Landlord's reinspection. At each inspection of the Premises by Landlord, Tenant's designee and the Premises employee in charge of maintenance shall be available to tour the Premises with Landlord and answer questions.

(d) Repairs to Personal Property. Tenant acknowledges that its obligation to repair and maintain the Premises extends to the furniture, fixtures, appliances, and other personal property of the Nursing Facility. When an item of such personal property becomes unserviceable, Tenant shall salvage and replace the same, which replacement shall become the property of the Landlord. Tenant shall not remove fixtures and Landlord's Personal Property (as defined below) from the Premises except to replace the fixtures and Landlord's Personal Property with other similar items of equal quality and value. Items being replaced by Tenant may be removed and shall become the property of Tenant and items replacing the same shall be and remain the property of Landlord. Tenant shall execute, upon written request from Landlord, any and all documents necessary to evidence Landlord's ownership of Landlord's Personal Property and replacements therefore.

(e) Tenant Financing. Tenant may finance replacements for the fixtures and Landlord's Personal Property by equipment leases or by a security agreement and financing statement. However, if, with respect to any financing of critical care equipment and with respect to any other personal property, any such replacements have a value for the Premises in excess of $100,000.00 per Lease Year, then Tenant may finance said purchase with a security agreement and financing statement only if (i) Landlord has consented to the terms and conditions of the equipment lease or security agreement, which consent shall not be unreasonably withheld; and (ii) to the extent Landlord reasonably determines necessary, the equipment lessor or lender has entered into a non-disturbance agreement with Landlord upon terms and conditions reasonably acceptable to Landlord, including, without limitation, the following: [a] Landlord shall have the right (but not the obligation) to assume such security agreement or equipment lease upon the occurrence of an Event of Default under this Lease; [b] the equipment lessor or lender shall notify Landlord of any default by Tenant under the equipment lease or security agreement and give Landlord a reasonable opportunity to cure such default; and [c] Landlord shall have the right to assign its rights under the equipment lease, security agreement, or non-disturbance agreement, [d] the term of the security agreement and/or financing is no greater than the remaining term of this Lease. Tenant shall, within 30 days after receipt of an invoice from Landlord, reimburse Landlord for all costs and expenses incurred in reviewing and approving the equipment lease, security agreement, and non-disturbance agreement, including, without limitation, reasonable attorneys' fees and costs. Tenant shall make all payments pursuant to such financing in a timely matter and such loan shall be paid in full by Tenant prior to the expiration or sooner termination of the Term.

"Landlord's Personal Property" shall mean all personal property owned by Landlord and located at the Premises, including, without limitation, all personal property which exists on the Premises on the date of this Lease, together with any and all replacements thereof, and all personal property that pursuant to the terms of this Lease becomes the property of Landlord during the Term. It is acknowledged that Tenant will replace such equipment during the term of this Lease, and any additional equipment for purposes of meeting any regulatory requirements shall be included in "Landlord's Personal Property."

The term personal property or "Tenant's Property" as used interchangeably herein shall mean all machinery, equipment, furniture, furnishings, movable walls or partitions, computers (and all associated software), trade fixtures and other personal property purchased and installed by Tenant after the Commencement Date which does not become Landlord's Personal Property. Landlord shall have the right to record a UCC Financing Statement as to Tenant's Property.

(f) Condition at Expiration. At the expiration or sooner termination of this Lease, Tenant shall quit and surrender the Premises without notice and in as good a condition as the same were upon delivery of possession, normal wear and tear excepted, to Landlord and shall deliver up all keys for the Premises to Landlord. In addition, Tenant shall coordinate the transfer of the Licenses back to Landlord, or other designee of Landlord, so that it will occur at the same time as the termination of this Lease, to the extent permitted by law. Further, Tenant, at termination shall return and/or assign to Landlord all third-party contracts, books, records, and all other assets, including, but not limited to, general intangibles, personal property, furniture, fixtures, and equipment constituting a part of the Nursing Facility. Any property of Tenant left upon the Premises at the expiration of the Lease which is not removed by Tenant within thirty (30) days after such expiration, shall be deemed to be abandoned by Tenant and may be used, sold, salvaged, or destroyed by Landlord, as Landlord deems appropriate.

11. <u>Alterations.</u>

(a) Tenant shall not execute any alterations, additions or improvements (each an "<u>Alteration</u>") to the Premises at any time during the Term of this Lease without Landlord's prior written consent in each instance, which consent shall also be required for each of Tenant's contractors and sub-contractors. The foregoing notwithstanding, Tenant shall have the right to perform non-structural Alterations which cost less than One Hundred Thousand Dollars ($100,000.00) without first obtaining Landlord's prior written consent, which shall not be unreasonably withheld or delayed; provided, however, that Tenant shall deliver prior written notice to Landlord together with construction estimates evidencing the proposed scope and cost of such Alterations.

(b) Title to each Alteration which is real property, fixtures (but not Tenant's personal property), improvements or replacement equipment installed in the Premises or any part thereof at any time, either by Tenant or by Landlord on Tenant's behalf, shall, upon installation be free and clear of all mortgage liens and shall vest and become the property of Landlord and shall remain upon and be surrendered with the Premises. Upon completion of all Alterations, Tenant shall obtain a Certificate of Occupancy (or equivalent certificate) which may be required by any governmental authority to evidence completion of the Alteration and to authorize the occupancy of all or any part of the Premises.

(c) In no event shall Tenant expand the Premises or perform any construction which shall increase the square footage of the Premises, or that is structural in nature, without Landlord's consent, which may be withheld in Landlord's sole and absolute discretion. At the end of the Term, all Alterations, fixtures and furnishings shall, at the option of Landlord, belong to Landlord, and Tenant shall surrender same. Alternatively, Tenant shall be required to remove any Alteration within ten (10) days after Landlord's request to Tenant if such Alteration was not approved by Landlord and further provided that removal of such Alteration will not require demolition. Landlord shall have the right to apply all or any portion of the Security Deposit to guaranty Tenant's compliance with this obligation.

(d) All work shall be performed in compliance with all applicable laws and regulations.

(e) Tenant shall, after obtaining Landlord's written approval, at Tenant's sole cost and expense, make any additions, changes, improvements or alterations to the Premises, including structural alterations, which may be required by any governmental authorities, including those required to maintain licensure or certification under the Medicare and Medicaid programs (if so certified), whether such changes are required by Tenant's use, changes in the law, ordinances, or governmental regulations, defects existing as of the date of this Lease, or any other cause whatsoever. All such additions, changes, improvements or alterations shall comply with all laws requiring such alterations.

