December 31, 2025

VIA EMAIL

CNLapps@doh.nj.gov
charu.jain@doh.nj.gov

Ms.Charu Jain
Health Systems Specialist
New Jersey Department of Health
Certificate of Need and Licensing

RE: Transfer of Ownership Application
The Silvercare LLC dba Silver Healthcare Center
License # 060407 (LTC)

Dear Ms. Jain:

This letter is on behalf of 1417 Brace Road Opco LLC, to submit our request for approval and authorization to transfer the license and bed rights of The Silvercare LLC dba Silver Healthcare Center, a long-term care facility with a total of 256 beds of which 40 are behavioral management beds, 20 are ventilator care beds and 196 are long-term care beds. The facility is located at 1417 Brace Road, Cherry Hill New Jersey, 08034, Camden County, currently operated by Silver Healthcare Center.

I am enclosing an executed LCS-9 application as **Exhibit A** and all related transaction documents requested as detailed below necessary to transfer the ownership rights to the new owners. The following information summarizes the transaction, and the attachments found herein:

1. **<u>Present Ownership of The Silvercare LLC dba Silver Healthcare Center</u>**

Name	% Ownership
<u>Direct Ownership</u>	
Ben Landa	20%
Phillipson Family Limited Liability Company LLC	20%
Anne Gottlieb	4%
Shaindy Treff	2%
Mindy Treff	1%
Joseph Strauss	2%
Esther Treff	2%
Brenda Lowy	2%
Jerry Lowy Defined Benefit Pension Plan	3%
Marina CH, LLC	10%
MTC Family LLC	31%
Moshe Klahr	3%

2. **<u>Proposed Ownership of 1417 Brace Road Opco LLC</u>**

Name	% Ownership
<u>Direct Ownership</u>	
Benjamin Kurland	85%
Joseph Schlanger	15%

Ownership charts for both the current owner and proposed owner of the facility are attached as **Exhibit B.**

3. **Management Agreement**

The post-closing Management Agreement between 1417 Brace Road Opco LLC and Allaire Health Services Inc. is attached as **Exhibit C.**

4. **Property Least Agreement**

The proposed property owner is 1417 Brace Road Propco LLC and there is a proposed lease between 1417 Brace Road Propco LLC and 1417 Brace Road Opco LLC. The lease is attached as **Exhibit D**.

5. **Transaction Sale Agreement**

The Operations Transfer Agreement between The Silvercare LLC and 1417 Brace Road Opco LLC is attached as **Exhibit E**.

6. **List of Facilities Owned by Proposed Owner**

Attached is the list of facilities currently owned by proposed owner as **Exhibit F.**

Please accept this submission as our Transfer of Ownership application for The Silvercare LLC, license number 060407 to 1417 Brace Road Opco LLC. We would appreciate your review and decision on this application at the earliest opportunity. If you need additional information, please fee free to contact me via phone at 732-522-4338 or email at nicoleliebb@outlook.com

Very truly yours,

Nicole Liebb
Licensing/NL

Exhibit A

New Jersey Department of Health
Office of Certificate of Need and Healthcare Facility Licensure
PO Box 358
Trenton, NJ 08625-0358

APPLICATION FOR A LONG TERM CARE FACILITY LICENSE

Type of Application:	**Date of Application:**	**Date of Check/Money Order:**
☐ New – CN#: ______ ☐ New – No CN Required, ID#: ______ ☒ Transfer of Ownership #: 060407 ☐ Other: ______	**Check/Money Order No.:**	**Amount of Check/MO:** $

Official Name of Facility (Provider Name): Silver Specialty Care Center			**EIN Number:**
Site Address: 1417 Brace Road			
City: Cherry Hill	State: NJ	Zip: 08034	County: Camden
Telephone Number: 856-795-3131	Fax Number:		Email Address: dfox@grovehc.com
Name of Administrator: Darren Fox			License Number (LNHA/CALA if applicable): 3312
Emergency Contact: Chaim Brecher			
Emergency Telephone: 732-592-2205	Emergency Fax Number:		Emergency Email Address: cbrecher@allairehs.com
Mailing Address (if different from above):			
City:	State:	Zip:	County:

Owner/Corporate Name *(LICENSED OPERATOR)*: 1417 Brace Road Opco LLC			**EIN Number:**
Doing Business As (if applicable): Silver Specialty Care Center			
Address: 20 N County Line Rd Suite 100			
City: Jackson	State: NJ	Zip: 08527	County: Ocean
Telephone Number: 732-592-2205	Fax Number:		Email Address: cbrecher@allairehs.com

Management Company (if applicable): Allaire Health Services Inc			
Address: 20 N County Line Rd Suite 100			
City: Jackson	State: NJ	Zip: 08527	County: Ocean
Telephone Number: 732-405-3600	Fax Number:		Email Address: cbrecher@allairehs.com
Contact: Chaim Brecher	Title: Manager		

APPLICATION FOR A LONG TERM CARE FACILITY LICENSE, Continued

Official Name of Facility (Provider Name): Silver Specialty Care Center

EIN Number:

Primary Type of Facility *(check one)*

☐ Adult Day Health Services
☐ Alternate Family Care
☐ Assisted Living Program
☐ Assisted Living Residence
☐ Comprehensive Personal Care Home
☐ Hospital Based Subacute
☐ Pediatric Day Health Services
☐ Residential Health Care Facility
☐ Other: ______________________
☐ Long-Term Care T18 only
☐ Long-Term Care T19 only
☒ Long-Term Care T18/19
☐ Long-Term Care Private

Enter the Quantity of all Beds/Slots at this Location

Adult Day Health Service Slots .... ________
Assisted Living Beds.................................... ________
Comprehensive Personal Care Beds .... ________
Hospital Based Subacute .... ________
Long-Term Care Beds 196
Pediatric Day Health Slots .... ________
Residential Health Care Beds .... ________
Other/Type: Ventilator Care Beds . 20
Behavioral Management Beds 40

Type of Ownership *(check one)*

For-Profit ☒ Yes ☐ No
Non-Profit ☐ Yes ☐ No
Facility is Hospital Based ☐ Yes ☐ No
Government Owned ☐ Yes ☐ No

☐ *Corporation
☐ Partnership
☐ Other(specify): ______________________
☐ Proprietorship
☒ Limited Partnership
☐ Limited Liability Corp.
☐ Religious Affiliation
☐ Federal
☐ State
☐ County
☐ City
☐ City/County
☐ Hospital District

**If the corporate entity is a wholly-owned subsidiary, identify the parent corporation below:*

Name: N/A
Address: ______________________
City, State, Zip Code: ______________________

Building Ownership *(check one)*

☐ Wholly owned by licensed operator identified on page one
☒ Leased (Identify owner of physical assets and submit a copy of the signed lease)

Lease between 1417 Brace Road Propco LLC and 1417 Brace Road Opco LLC attached

Name and Title of Individual or Current Registered Agent Upon Whom Orders May Be Served *(Must be NJ Resident)*

Name: 1417 Brace Road Opco LLC
Address: 20 N County Line Rd Suite 100
City, State, Zip Code: Jackson NJ 08527

APPLICATION FOR A LONG TERM CARE FACILITY LICENSE, Continued

Official Name of Facility (Provider Name):	EIN Number:
Silver Specialty Care Center	[redacted]

OWNER, OFFICERS, PARTNERS, STOCKHOLDERS, OR CORPORATE OFFICERS

- *IDENTIFY 100% OF THE OWNERSHIP BELOW.* (Attach additional sheets if necessary.)
- *For a publicly-held corporation, identify all stockholders with 10% or more of the outstanding stock.*
- ***If an owner, partner or shareholder is an entity, rather than an individual, provide the individual ownership of that entity as well.***
- *For Non-Profit entities, list Board Members.*

Name: Benjamin Kurland
Title: Owner
Address: 20 N County Line Rd Suite 100
City: Jackson
State: NJ Zip Code: 08527
SSN/Tax ID: [redacted]
% Ownership: 85%

☐ Proprietor ☐ Limited Partner ☐ Stockholder
☐ Partner ☐ General Partner ☐ Corporate Officer
☒ LLC-Member

Name: Joseph Schlanger
Title: Owner
Address: [redacted]
City: [redacted]
State: [redacted] Zip Code: [redacted]
SSN/Tax ID: [redacted]
% Ownership: 15%

☐ Proprietor ☐ Limited Partner ☐ Stockholder
☐ Partner ☐ General Partner ☐ Corporate Officer
☒ LLC-Member

Name:
Title:
Address:
City:
State: Zip Code:
SSN/Tax ID:
% Ownership:

☐ Proprietor ☐ Limited Partner ☐ Stockholder
☐ Partner ☐ General Partner ☐ Corporate Officer
☐ LLC-Member

Name:
Title:
Address:
City:
State: Zip Code:
SSN/Tax ID:
% Ownership:

☐ Proprietor ☐ Limited Partner ☐ Stockholder
☐ Partner ☐ General Partner ☐ Corporate Officer
☐ LLC-Member

Name:
Title:
Address:
City:
State: Zip Code:
SSN/Tax ID:
% Ownership:

☐ Proprietor ☐ Limited Partner ☐ Stockholder
☐ Partner ☐ General Partner ☐ Corporate Officer
☐ LLC-Member

Name:
Title:
Address:
City:
State: Zip Code:
SSN/Tax ID:
% Ownership:

☐ Proprietor ☐ Limited Partner ☐ Stockholder
☐ Partner ☐ General Partner ☐ Corporate Officer
☐ LLC-Member

APPLICATION FOR A LONG TERM CARE FACILITY LICENSE, Continued

Official Name of Facility (Provider Name):	EIN Number:
Silver Specialty Care Center	

Please indicate whether or not your facility offers the following:

	Yes	No	No. of Beds
Separate Units for Young Adults (Ages 21 through 64):	☐	☒	
Pediatrics:	☐	☒	
Ventilator:	☒	☐	20
Behavioral Management:	☒	☐	40
Private Long Term Care:	☐	☒	
Alzheimer's/Dementia:	☐	☒	
IV Therapy:	☒	☐	

Chronic Dialysis:	Yes	No
Performed by In-House Staff:		
-Peritoneal:	☐	☒
-Hemodialysis:	☐	☒
Performed by Outside Firm:		
-Peritoneal:	☐	☐
-Hemodialysis:	☐	☐

Assisted Living Programs and Alternate Family Care, list counties served from office site listed on page one:

Please answer the following questions. (Attach additional sheets if necessary.)