12. <u>Operations Transfer Agreement.</u>

Tenant has entered into, accepted assignment of, or agrees to be bound by terms that would not cause a breach of or default under, an operations transfer agreement executed with regard to the Facility (the "Operations Transfer Agreement"). A default under such Operations Transfer Agreement shall constitute an Event of Default under this Lease. In the event that this Lease shall be terminated prior to the Commencement Date, by breach or otherwise, Tenant shall, at Landlord's direction (and with all necessary permissions from all relevant governmental authorities), assign the Operations Transfer Agreement to any person or entity designated by Landlord in writing or accept termination of the Operations Transfer Agreement by Landlord.

13. Rights of Landlord.

(a) Upon reasonable advance notice (except in the case of an emergency), Landlord may enter the Premises at all reasonable times to examine the Premises, inspect Tenant's book and records, conduct audits and reviews of Tenant's operations to ensure compliance with Article 26 below, to make repairs, or legally required alterations, improvements or additions provided that Landlord shall minimize interference with Tenant's business operations during any and all access under this Article 13 and that any required alterations, improvements or additions are performed in accordance with all applicable laws, rules, regulations, ordinances and approvals, including those governing the licensed operation of the Nursing Facility. Landlord shall be permitted to take all material into and upon the Premises that may reasonably be required therefor without the same constituting an eviction of Tenant in whole or in part. Entry upon the Premises by Landlord by any of said means or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into the Premises or a detainer or eviction of Tenant from the Premises. In the exercise of its rights under this Article 13, Landlord shall make reasonable efforts not to interfere with Tenant's use of the Premises.

(b) Landlord reserves the right to subdivide the Land, grant, modify or extinguish easements affecting the Land and otherwise encumber the Land or the Premises provided that same do not: (i) prevent Tenant from operating a Nursing Facility at the Premises; (ii) reduce parking areas or adversely affect Tenant access; (iii) render the Premises out of compliance with any applicable law.

14. Assignments and Subleases.

(a) Tenant, for itself, its legal representatives, successors and assigns, covenants that it shall not assign, mortgage or encumber this Lease, nor underlet, or suffer or permit the Premises or any part thereof to be used or occupied by others, without the prior written consent of Landlord in each instance, which consent may be withheld by Landlord in its sole and absolute discretion. If this Lease be assigned, or if the Premises or any part thereof be underlet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, undertenant or occupant, and apply the net amount collected to the Rent herein reserved, but no assignment, underletting, occupancy or collection shall be deemed a waiver of the provisions hereof, the acceptance of the assignee, undertenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of the covenants herein contained on the part of Tenant to be performed. The consent by Landlord to an assignment or underletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or underletting. In no event shall any permitted subtenant assign or encumber its sublease or further sublet all or any portion of its sublet space, or otherwise suffer or permit the sublet space or any part thereof to be used or occupied by others, without Landlord's prior written consent in each instance. A modification, amendment or extension of a sublease shall be deemed a sublease.

(b) For purposes of this Article 14: (i) the issuance of any interest in Tenant (whether stock, partnership interest or otherwise) to any person or group of related persons, whether in a single transaction or a series of related or unrelated transactions, in such quantities that after such issuance such person or group shall have control (defined herein) of Tenant, shall be deemed an assignment of this Lease; (ii) a transfer of more than 50% interest of Tenant (whether stock, partnership interest or otherwise) by any party or parties in interest whether in a single transaction or a series of related or unrelated transactions shall be deemed an assignment of this Lease; and (iii) any person or legal representative of Tenant, to whom Tenant's interest under this Lease passes by operation of law, or otherwise, shall be bound by the provisions of this Article 14. Further, for the purposes hereof: stock ownership shall be determined in accordance with the principles set forth in Section 544 of the Internal Revenue Code of 1954; and "control" shall be deemed to mean ownership of not less than 50% of all of the voting stock of a corporation or not less than 50% of all of the legal and equitable interest in any other business entities.

(c) Except as otherwise allowed in this Article 14, an assignment, right of first refusal or sublease without the prior written consent of Landlord, or not otherwise permitted in accordance with the terms of this Lease, will be void at Landlord's option. Landlord's consent to one assignment, right of first refusal or sublease will not waive the requirement of its consent to any subsequent assignment or sublease.

(d) If Tenant is required to obtain Landlord's consent to a specific assignment or sublease, Tenant shall give Landlord: (i) the name and address of the proposed assignee or subtenant; (ii) a copy of the proposed assignment or sublease agreement; (iii) reasonably satisfactory information about the nature, business and business history of the proposed assignee or subtenant and its proposed use of the Premises; (iv) banking, financial, and other credit information, and references about the proposed assignee or subtenant sufficient to enable Landlord to determine the financial responsibility and character of the proposed assignee or subtenant; and (v) full disclosure of any compensation, payment, remuneration or any other item of value given for such assignment or sublease agreement.

(e) Any assignment or sublease agreement requiring the consent of Landlord shall contain provisions to the effect that: (i) such assignment or sublease is subject and subordinate to all of the terms and provisions of this Lease and to the rights of Landlord and that the assignee or subtenant shall comply with all applicable provisions of this Lease; (ii) such assignment or sublease may not be modified without the prior written consent of Landlord, not to be unreasonably withheld or delayed; (iii) if this Lease shall terminate before the expiration of such assignment or sublease, the assignee or subtenant thereunder will, solely at Landlord's option and only upon the express written notice of attornment from Landlord, attorn to Landlord and waive any right the assignee or subtenant may have to terminate the assignment or sublease or surrender possession thereunder as a result of the termination of this Lease; and (iv) if the assignee or subtenant receives a written notice from Landlord stating that Tenant is in default under this Lease, the assignee or subtenant shall thereafter pay all rentals or payments under the assignment or sublease directly to Landlord until such default has been cured. Any attempt or offer by an assignee or subtenant to attorn to Landlord shall not be binding or effective without the express written consent of Landlord.

Tenant hereby collaterally assigns to Landlord, as security for the performance of its obligations hereunder, all of Tenant's right, title, and interest in and to any assignment or sublease now or hereafter existing for all or part of the Premises. Tenant shall, at the request of Landlord, execute such other instruments or documents as Landlord may reasonably request to evidence this collateral assignment.

(f) If Landlord, in its sole and absolute discretion (without any obligation to approve such assignment or sublease), consents to such assignment or sublease, such consent shall not be effective until (i) a fully executed copy of the instrument of assignment or sublease has been delivered to Landlord; (ii) in the case of an assignment, Landlord has received a written instrument in which the assignee has assumed and agreed to perform all of Tenant's obligations under the Lease; and (iii) Tenant has paid to Landlord a fee in the amount equal to Landlord's actual out of pocket costs and expenses or $2,500.00 plus attorney's fees, whichever is greater; (iv) Landlord has received reimbursement from Tenant or the assignee for all reasonable attorneys' fees and expenses and all other reasonable out of pocket expenses incurred in connection with determining whether to give its consent, giving its consent and all matters relating to the assignment, and (v) the payment of fifty (50%) percent of the compensation, remuneration or other items of value that Tenant receives.