1. Have you or any person mentioned in this application ever had an interest, directly or indirectly, in any application for health care facility in New Jersey or any other state, which was denied or revoked?
   ☐ Yes ☒ No If Yes, indicate whom and give details (attach additional sheets if necessary):

2. Do any of the principals have ownership, management or operational interest in any other licensed health care facility in New Jersey, or any other state?
   ☒ Yes ☐ No If Yes, indicate whom and give details (attach additional sheets if necessary):
   Attached

3. Are you related to any person who now operates or has ever operated a health care facility in New Jersey or elsewhere?
   ☐ Yes ☒ No If Yes, indicate whom and give details (attach additional sheets if necessary):

4. Have any principals, owners, operators or managers of the facility ever been found guilty of a criminal or administrative charge of resident/patient fraud, abuse and/or neglect? Have any of these ever been indicted for the same charge?
   ☐ Yes ☒ No If Yes, indicate whom and give details (attach additional sheets if necessary):

5. Have any principals, owners, operators or managers of the facility ever been indicted for or convicted of a felony crime?
   ☐ Yes ☒ No If Yes, indicate whom and give details (attach additional sheets if necessary):

CERTIFICATION

The applicant certifies:

1. that all information contained in this application and attachments is true and correct, to the best of his/her knowledge and belief, and that willful misrepresentation of these facts may make the applicant subject to civil penalties;
2. that the application been duly authorized by the governing body of the applicant; and
3) that the facility has been and will be operated in accordance with applicable licensing requirements.

Name of Authorized Individual Completing Application (Print or Type)	Title
Benjamin Kurland	Owner
Signature	**Date**
	12/18/2025

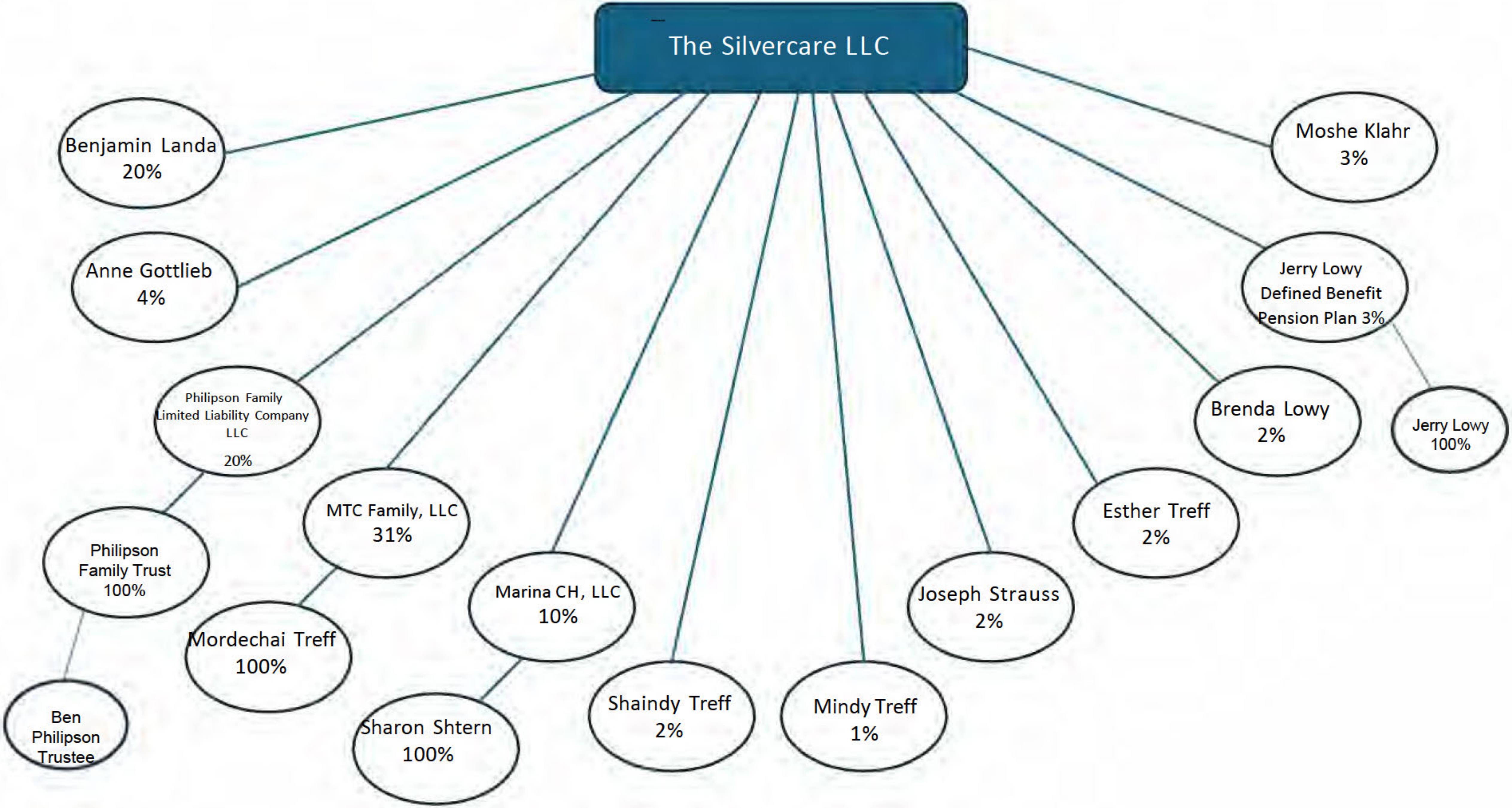
The Silvercare LLC
Benjamin Landa 20%
Anne Gottlieb 4%
Philipson Family Limited Liability Company LLC 20%
Philipson Family Trust 100%
Ben Philipson Trustee
MTC Family, LLC 31%
Mordechai Treff 100%
Marina CH, LLC 10%
Sharon Shtern 100%
Shaindy Treff 2%
Mindy Treff 1%
Joseph Strauss 2%
Esther Treff 2%
Brenda Lowy 2%
Jerry Lowy Defined Benefit Pension Plan 3%
Jerry Lowy 100%
Moshe Klahr 3%

Exhibit B

Silver Care Health Care Center
1417 Brace Road, Cherry Hill, NJ 08034
FHA# 035-22038

1417 Brace Road Opco LLC
EIN#
(Operator)
Manager: Benjamin Kurland

Member
85%
Benjamin Kurland
SSN# XXX-XX-
Controlling Participant

Member
15%
Joseph Schlanger
SSN# XXX-XX-
Passive Participant

SKILLED NURSING FACILITY CONSULTING AGREEMENT

This Consulting Agreement (this "**Agreement**") is entered into as of _____, 2026, by and between 1417 Brace Road Opco, LLC, a New Jersey limited liability company (the "**Company**"), and Allaire Health Services, Inc., a New Jersey corporation (the "**Consultant**") (the Company and the Consultant shall each individually be referred to herein as a "**Party**", and collectively, the "**Parties**").

WHEREAS, the Company is the licensed operator of that certain healthcare facility, currently known as Silver Healthcare Center (the "**Facility**"), located at 1417 Brace Road, Cherry Hill, New Jersey 08034 (the "**Property**"); and

WHEREAS, the Company wishes to retain the Consultant, and the Consultant has agreed to be retained, to provide the consulting services set forth herein to assist the Company in the operation of the Facility, in each case, in accordance with the terms and provisions set forth in this Agreement;

NOW, THEREFORE, in consideration of the obligations, promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the following terms and conditions:

1. **Engagement of the Consultant**. During the Term (as hereinafter defined), the Company hereby engages and appoints the Consultant as the sole and exclusive consultant with respect to the Company's operation of the Facility, in accordance with the standards of conduct set forth herein, and the other terms and conditions hereinafter provided. The Consultant hereby accepts such engagement and appointment, and agrees to perform the duties and obligations set forth in this Agreement and to comply with all of the terms and conditions set forth herein.

2. **Specific Duties and Authority of Consultant**. In addition to all functions expressly or impliedly granted to Consultant in Section 1 of this Agreement, and without limiting the generality thereof, Consultant shall provide the following services (collectively, the "**Consulting Services**"):

a. To provide Consulting Services in respect of the Company's supervision of the Facility's staff in the general management of the Facility as Consultant determines is reasonably necessary for the maintenance and operation of the Facility.

b. To provide Consulting Services in respect of the Company's recruiting, selecting, hiring, employing, training, supervising, promoting, directing, and terminating the employment of any and all professional and non-professional personnel (collectively, the "**Employees**"), as necessary and in Consultant's sole discretion, for the proper maintenance and operation of the Facility. To the extent any Employees of the Company have any employment agreements with the Company or are otherwise legally entitled to any monetary or other benefits outside of those generally owed to "at will" employees, the Company agrees to make Consultant fully aware of any such obligations and to provide Consultant with any and all relevant documentation and information in connection therewith. All Employees shall at all times be deemed to be employees of the Company, and not the Consultant, and the Consultant shall provide

Consulting Services in respect of the Company's establishment and management of all compensation of the Employees, including, without limitation, salary, bonuses, employee benefits, and all other matters relating to their employment, including job classifications, personnel policies, and employee performance standards for the Employees to assist the efficient operation of all departments within and services offered by the Facility. Nothing herein is intended to make Consultant a joint employer and the Company shall have the sole responsibility and liability to pay the wages, benefits or any claims of such Employees arising from their employment or termination. The Company shall have the sole financial responsibility to assure that there are adequate funds for timely payment of all payroll and benefits due Employees and other obligations incurred with respect to the operation of the Facility. Consultant shall have no duty to fund any losses or other obligations of the Company, or to provide bridge or other financing to the Company.