15. Subordination.

(a) This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate to all ground leases, overriding leases and underlying leases of the Premises now or hereafter existing and to all mortgages (including modification, spreaders and renewals thereof) which may now or hereafter affect the Premises or any such lease. This subordination shall be self-operative and no further instrument of subordination shall be required. Tenant expressly agrees to comply with all commercially reasonable provisions of any Landlord financing or loan documents ("Loan Documents") affecting the Premises, including, but not limited to, any financial covenants or distribution restrictions contained therein. In confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord may reasonably request to evidence such subordination. Any lease to which this Lease is subject and subordinate is herein referred to as a "Superior Lease" and the lessor of a Superior Lease is herein referred to as a "Superior Lessor;" and any mortgage to which this Lease is subject and subordinate is herein referred to as a "Superior Mortgage;" and the holder of a Superior Mortgage is herein referred to as a "Superior Mortgagee." For purposes of this Section 15(a) and Section 8(f) only, the term "commercially reasonable provisions of any Landlord financing or loan documents affecting the Premises" shall mean terms and conditions which are consistent with generally-accepted industry standards for a company of comparable size in the Landlord's business, taking into account the competitiveness of the marketplace and the regulatory structure involved. In the event that Landlord and Tenant are unable to agree as to whether any such requirement is "commercially reasonable", then the parties hereto shall select an independent third party with substantial knowledge and experience in the nursing home industry (an "Arbiter") to make a determination in connection therewith. The burden of proof shall be upon Tenant to show that any such requirement is not "commercially reasonable". In the event the parties hereto cannot mutually agree upon an Arbiter, then each party shall select an Arbiter and such Arbiters shall mutually select a third Arbiter, to make a determination hereunder by majority decision of such Arbiters. The decision of the Arbiter(s) hereunder shall be binding upon the parties hereto, and it shall not be considered an Event of default in the event that Tenant shall fail to comply with such disputed requirement until the final determination of the Arbiter(s). Notwithstanding the foregoing, any subordination to a future Superior Mortgage shall be conditioned upon Landlord obtaining a non-disturbance agreement on such Superior Mortgagee's standard form agreement, which agreement shall provide that, so long as Tenant not be in default in the payment of the rent and additional rent and the performance and observance of all material covenants, conditions, provisions, terms and agreements to be performed or observed by Tenant under this Lease, the holder of such ground leases and mortgages shall not interfere with, hinder or molest Tenant's right to quiet enjoyment under this Lease.

(b) Anything in this Lease contained to the contrary notwithstanding, Tenant shall at all times and in all respects fully, timely and faithfully comply with and observe each and all of the conditions, covenants, and provisions required on the part of Landlord under any Superior Mortgage to which this Lease is subordinate or to which it later may become subordinate, including, without limitation, such conditions, covenants and provisions thereof as related to the financial covenants and financial reporting (excluding Landlord's covenants to pay debt service), related to operations, related to the care, maintenance, repair, insurance, restoration, preservation and condemnation of the Premises, notwithstanding that such conditions, covenants and provisions may require compliance and observance to a standard or degree in excess of that required by the provisions of this Lease, or may require performance not required by the provisions of this Lease.

(c) Further, if Landlord seeks to obtain a financing loan sponsored or insured by U.S. Department of Housing and Urban Development or any successor agency ("HUD"), or any Superior Mortgagee shall assign its interest to HUD, Landlord and Tenant agree to execute and deliver any addendums, amendments or other additional instruments as customarily required by HUD. In addition, Tenant shall cooperate with respect to any proposed refinancing, which cooperation may include, without limitation, (i) modifying certain provisions of this Lease as requested by HUD or any other Superior Mortgagee; (ii) execution by Tenant and its affiliate service companies of any regulatory agreement, security agreement, guarantee agreement, pledge agreement, and /or intercreditor agreement and related documents or opinions of Tenant's counsel.

(d) If any Superior Lessor, Superior Mortgagee or HUD shall succeed to the rights of Landlord hereunder, whether through possession or foreclosure action or delivery of a new lease or deed, then, at the request of such party (hereinafter referred to as a "Successor Landlord"), Tenant shall attorn to and recognize each Successor Landlord as Tenant's landlord under this Lease and shall within ten (10) days after request by such Successor Landlord execute and deliver any instrument such Successor Landlord may reasonably request to confirm such attornment. Upon such attornment, this Lease shall continue in full force and effect as a direct lease between Successor Landlord and Tenant on all the terms, conditions, and covenants as set forth in this Lease.

(e) As a material inducement to Landlord to execute this Lease, Tenant shall, to the extent that any current or future Superior Mortgagee, shall require any initial or monthly reserve, escrow or the funding of any similar account, the purpose of which shall be to guaranty the timely repair, replacement or upgrade of the facilities that make up the Portfolio or any equipment, furniture, fixtures or Landlord's Personal Property located therein, real estate tax reserves, and insurance reserves (the "Reserve Condition"), Tenant shall pay to Landlord, on or prior to the due date thereof, such amount as shall be required by the Superior Mortgagee to satisfy the Reserve Condition. In all instances, Tenant shall be responsible for all monthly repair and replacement, tax and insurance reserves. Any Reserve Condition funds posted by Landlord, at Landlord's discretion, shall belong to Landlord and must be reimbursed by Tenant at such time as either (i) Tenant withdraws directly from the Reserve Condition funds to perform maintenance, in which case the Tenant will reimburse Landlord any Reserve Condition funds it utilized; or (ii) Tenant utilizes its own funds to perform maintenance, in which case Tenant shall direct Superior Mortgagee to return to Landlord an amount equivalent to the amount expended by Tenant in connection with the aforementioned maintenance. Repayment of Landlord deposited Reserve Condition funds pursuant to the above shall occur prior to release of any Reserve Condition funds deposited by Tenant.

(f) Notwithstanding anything to the contrary contained herein, in the event that Tenant shall incur any third party out-of-pocket expense in connection with Landlord's refinance of the Nursing Facility or the Premises, Landlord shall reimburse Tenant's third party out-of-pocket expenses in excess of twenty-five hundred dollars ($2,500).

16. Liens.

Tenant has no authority to incur any debt or make any charge against Landlord or create any lien upon this Lease or the Premises, for work or materials furnished for the same. In the event that any labor, materials or equipment are furnished to Tenant with respect to which any construction lien might be filed against the Premises, Tenant agrees to take appropriate action to assure that no such lien will be filed, and Tenant agrees to pay, when due, all sums of money that may become due for any such labor, materials or equipment and to cause any such lien to be fully discharged and released or bonded in accordance with the New Jersey Construction Lien Law promptly upon receiving notice thereof. If Tenant has not obtained the discharge of any such lien within thirty (30) days after notice given by Landlord in writing to Tenant, Landlord may pay the amount of such lien and the amount so paid, along with any administrative charges in connection with same, shall be deemed Additional Rent reserved under this Lease and shall be payable forthwith and with the same remedies to Landlord as in the case of default in the payment of Rent. In no event shall Landlord's interest under this Lease be subject to any liens for improvements made by Tenant.