c. To provide Consulting Services in respect of the Company's maintenance and management of accounts receivables, accounts payable, payroll tax requirements, cash consulting and treasury operations, and all other income, expenses, assets and liabilities in connection with the Facility.

d. To provide Consulting Services in respect of the Company's payment from available funds of the Company, all expenses, costs, taxes, utilities and other charges incurred by or on behalf of the Company in connection with the maintenance or operation of the Facility, and to otherwise assist the Company in its management of the allocation of funds of the Company in satisfaction of its liabilities.

e. To provide Consulting Services to assist the Company in obtaining and renewing all insurance policies that Company deems either required or in the best interest of the Company, provided, that Consultant shall be named as an additional insured on any such policies, as applicable.

f. To provide Consulting Services to assist the Company in its procurement and provision for replacements, repairs and additions to the personal property used in the operation of the Facility.

g. To provide Consulting Services to assist the Company in its efforts to maintain complete and separate books of account and other accounting records for the Company, including its preparation of operating statements reflecting the financial activity and the financial status of the Facility.

h. To provide Consulting Services in its performance, or its engagement of others to perform, administrative, accounting, bookkeeping, billing, and collection services for the Company in connection with the Facility, as Company may deem necessary or desirable in furtherance of the maintenance or operation of the Facility.

i. To the extent the Facility receives notice from any governmental authority with respect to a deficiency, violation, non-compliance, or condition at the Facility that requires correction (whether or not subject to a fine, penalty, civil monetary penalty or other enforcement) (a "**Government Action**"), assist the Company in submitting a plan of correction on behalf of the

Company and assist the Company in challenging, negotiating, and settling any fines, penalties, or other enforcement issued by such governmental authority.

j. To provide such further and additional Consulting Services as the Company may deem necessary or proper in order for Company to maintain and operate the Facility, including assisting the Company in its efforts to:

(i) Negotiate and enter into agreements or contracts in connection with any of the foregoing;

(ii) Coordinate actions to maintain all licenses, permits and certificates required for the operation of the Facility, and ensure that appropriate certifications and accreditations are obtained and maintained;

(iii) Prepare and file, or retain others to prepare and file, all Medicaid and/or Medicare cost reports and all other licensure and certification reports related to the Facility in order to maintain the Facility licensure and Medicaid and/or Medicare certifications and contracts, as applicable;

(iv) Establish bank accounts in the name of the Company for the deposit of revenues, loan proceeds and payment of expenses;

(v) Make capital expenditures as necessary for the proper operation of the Facility;

(vi) Terminate vendors, suppliers, and other service providers and replace same with other vendors, suppliers and service providers and negotiate and enter into amendments to managed care, insurance, or governmental payor contracts or other network affiliations in the name of the Company.

(vii) Pay from the revenue and income of the Facility, to the extent sufficient therefor, any and all expenses, liabilities, debts, obligations and other charges arising from or incident to the operation of the Facility, including payroll, accounts payable and amounts due under any vendor agreement, financing or credit agreement (including principal and interest thereunder), lease or other contract to which the Facility is a party or otherwise bound (the "**Facility Expenses**").

(viii) Take such other acts as are appropriate to the management by the Company of the day to day operations of the Facility or to expand, improve, modify, reduce or initiate programs, activities, services, advertising, promotions, outreach, or non-clinical policies or procedures that Company determines appropriate for the improved operations of the Facility, compliance with law, employee morale or retention, or for the residents, family members or the community.

3. **Control Retained by Company**. Notwithstanding anything else contained in this Agreement to the contrary, Consultant's activities shall be subject to the policies, procedures and oversight of the Company, which shall retain the ultimate responsibility for assuring the Facility's compliance with applicable law, its licensure, and conditions of participation and each of the

foregoing powers and authorities listed above are circumscribed and limited to exclude from such authority any authority or oversight responsibility vested with the Company under applicable law. Without limitation of the foregoing, the Consulting Services to be provided by the Consultant hereunder do not include, and the Company has and shall at all times retain under this Agreement the ultimate responsibility for, all operational decisions at the Facility and control over the assets of the Facility that are exclusively vested in the licensed operator of the Facility under applicable law. The Company shall be the holder of all licenses, permits and contracts obtained with respect to the Facility, and shall be the "provider" within the meaning of all third- party contracts for the Facility. Specifically, and without limitation, the Company shall also hold the Medicare and Medicaid provider numbers and provider agreements. This Agreement shall not constitute an assignment (automatic or otherwise) by the Company to Consultant of the licenses, permits, contracts, certifications or provider numbers with respect to the Facility. In the event of a conflict between the delegations to Consultant contained in this Agreement and the Company's responsibilities under its licensure, the Company will retain and exercise the requisite oversight and approval over the policies and compliance obligations of the Facility such that Consultant will perform its duties subject to and in conformity with same.

4. **Standard of Conduct**. Consultant covenants (i) to perform all of its obligations and conduct all of its activities hereunder in accordance with the standard of diligence and care normally employed by similarly qualified consultants in the performance of comparable work and in accordance with practices appropriate to the activities undertaken; (ii) to exercise reasonable care and diligence in carrying out its responsibilities; and (iii) at all times seek to comply with all applicable laws, regulations, and professional ethics and standards applicable to the maintenance and operation of the Facility.

5. **Primary Goals and Quality Care**. In performing the Consulting Services hereunder, the Consultant shall, acting pursuant to the policies and within the financial resources of the Company, seek to assist the Company in its efforts to maintain and improve the operations of the Facility to:

(i) Permit the Company to provide or contract for quality nursing, pharmacy, and rehabilitation and related services for the benefit of the residents;

(ii) Maintain programs to promote the effective utilization of the Facility's services by its residents;

(iii) Create a public image of quality and caring for the Facility;

(iv) Create and promote quality and proper staffing of the Facility;

(v) Institute sound financial accounting systems and internal fiscal controls through effective budgeting procedures;

(vi) Preserve the assets of the Facility, through sound operating and billing procedures;

(vii) Manage the cash position of the Facility, through sound collection methods;

(viii) Take such other steps as are necessary to provide quality care to all residents of the Facility; and

(ix) Adhere to and fully comply with all applicable State and Federal laws, rules and regulations.

6. **Obligations of the Company**. At all times during the Term of this Agreement, the Company covenants and agrees as follows:

(a) The Company shall cooperate with Consultant in every respect to allow Consultant to perform its services under this Agreement and will furnish Consultant with all information required by it for the performance of its services under this Agreement. The Company shall permit Consultant full access to the Facility and will allow Consultant to examine and copy any data in the possession and control of the Company affecting consulting and/or operation of the Facility.

(b) The Company shall be solely and exclusively liable and responsible for any and all Facility Expenses, and nothing herein shall be deemed the assumption or agreement by the Consultant to pay or discharge any Facility Expenses.

7. **Term; Termination; Default**. The term of this Agreement ("**Term**") shall commence as of the date hereof and shall terminate upon the earlier of (a) either Party providing ninety (90) days written notice of termination, provided, however, that no such notice may be given during the ninety (90) day period commencing on the date hereof, (b) any breach by a Party of its obligations hereunder, provided, that (i) the Party seeking to terminate this Agreement pursuant to this clause (the "**Terminating Party**") (A) shall not be in breach of its obligations hereunder, and (B) shall provide written notice to the other Party (the "**Breaching Party**") specifying in reasonable detail the nature of the breach (to the extent then known by the Terminating Party), and (ii) the Breaching Party shall fail to cure any such breach within thirty (30) days of its receipt of such notice, provided, however, that (1) if the Breaching Party provides written notice of its intent to cure, and diligently pursues such cure, then the aforesaid thirty (30) day period shall be extended for a reasonable period necessary to effect such cure (which shall not exceed ninety (90) days), and (2) the Company's right to cure any breach of its obligation to pay any amount due the Consultant hereunder shall be limited to ten (10) days. Upon termination of this Agreement, but subject to the receipt by the Consultant of all amounts due it hereunder, the Consultant shall reasonably cooperate with the Company to accomplish an orderly transfer of the consulting of the Facility to the party designated by the Company. Termination of this Agreement shall not terminate or affect any liability or obligation of the Parties arising prior to such termination.

8. **Compensation and Reimbursement**.

a. As compensation for the Consultant's services to be provided hereunder, the Company agrees to pay the Consultant a consulting fee (the "**Consulting Fee**") in an amount equal to five percent (5%) of the Net Revenue of the Facility. For the purposes of this section, "**Net Revenue**" means, for any applicable period, all operating revenues (including paid or payable by residents or patients of the Facility) and non-operating revenues, receipts, rentals and income and other moneys of, or received by or on behalf of, the Facility from all sources, and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights and all proceeds thereof, whether now existing or hereafter coming into existence and whether now owned or hereafter acquired, and the proceeds thereof; less contractual adjustments with third party payors. For the avoidance of doubt, unless such proceeds, awards or funds compensate for lost operating revenues, Net Revenue shall not include (i) insurance proceeds and condemnation awards payable or paid in respect of the Facility, (ii) proceeds from any financing or refinancing received by the Company or the Facility, or (iii) funds provided by the Company or any direct or indirect member of the Company. Net Revenue shall be determined in accordance with generally accepted accounting principles, consistently applied.

b. The Consulting Fee shall be due and payable on the first day of every month and shall be based on the monthly financial statements of the Facility for the next to last month prior to such date (e.g., the Consulting Fee due on April 1 shall be based on the Net Revenue shown in the financial statements for the month of February). The Consultant is authorized to pay itself the Consulting Fee each month and shall provide the Company with its calculation thereof. The Parties agree that the Consulting Fee paid each month is subject to a final reconciliation upon the completion of the annual financial statements of the Facility, except that no write-off, bad debt reserve or similar adjustment shall serve to reduce any Consulting Fee paid or payable hereunder.

c. In addition to the Consulting Fee, the Consultant shall be entitled to reimbursement for any and all out-of-pocket costs and expenses incurred by the Consultant in providing the Consulting Services hereunder, including costs for filing and expenses related to preparing or contracting for filing all reports, including cost reports, or requests to Medicare, Medicaid or any fiscal intermediary or third party payor, all costs of preparing any financial statement or report and all other third party costs; provided, however, the Consultant shall be solely responsible for the costs of its own staff and personnel (unless dedicated exclusively to the Facility) and its own corporate office expense. All reimbursable costs shall be paid within ten (10) days of invoice therefor, which invoice shall be accompanied by reasonable supporting documentation evidencing the cost or payment thereof.