17. Fire or Casualty Loss.

Except as otherwise expressly provided herein, damage to or destruction of the Premises by fire or other casualty shall not release or diminish Tenant's obligations hereunder, entitle Tenant to surrender possession of the Premises, terminate this Lease or violate any provisions hereof. Tenant covenants and agrees that in case of damage to or destruction of the Premises by fire or other casualty, Tenant, at Tenant's sole cost and expense, will promptly repair, restore, replace and rebuild the same to the condition existing immediately prior to such damage or destruction, in accordance with Article 11, above. All insurance proceeds received on account of such damage or destruction whether received by Landlord or Tenant, less the reasonable costs, if any, of such recovery (which costs shall be payable to the party incurring such costs) shall be deposited into a segregated interest-bearing account maintained by Landlord (with the interest to follow the proceeds thereof) and shall be applied to the payment of the cost of such restoration, repair, replacement or rebuilding, including expenditures made for temporary repairs or for the protection of property pending the completion of permanent restoration, repair, replacement, or rebuilding and shall be paid out to Tenant, upon Tenant's request therefor made from time to time, as required under the applicable construction contracts as such work progresses. The foregoing notwithstanding, in the event that any Superior Mortgagee shall require the proceeds of any insurance be deposited and/or utilized in a manner which is contrary to or inconsistent with this Article 17, Tenant shall comply with such requirements of the Superior Mortgagee with respect to any such restoration of the Premises; provided that in the event the Superior Mortgagee does not permit use of insurance proceeds for restoration then Tenant shall not be required to make such restoration and shall be permitted to terminate this Lease

18. Eminent Domain.

If any part of the Premises is taken or condemned for a public or quasi-public use (a sale in lieu of condemnation to be deemed a taking or condemnation) (each an "Appropriation"), provided such condemnation does not, in the reasonable determination of Tenant, interfere with, or adversely affect, the ability of Tenant to continue to operate the Nursing Facility in substantially the same manner as before the condemnation (a "Partial Condemnation"), this Lease shall, as to the part taken, terminate as of the date title shall vest in the condemnor and continue in full force as to the remainder and in the event of such a partial taking, the Rent shall be equitably adjusted by Landlord, and Tenant shall restore, subject to unavoidable delays, the remaining portion of the Premises to a complete architectural unit. In the event the parties cannot agree upon such rent adjustment, then such dispute shall be submitted to arbitration and any decision shall be final and binding. Such restoration, repairs, and/or reconstruction shall be performed in accordance with the terms of Article 11, above. Any condemnation proceeds received on account of such Appropriation by Landlord or Tenant, less the reasonable costs of collecting the same, if any, shall be deposited into a segregated interest-bearing account maintained by Landlord (with interest to follow the proceeds thereof) and used for such restoration to restore the improvements located on the Premises and paid out to Tenant, upon Tenant's request therefor made from time to time, in accordance with the construction contracts as such work progresses. In the event of a condemnation that is not a Partial Condemnation (a "Total Condemnation"), including a sale in lieu of condemnation, this Lease shall terminate as of the date title shall vest in the condemnor and, upon such termination, Landlord and Tenant shall have no further obligations hereunder, except to the extent such obligations are to survive the termination of this Lease as otherwise provided in this Lease. Landlord and Tenant each covenant and agree that promptly after receipt by either party of notice from the condemning authority of the pendency of a Partial Condemnation or a Total Condemnation, such party shall deliver to the other party a copy of such notice. Any termination hereunder shall be without prejudice to the rights of either Landlord or Tenant to recover compensation from the condemning authority for any loss or damage caused by such Appropriation, the parties hereto agreeing that both Landlord and Tenant shall have the right to make claims for any loss or damage it suffers. The foregoing notwithstanding, in the event that any Superior Mortgagee shall require any award to be deposited and/or utilized in a manner which is contrary to or inconsistent with this Article 18, Tenant shall comply with such requirements of the Superior Mortgagee with respect to any such restoration of the Premises.

19. Broker.

Landlord and Tenant each represents that in connection with this Lease it dealt with no broker nor has either had any correspondence or other communication in connection with this Lease with any other person who is a broker, and that so far as each of Landlord and Tenant is aware there is no broker who negotiated this Lease. Landlord and Tenant each hereby indemnifies the other and agrees to hold the other harmless from any and all loss, cost, liability, claim, damage, or expense (including court costs and attorneys' fees) arising out of any inaccuracy of the above representation.

20. Surrender and Holding Over.

(a) On the last day of the Term or on the earlier termination of the Term, Tenant shall peaceably and quietly leave, surrender and deliver the Premises to Landlord, together with all Alterations (unless Landlord shall notify Tenant that it elects to have Tenant remove same as aforesaid) and any additional Facility Beds added to the Nursing Facility during the Term ("Additional Facility Beds"), shall revert to Landlord, and, at Landlord's option, all alterations, fixtures, equipment, supplies and furnishings shall belong to Landlord, and all such assets shall become and be the sole property of the Landlord.

(b) Tenant shall pay or cause to be paid the cost of repairing or remedying any damage caused by the removal of its property, provided that no item of Tenant's personal property may be removed if its removal would impair the structural integrity of the Premises or its equipment. All personal property not so removed shall be deemed abandoned and may either be retained by Landlord as its property or disposed of, without accountability, at Tenant's sole cost, expense and risk, in such manner as Landlord may see fit.

(c) If the Premises are not surrendered in accordance with the provisions of this Section upon the expiration or termination of this Lease, Landlord shall have all rights given at law or in equity, in the case of holdovers, to remove Tenant and anyone claiming through or under Tenant. In any event, Tenant shall and does hereby indemnify Landlord against all loss or liability arising from delay by Tenant in so surrendering the Premises, including any claims made by any succeeding tenants founded on such delay. Tenant expressly waives, for itself and for any person claiming through or under Tenant (including creditors), any rights which Tenant or any such person may have under the provisions of any law in connection with any holdover summary proceedings which Landlord may institute to enforce the provisions of this Article 20. Tenant's obligations under this Section shall survive the expiration or termination of this Lease.

(d) Tenant acknowledges the importance to Landlord that possession of the Premises be surrendered at the expiration or sooner termination of this Lease. In the event that Tenant fails to vacate the Premises at the expiration or sooner termination of this Lease, Tenant shall be obligated to pay Landlord damages in an amount equal to two (2) times the annual Base Rent and Additional Rent provided for on the day preceding the Expiration Date for such period of time that Tenant holds over on a per diem basis.