9. **Relationship of the Parties**. Consultant shall perform its obligations under this Agreement solely as an independent contractor. The Parties acknowledge and agree that Consultant may be providing similar services for other businesses or may be otherwise employed during the Term. Except as expressly provided in this Agreement, nothing shall deprive or otherwise affect the right of Consultant to provide services to others, notwithstanding the fact that Consultant's other clients may be engaged in businesses that are either directly or indirectly in competition with the Facility. The parties do not intend to create a joint venture, partnership or other business entity and the relationship of the parties shall be solely that of principal and agent.

10. **Indemnification**. The Company agrees to indemnify, defend, and hold harmless, the Consultant and its employees, affiliates, managers, attorneys, members, officers, directors and agents (the "**Indemnified Parties**") against or in respect of any threatened or actual claim, suit, action, proceeding, investigation or inquiry (collectively, a "**Proceeding**"), arising out of or relating to (i) the operation of the Facility by the Company or any of its affiliates prior to the date hereof, (ii) any Facility Expenses, (iii) any Government Action or related matter, whether with respect the Company or its affiliates, its current managers, members or otherwise, (iv) the

provision of the Consulting Services by Consultant as set forth in this Agreement, except for claims arising out of Consultant's gross negligence or willful misconduct, (v) any claims or disputes among the current members and/or investors of the Company or its affiliates; (vi) any claim brought by a third party which was or could have been insured; (vii) any claim arising or asserted by any creditor, creditor representative or fiduciary having control over the assets or operation of the Company or its affiliates; (viii) any act constituting a continuation of practice of the Company, its affiliates or their respective employees which arose prior to the date of this Agreement; (ix) a breach by Company or its affiliates of their duties hereunder or from their insolvency; and (x) any other Proceeding arising from or relating to the Facility or the operation thereof, to the fullest extent permitted by law, from and against any and all losses, claims, judgments, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees and related expenses incurred by the Indemnified Parties (including the cost of enforcing this Agreement and this indemnification provision). These provisions shall expressly survive termination of this Agreement for any reason and be in effect until the statute of limitation of any claims subject to indemnification expire.

11. **Company Representations**. The Company represents and warrants that it (i) is duly organized and validly existing and in good standing under the laws of the state of formation; (ii) has the full power, authority and legal capacity to execute, deliver and perform this Agreement in accordance with its terms, and such execution, delivery and performance has been approved by all requisite corporate action of the Company; (iii) this Agreement has been duly executed and delivered by such party and is enforceable against such party in accordance with its terms; (iv) the performance of this Agreement and the transactions contemplated hereby will not conflict with, contravene, violate or result in any material breach of or give rise to any right of termination or require the consent of or a notice to any party under any law, judgment, decree, order, statute, rule or regulation, or any governing documents of such party; (v) is not subject to any pending, or to its knowledge, threatened, governmental claims or investigations, or other claims, litigation, or threatened claims of third parties against the Company.

12. **Consultant Representations**. Consultant represents and warrants that it (i) is duly organized and validly existing and in good standing under the laws of the state of formation; (ii) has the full power, authority and legal capacity to execute, deliver and perform this Agreement in accordance with its terms, and such execution, delivery and performance has been approved by all requisite corporate action of Consultant; (iii) this Agreement has been duly executed and delivered by Consultant and is enforceable against Consultant in accordance with its terms; (iv) the performance of this Agreement and the transactions contemplated hereby will not conflict with, contravene, violate or result in any material breach of or give rise to any right of termination or require the consent of or a notice to any party under any law, judgment, decree, order, statute, rule or regulation, or any governing documents of Consultant.

13. **Access to Records**. Nothing in this Agreement shall be deemed to restrict the right of the Company to access and review all reports or other filings with, and communications from, any governmental authority or agency having jurisdiction over the Facility and all resident, financing, and other operational records of the Facility.

This paragraph is included herein because of the possible application of Section 1861(v)(1)(I) of the Social Security Act to this Agreement. If such Section 1861(v)(1)(I) is found not applicable to this Agreement under the terms of such Section and the regulations promulgated thereunder, then this paragraph will be deemed not to be a part of this Agreement and will be conclusively deemed by the parties to be null and void. Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, Consultant will, as provided in Section 1861(v)(1)(I) of the Social Security Act and regulations promulgated thereunder, make available, upon written request, to the Secretary of Health and Human Services or to the Comptroller General of the United States or any of their duly authorized representatives, this Agreement and all books, documents, and records of Consultant that are necessary to verify the nature and extent of the costs of any services furnished pursuant to this Agreement for which payment may be made under the Medicare program. Any party receiving a request for documents or information under this provision will promptly notify the other party.