21. Default and Termination.

(a) Any of the following events shall be deemed an "Event of Default" under this Lease:

(i) if Tenant fails to make any payment of Rent within five (5) days after written notice from Landlord; and/or

(ii) if Tenant fails to perform any other term, covenant or condition of this Lease on its part to be performed (other than the covenant for the payment of Rent) and Tenant fails to cure such failure within thirty (30) days after written notice thereof has been sent by Landlord to Tenant, unless same is not capable of being cured within said thirty (30) day period, then such longer time as is required to cure same provided Tenant commences curing same within said thirty (30) day period and diligently prosecutes curing until completion and provided further said failure is cured within ninety (90) days; and/or

(iii) if Tenant shall (a) default on any loan or financing provisions relating to Tenant or (b) default on any provisions that cause a default sufficient to give rise to any Superior Mortgagee's right to exercise remedies under any Superior Mortgage or related loan or financing documentation as a result of Tenant's failure to comply with any of the terms of the Lease; and/or

(iv) if Tenant shall cause a default sufficient to give rise to any Landlord counterparty's right to exercise remedies under any accounts receivable or equipment financing documentation as a result of Tenant's failure to comply with any of the terms of the Lease; and/or

(v) if Tenant shall assign this Lease or subleases the Premises in violation hereof; and/or

(vi) an Event of Default as defined under the leases for certain premises located at (i) 400 S Main Street, Doylestown, PA 18901; or (ii) 252 Belmont Avenue, Doylestown, PA 18901; (collectively, together with the Facility, the "Portfolio"); or (viii) any other present or future leases between Landlord or its affiliates and Tenant or its affiliates; and/or

(vii) if Tenant shall file a voluntary petition seeking an order or relief under Title 11 of the United States Code or similar law of any jurisdiction applicable to Tenant, or Tenant shall be adjudicated a debtor, bankrupt or insolvent, or shall file any petition or answer seeking, consenting to or acquiescing in any order for relief, reorganization, arrangement, composition, adjustment, winding-up, liquidation, dissolution or similar relief with respect to Tenant or its debts under the present or any future bankruptcy act or any other present or future applicable Federal, state or other statute or law, or shall file an answer admitting or failing to deny the material allegations of a petition against it for any such relief or shall generally not, or shall admit in writing its insolvency or its inability to pay its debts as they become due, or shall make a general assignment for the benefit of creditors or shall seek or consent or acquiesce in the appointment of any trustee, receiver, examiner, assignee, sequestrator, custodian or liquidator or similar official of Tenant or of all or any part of Tenant's personal property or if Tenant shall take any action in furtherance of or authorizing any of the foregoing; and/or

(viii) if any case, proceeding or other action shall be commenced or instituted against Tenant, seeking to adjudicate Tenant a bankrupt or insolvent, or seeking an order for relief against Tenant as debtor, or reorganization, arrangement, composition, adjustment, winding-up, liquidation, dissolution or similar relief with respect to Tenant or its debts under the present or any future bankruptcy act or any other present or future applicable Federal, state or other statute or law, or seeking appointment of any trustee, receiver, examiner, assignee, sequestrator, custodian or liquidator or similar official of Tenant or of all or part of Tenant's personal property, which either (A) results in the entry of an order for relief, adjudication of bankruptcy or insolvency or such an appointment or the issuance or entry of any other order having similar effect or (B) remains undismissed for a period of sixty (60) days; or if any case, proceeding or other action shall be commenced or instituted against Tenant seeking issuance of a warrant of execution, attachment restraint or similar process against Tenant or any of Tenant's personal property which results in the taking or occupancy of the Premises or an attempt to take or occupy the Premises which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days after the entry thereof.

(b) Upon the occurrence of any one or more Events of Default, Landlord may serve a written three (3) day notice of cancellation of this Lease upon Tenant, and upon the expiration of said three (3) day period, this Lease and the term hereunder shall end and expire as fully and completely as if the expiration of said three (3) day period were the day herein definitely fixed for the end and expiration of this Lease and the Term and Tenant shall then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided.

(c) If the notice provided for under Section 21(b) hereof shall be given, and the Term shall expire as aforesaid, then and in any such event, Landlord may re-enter the Premises and dispossess Tenant by summary proceeding or otherwise, and may remove all persons, fixtures and chattels therefrom and Landlord shall not be liable for any damages resulting therefrom. Such re-entry and repossession shall not work a forfeiture of the Rent to be paid and the covenants to be performed by Tenant during the full Term of this Lease. Upon the happening of any one or more of the Events of Default, Landlord may repossess the Premises by any lawful means and without terminating this Lease, in which event Landlord shall use commercially reasonable efforts, including listing the Premises with a real estate broker and advertising the Premises for rent, to mitigate its damages by re-letting all or any part of the Premises for such rent and upon such terms as shall be satisfactory to Landlord (including the right to relet the Premises for a term greater or lesser than that remaining under the Term, and the right to relet the Premises as part of a larger area, and the right to change the character or use made of the Premises). For the purpose of such reletting, Landlord may decorate or make any repairs, changes, alterations or additions in or to the Premises that may be necessary or convenient. If Landlord is not able, despite using commercially reasonable efforts, to re-let the Premises, Tenant shall pay to Landlord on demand, as liquidated damages and not as a penalty, a sum equal to the amount of Rent herein to be paid by Tenant for the remainder of the Term. If the Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such decorations, repairs, changes, alterations, or additions the expenses of therefrom (including but not by way of limitation, reasonable attorney's fees and brokers' commissions), to pay the remainder of the Rent to be paid by Tenant over the Lease term, Tenant shall pay to Landlord on demand any deficiency. Landlord shall not in any way be responsible or liable for any failure to relet the Premises, or any part thereof, or for any failure to collect any rent due upon such reletting. Landlord shall not in any event be required to pay Tenant (but shall credit Tenant, to the extent set forth herein with) any sums received by Landlord on a reletting of the Premises, or any part thereof, whether or not in excess of the Rent reserved in this Lease.

(d) Notwithstanding any contrary provision contained herein, if there shall be an Event of Default at any time or from time to time, Landlord may, in lieu of giving a notice under Section 21(b) hereof, at any time after the occurrence of any such Event of Default and during the continuance thereof, institute an action for the recovery of the Base Rent and/or Additional Rent in respect of which an Event of Default shall have occurred and be continuing. Landlord shall also have the right to declare all rents and charges due hereunder immediately due and payable, and thereupon all such rents and charges to the end of the term shall be accelerated. In the event of acceleration of rents and other charges due hereunder which cannot be exactly determined as of the date of acceleration and/or judgment, the amount of said rent and charges shall be as determined by Landlord in a reasonable manner. Neither the commencement of any such action for the recovery of Base Rent and/or Additional Rent nor the prosecution thereof shall be deemed a waiver of Landlord's right to give a notice under Section 21(b) hereof in respect of any such Event of Default.

(e) In addition to the rights and remedies of Landlord set forth in this Article 21, Tenant hereby authorizes Landlord to file in all applicable state and local jurisdictions, UCC financing statements to collateralize and perfect Landlord's security interest in Tenant's Property as set forth in this Lease. Tenant hereby acknowledges that Landlord shall be deemed a "Secured Party" under the Uniform Commercial Code.

(f) Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term would have expired or limit or preclude recovery by Landlord against Tenant of any sums or damages which, in addition to the damages particularly provided herein, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. All remedies hereinbefore given to Landlord and all rights and remedies given to it at law and in equity shall be cumulative and concurrent.

(g) It is acknowledged that for the following items, Landlord shall have the right to immediately terminate this Lease without prejudice to its right to receive damages prior to and as a result of the following defaults, if:

(i) Notice has been received and/or a proceeding has commenced to revoke or suspend the Licenses for the Nursing Facility; or

(ii) Notice has been received and/or a proceeding has commenced to revoke or suspend the Premises' eligibility for reimbursement under Medicaid or Medicare.

(h) Landlord may pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of New Jersey, and under the security interests and power-of-attorney granted as additional security hereunder.

22. Estoppel Certificates.

Landlord or Tenant each shall, at any time and from time to time, within five (5) business days after receipt of written notice from the other, execute, acknowledge and deliver to the requesting party a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified, and setting forth the modifications), the dates to which the Rent has been paid, and stating whether or not, to the best knowledge of party delivering the statement, any party is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease, and if in default, specifying each such default, it being intended that any such statement delivered pursuant to this section may be relied upon by the requesting party, or any prospective purchaser, assignee or mortgagee.

23. Environmental Provisions.

(a) Covenants and Agreements. Tenant covenants and agrees from the date hereof and so long as this Lease shall remain in effect not to cause or permit the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials (as hereinafter defined) on, under, in, about, to, or from the Premises by Tenant, Tenant's agents, representatives, employees, contractors, guests, licensees or invitees. Notwithstanding the foregoing, Tenant shall be allowed to bring onto the Premises certain Hazardous Materials that are an integral part of Tenant's operation of the Nursing Facility, provided Tenant shall use, discharge, store, dispose, and transport such permitted Hazardous Materials as provided for herein. Tenant hereby covenants and agrees to promptly remove from the Premises, any Hazardous Materials discovered or delivered thereon which have been used, discharged, disposed of or stored thereon by Tenant or Tenant's agents, representatives, employees, contractors, guests, licenses or invitees, and to comply in all respects with any and all federal, state, and local governmental laws, codes, ordinances and regulations governing such removal and disposal, whether now in effect or hereafter enacted, with title to all such Hazardous Materials to remain, and be stored or disposed of, in Tenant's name. As used herein, the term "Hazardous Materials" shall include, without limitation, asbestos or any substance containing asbestos and deemed hazardous under any Hazardous Material Law (defined below), the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic waste, materials or substances under any law relating to environmental conditions and industrial hygiene, whether now in effect or hereafter enacted, including without limitation, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 *U.S.C.* § 6901 *et seq*., the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 *U.S.C.* §§ 9601-9657, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Materials Transportation Act, 49 *U.S.C.* § 6901, et seq., the Federal Water Pollution Act, 33 *U.S.C.* § 7401, *et seq*., the Toxic Substances Control Act, 15 *U.S.C.* § 2601-2629, the Safe Drinking Water Act, 42 *U.S.C.* §§ 300f-300j, and all similar federal, state and local environmental statutes, ordinances, and the regulations, orders, decrees now or hereafter promulgated thereunder (collectively the "Hazardous Material Law").

(b) Environmental Indemnification. Tenant agrees to indemnify, pay and protect, defend (with counsel approved by Landlord), and hold harmless Landlord and its directors, trustees, officers, shareholders, employees, agents, assigns and mortgagee(s) from and against any claims (including, without limitation, third party claims for personal injury or real or personal property damage or damage to the environment), actions, administrative proceedings (including informal proceedings), judgments, damages, (including, without limitation, a decrease in value of the Premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the Premises), punitive damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims), interest, or losses, including reasonable attorneys' fees and expenses (including, without limitation, any such fees and expenses incurred in enforcing this Lease or collecting any stuns due hereunder), consultant fees, and expert fees, together with all other costs and expenses of any kind or nature (collectively, the "Costs") incurred during or after the Term that arise directly or indirectly from or in connection with the presence, suspected presence, release, or suspected release of any Hazardous Material in or into the air, soil, groundwater, or surface water at, on, about, under, or within the Building or any portion thereof, or elsewhere, solely to the extent caused by or arising from the acts of Tenant or Tenant's agents, representatives, employees, contractors, guests, licensees or invitees. The indemnification provided in this Section 23(b) shall specifically apply to and include claims or actions brought by or on behalf of employees, guests, contractors, agents, licensees and/or invitees of Tenant. In the event Landlord shall suffer or incur any such Costs due to Tenant's actions, Tenant shall pay to Landlord the total of all such Costs suffered or incurred by Landlord upon demand by Landlord. Without limiting the generality of the foregoing, the indemnification provided in this Section 23(b) shall specifically cover Costs, including capital, operating, and maintenance costs, incurred in connection with any investigation or monitoring of site conditions, any clean-up, containment, remedial, removal, or restoration work required or performed by any federal, state, or local governmental agency or political subdivision or performed by any nongovernmental entity or person because of the presence, suspected presence, release, or suspected release of any Hazardous Material in or into the air, soil, groundwater, or surface water at, on, about, under, or within the Property (or any portion thereof), by Tenant or Tenant's agents, representatives, employees, guests, contractors, licensees or invitees and any claim of third parties for loss or damage due to such Hazardous Material.

(c) Remedial Work. In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal, or other remedial work (collectively the "Remedial Work") is required due to Tenant's acts, omissions or negligence under any applicable federal, state, or local law or regulation, by any judicial order, or by any governmental entity, or in order to comply with any agreements affecting the Premises because of, or in connection with, any occurrence or event described in subsection 23(b) above, Tenant shall perform or cause to be performed the Remedial Work in compliance with such law, regulation, order, or agreement. All Remedial Work shall be performed by one or more contractors, selected by Landlord and under the supervision of a consulting engineer, selected by Landlord in accordance with the remediation plan promulgated by an environmental consulting firm selected by Landlord. All costs and expenses of such Remedial Work shall be paid by Tenant including, without limitation, the charges of such contractor(s), the consulting engineer, the environmental consulting firm and Landlord's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work. In the event Tenant shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Landlord may, but shall not be required to, cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith shall be Costs within the meaning of Section 23(b) above. All such Costs shall be due and payable upon demand by Landlord.

(d) Survival. The provisions of this Article 23 shall be in addition to any other obligations and liabilities Tenant may have to Landlord at law or equity and shall expressly survive the expiration of the Term or other termination of this Lease.

24. Expenses.

Tenant shall pay, on demand, all cost and expenses, including reasonable attorneys' fees, incurred either directly or indirectly by Landlord in enforcing any obligation (provided Landlord shall be the prevailing party) or curing any default by Tenant under this Lease or otherwise participating in any action or proceeding arising from the filing, imposition, contesting, discharging or satisfaction of any lien or claim of lien, in defending or otherwise participating in any legal proceedings initiated by or on behalf of Tenant. All such expenses shall be deemed to be Additional Rent and shall be payable on demand.

25. Signs.

Tenant may place or install such signs and/or awnings in, on or about the Premises (including, without limitation, both the interior and exterior surfaces of windows and doors), upon obtaining Landlord's prior written approval, provided such signs and/or awnings do not violate any laws, ordinances, rules or regulations promulgated by any governmental body having jurisdiction, and are maintained at all times in good condition by Tenant at its own cost and expense in accordance with the aforesaid laws, ordinances, rules and regulations.

26. Financial Statements and Covenants.

(a) Tenant shall provide to Landlord the following during the Term of the Lease: (i) monthly financial statements within thirty-five (35) business days after the end of each calendar month; (ii); monthly census data and payer mix documentation within thirty-five (35) business days after the end of each calendar month; (iii) reviewed financial statements within one hundred twenty (120) days after the end of each year; and (iv) certifications as to current financial condition as may be required by any Superior Mortgagee. In the event any Superior Mortgagee or regulatory authority requests an audited financial statement Tenant shall have thirty (30) days after such initial request to provide same, and thereafter shall provide audited financial statements within one hundred twenty (120) days after the end of each year (for so long as such Superior Mortgagee or regulatory authority shall require such statements to be audited). Further, Tenant shall comply with any requirements or shorter time frames required by any Superior Mortgagee or regulatory authority.

(b) Concurrently with the quarterly and annual financial statements delivered pursuant to clause (a) of this Section 26, Tenant shall provide to Landlord a certificate (with supporting calculations) of Tenant's chief financial officer demonstrating to Landlord's and any Superior Mortgagee's satisfaction that the EBITDAR of Tenant shall not have been less than, and the Lease Coverage Ratio and Fixed Charge Coverage shall exceed, for the applicable test periods required by Superior Mortgagee and the respective amounts that any Superior Mortgagee shall require in any Loan Documents. Further, Tenant shall be prohibited from withdrawing, paying to an affiliate or otherwise advancing a servicing or consulting fee (the "Servicing Fee") which exceeds five percent (5%) of the revenue of such Nursing Facility. The Servicing Fee shall include, but shall not be limited to outside venders, service companies or other business providing management, consulting, billing or other management services with respect to such Nursing Facility and any such payments, when made to an affiliate of Tenant shall be subject to any restrictions put upon it by any Superior Mortgagee.

(c) For purposes of this Lease:

(i) "EBITDAR" shall mean, for any Test Period of Tenant, the sum of (i) Net Income for such period (subtracting the sum of (x) the greater of actual Servicing Fee or 5.00% of the revenue of such Nursing Facility, and (y) the actual replacement costs plus (ii) amounts deducted in the calculation of such Net Income for (A) interest expense (including all computed interest on capital leases), (B) charges against income for foreign, federal, state and local taxes, (C) depreciation and amortization, and (D) rent expense, all determined in accordance with GAAP.

(ii) "GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time and for the period as to which such accounting principles are to apply, as consistently applied.

(iii) "Lease Coverage Ratio" shall mean the ratio of (a) EBITDAR to (b) annual lease rent annualized.

(iv) "Fixed Charge Coverage Ratio" shall mean the ratio of (a) EBITDAR to (b) the sum of (i) interest and the current portion of principal payable by the Tenant on any Tenant debt, (ii) annual lease rent annualized, and (iii) cash taxes, advances and distributions made to members and affiliates paid during such period.

(v) "Net Income" shall mean, with respect to any Test Period of Tenant, the aggregate of the net income (loss) of Tenant for such period, determined in accordance with GAAP. There shall be excluded in computing Net Income (i) any after tax gains (or losses) attributable to dispositions of assets (other than sales of inventory in the ordinary course of business) and (ii) any after-tax extraordinary gains (or non-recurring after-tax extraordinary losses).

All of above definitions shall automatically revert to any Superior Mortgagee's calculation or definition of any above term.

(d) In particular, and without limitation of the obligations of Tenant hereunder, Tenant shall not make any distributions or other payments (collectively, "Payments") that would result in a breach of the Loan Documents. Further, in the event that any provisions of the Loan Documents test Payments by both Landlord and Tenant in the aggregate, Tenant shall not make any Payments for any applicable testing prior to receiving Landlord's confirmation of the amount of Payments that Landlord has made, or shall make, for such period (collectively, "Landlord Payments") and then Tenant shall only make Payments that would not result in a breach of the Loan Documents after taking into account such Landlord Payments.

27. Nursing Home License and Reports

(a) Premises Licensure and Certification. Tenant and each subtenant, as applicable, shall give written notice to Landlord within ten (10) business days after an inspection of the Premises with respect to health care licensure or certification has occurred; and deliver to Landlord copies of all reports, notices, correspondence and all other items and documents related thereto. Tenant and each subtenant, as applicable, shall give written notice to Landlord within ten (10) business days after an inspection of the Premises with respect to health care licensure or certification has occurred. Tenant shall deliver to Landlord copies of reports, notices, correspondence and all other related items and documents and any notices or any final audits of Medicaid or Medicare cost reports within ten (10) business days of Tenant's receipt thereof. If Tenant or subtenant receives a Premises survey or inspection report with material deficiencies, notice of failure to comply with a plan of correction or an adverse action report, Tenant and/or the respective subtenant shall cure all deficiencies and implement all corrective actions by the date required by the regulatory authority and shall deliver evidence of same to Landlord.

(b) Transfer of License and Facility Operations. If this Lease is terminated due to expiration of the Term, pursuant to an Event of Default or for any reason other than Tenant's purchase of the Premises, or if Tenant or any subtenant vacates the Premises (or any part thereof) without termination of this Lease (other than during periods of repair or reconstruction after damage, destruction or a taking), the following provisions shall be immediately effective:

(i) No later than thirty (30) days after receipt of written notice by Landlord, Tenant and each subtenant shall execute, deliver and file all documents and statements requested by the Landlord and to effect the transfer of the Licenses and government authorizations to a replacement operator designated by Landlord ("Replacement Operator"), subject to any required approval of governmental regulatory authorities, and Tenant and each subtenant, to the best of its ability, shall provide to Landlord all information and records required by Landlord in connection with the transfer of the Licenses and government authorizations.

(ii) No later than thirty (30) days after receipt of written notice by Landlord, in order to facilitate a responsible and efficient transfer of the operations of the Premises, Tenant and subtenant shall, if and to the extent requested by Landlord, [i] deliver to Landlord the most recent updated reports, notices, schedules and documents requested by Landlord which have been maintained by Tenant or subtenant; and [ii] assuming Tenant or subtenant has not already vacated the Premises, continue and maintain the operation of the Premises in the ordinary course of business, including using commercially reasonable efforts to retain the residents at the facility to the fullest extent practicable and consistent with applicable laws and regulations, until transfer of the facility operations to the Replacement Operator is completed.

28. General Provisions.

(a) Captions. The captions or titles to the various sections of this Lease are for convenience and ease of reference only and do not define, limit, augment or describe the scope, content or intent of this Lease or of any parts thereof.

(b) Waiver. Tenant hereby waives its statutory lien against Rent under any applicable law.

(c) Successors and Assigns. Each and every covenant and condition of this Lease shall be binding upon and shall inure to the benefit of the heirs, successors, personal representatives and permitted assigns of Landlord and Tenant; but this section shall in no way validate an assignment of all or any part of this Lease which is invalid under other provisions hereof.

(d) Severability. The invalidity or illegality of any provisions of this Lease shall not affect the remaining provisions thereof.

(e) Number and Gender. When used in this Lease, the singular number includes the plural, and the plural the singular, unless the context otherwise requires; the neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes a corporation, partnership, or other legal entity when the context so requires; and the word "person" means an individual or individuals, a partnership or partnerships, a corporation or corporations, or any combination thereof, when the context so requires.

(f) Joint and Several Obligations. If Tenant consists of more than one person, the obligation of all such persons is joint and several.

(g) Notices. Any notice or demand provided for in this Lease shall be in writing and shall be deemed delivered either: (i) when delivered in person to the recipient thereof; or (ii) actually delivered by nationally recognized overnight courier; or (iii) on the date shown on the return receipt after deposit, or should the recipient thereof fail to sign the return receipt, then three days after deposit in the United States mail in a sealed envelope or container, registered or certified and postage prepaid, and addressed to the party to whom notice is hereby given at the address listed above, or to such other address as may be supplied by such party in writing, or (iv) by email in portable document format (pdf), with confirmation thereafter sent by any of the foregoing means, and shall be deemed to have been given, rendered or made on the date of receipt if sent by email to Landlord's attention to both of the following email addresses: Ari.Katz@tlmgmt.com and elie.weinstein@tlmgmt.com or to Tenant's attention to the following email addresses: mstern@prestigeas.com.

(h) Situs. The Lease shall be construed and interpreted according to the laws of the State of New Jersey.

(i) Recording of Lease. This Lease shall not be recorded. However a short form of lease may recorded at the discretion of Landlord.

(j) Force Majeure. TIME IS OF THE ESSENCE with respect to each and every term and provision of this Lease. If circumstances beyond the control of Landlord (such as acts of God, fires, strikes, power shortages, etc., - financial inability excepted) shall temporarily make it impossible for Landlord to perform under this Lease, then the principles of force majeure will apply and the rights and obligations of the parties will be temporarily suspended during the force majeure period.

(k) No Recourse. Notwithstanding anything to the contrary in this Lease, Tenant shall look solely to the interest of the Landlord in the Premises, as the case may be, for satisfaction of any remedy it may have hereunder or in connection herewith and shall not look to any other assets of the other or of any other person, firm or corporation. There shall be absolutely no personal liability on the part of any present or future stockholder, or any officer, director, trustee, member or affiliate of Landlord or any partners of such partnership or any of its successors or assigns with respect to any obligation hereunder or in connection herewith.

(l) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute but one and the same instrument. Executed copies of this Agreement may be delivered by holographic originals, telefacsimile or electronic (*e.g.*, pdf) means, any of which shall be effective to constitute delivery.

(m) Survival. All obligations of Tenant which shall not have been performed prior to the end of the Term or which by their nature involve performance, in any particular, after the end of the Term, or which cannot be ascertained to have been fully performed until after the end of the Term, shall survive the expiration or termination of the Term.

(n) Legal Representation. Each party to this Lease acknowledges that it has been represented by independent legal counsel of its own selection in connection with the negotiation, review and execution of this Lease.

(o) Amendments. This Lease shall not be modified, except by a writing signed by all of the parties hereto. No course of dealing between or among any persons having any interest in this Lease shall be deemed effective to modify or amend any part of this Lease, or any rights or obligations of any party under, or by reason of, this Lease.

(p) Venue and Acceptance of Service of Process. Each party to this Lease hereby agrees and consents that any legal action or proceedings with respect to this Lease shall only be brought in the courts of the State of New Jersey in the county where the Premises is located. By execution and delivery of this Lease, each such party hereby (i) accepts the jurisdiction of the aforesaid courts; (ii) waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the venue set forth above; and (iii) further waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(q) Not a Partnership or Joint Venture. This Lease shall not be considered in any manner a partnership agreement between Landlord and Tenant, nor shall it be considered a joint venture agreement between the Landlord and Tenant.

(r) This Lease shall supersede and replace any other lease between Landlord and Tenant with respect to the Premises.

(s) Attorney's Fees. In the event of any legal action or other proceeding arising under or related to this Lease, or a dispute regarding any alleged breach, default, claim or misrepresentation arising out of or related to this Lease, whether or not a lawsuit or other proceeding is filed, the prevailing party shall be entitled to recover all its reasonable attorneys' fees and costs, whether incurred before suit, during suit, or at the appellate level. The prevailing party shall also be entitled to recover any attorneys' fees and costs incurred in litigating the entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of attorneys' fees and costs due and payable to it. The reasonable costs to which the prevailing party shall be entitled shall include costs that are taxable under any applicable statute, rule, or guideline, as well as non-taxable costs, including, but not limited to, costs of investigation, copying costs, costs of electronic research such as Westlaw or Lexis-Nexis, electronic discovery and production costs, telephone charges, mailing and delivery charges, monthly information technology support charges, consultant and expert witness fees, travel expenses, court reporter fees and mediator fees, regardless of whether such costs are otherwise taxable by law. For this purpose, the term "prevailing party" shall mean the party whose position is substantially sustained in the settlement or in the final judgment rendered in the litigation. This section shall survive any judgment and shall not merge into the judgment, and shall entitle the prevailing party to continue to recover the foregoing fees, costs and expenses in connection with any legal proceedings to enforce, collect or defend such judgment.

***** SIGNATURE PAGE IMMEDIATELY FOLLOWS *****

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

LANDLORD:

185 Tuckerton Road LLC

By:____________________________
Name: David Katz
Title: Authorized Signatory

TENANT:

Medford SNF LLC

By:____________________________

Name: Shlomo Fogel
Title: Authorized Signatory

EXHIBIT A

Description of Land