14. **Notices**. All notices to be given by either Party to this Agreement to the other Party hereto shall be in writing, and shall be: (i) given in person; (ii) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested; (iii) sent by national overnight courier service, priority next business day service; or (iv) sent by e-mail, to the addresses set forth on the signature page hereof. Any such notice personally delivered shall be deemed delivered when actually received; any such notice deposited in the United States mail, registered or certified, return receipt requested, with all postage prepaid, shall be deemed to have been given on the earlier of the date received or the date when delivery is first refused; any notice deposited with an overnight courier service for delivery shall be deemed delivered on the next business day following such deposit; any such notice delivered via email shall be deemed delivered upon the notifying Party's receipt of electronic confirmation of such transmission, with a copy sent to the receiving Party's counsel. Any Party to whom notices are to be sent pursuant to this Agreement may from time to time change its address for further communications thereunder by giving notice in the manner prescribed herein to all other parties hereto.

15. **Binding Effect**. Each of the respective provisions of this Agreement shall be binding upon and shall inure to the benefit of each of the Parties and their respective successors and assigns.

16. **Attorneys' Fees**. If an action shall be brought under or pursuant to this Agreement, for or on account of any breach of this Agreement, or to enforce or interpret any of the terms, covenants, or conditions of this Agreement, the prevailing party shall be entitled to receive its reasonable attorneys' fees and costs from the other Party.

17. **Waiver**. The waiver by either Party of any breach of any term, covenant, or condition of this Agreement shall not be a waiver of any prior or subsequent breach of such term, covenant, or condition, or of any breach of any other term, covenant, or condition of this Agreement.

18. **Severability**. In the event that any court, administrative agency, or other governmental entity with jurisdiction and authority to interpret this Agreement or any portion hereof, or to otherwise control any performance hereunder, determines that any term or combination of terms is invalid or unenforceable, such term or terms shall be construed, upon the mutual agreement of the Parties hereof, in such a way as to accomplish the apparent purpose of such term or terms and this Agreement to the greatest extent possible. If, notwithstanding the

intentions and directions of the Parties hereto which are set forth herein, any such court, administrative agency, or other governmental entity finds any term or combination of terms to be invalid or unenforceable under applicable law. such determination shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement, nor any other clause, phrase, provision, or portion hereof.

19. **Governing Law and Jurisdiction**. This Agreement and all matters arising under or pertaining to this Agreement shall be governed and controlled by the internal laws of the State of New Jersey as to interpretation, enforcement, validity, construction, effect, and in all other respects, without regard for any principles of conflict of laws.

20. **Entire Agreement**. This Agreement constitutes the entire agreement between the Parties with respect to the matters set forth herein, and may not be amended or modified, except by an instrument in writing signed by all of the Parties to this Agreement.

21. **Counterparts/Facsimile Signatures**. The Parties may execute this Agreement in counterparts. Electronic signatures shall have the same force and effect as original signatures of the Parties hereto.

22. **Pronouns and Headings**. As used herein, all pronouns shall include the masculine, feminine, neuter, singular, and plural thereof, wherever the context and facts require such construction. The headings, titles, and subtitles herein are inserted for convenience of reference only and are not to be construed as part of this Agreement, or as in any way defining, limiting, or amplifying its provisions.

23. **Contract Modification**. If any laws or regulations, now existing or promulgated hereafter, are interpreted by judicial decision or a regulatory agency in such a manner as to indicate that the structure of the transactions contemplated under this Agreement is or may be in violation of such laws or regulations, this Agreement shall be automatically amended to the fullest extent necessary to remedy the applicable violations while preserving the underlying economic and financial arrangements to the extent possible.

24. **Further Actions**. The Parties hereto agree to take such additional actions, and execute, file, or record any and all such additional documents or instruments, as may be necessary in order to carry out the intent and purpose of this Agreement.

[Remainder of this page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first stated above.

1417 Brace Road Opco, LLC

By:___________________________

Name: Benjamin Kurland
Title: Manager

Allaire Health Services Inc.

By:___________________________

Name: Benjamin Kurland
Title: CEO

HIPAA BUSINESS ASSOCIATE AGREEMENT

To the extent that 1417 Brace Road Opco LLC ("Covered Entity") discloses Protected Health Information to Allaire Health Services Inc. (the "Business Associate"), or Business Associate handles Protected Health Information on Covered Entity's behalf, in connection with services provided to Covered Entity, or as otherwise required or allowed by the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, codified at 42 U.S.C. § 1320d through d-9, as amended, ("HIPAA"), Covered Entity and Business Associate agree to the following terms and conditions, which are intended to comply with HIPAA, the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") and their implementing regulations. The privacy and security provisions of this BA Agreement shall be applicable to Business Associate only in the event and to the extent Business Associate meets, with respect to Covered Entity, the definition of a Business Associate set forth at 45 C.F.R. §160.103, or applicable successor provisions. Now, therefore, in consideration of the foregoing and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. General Terms, Conditions and Definitions

(a) "BA Agreement" shall mean this HIPAA Business Associate Agreement.

(b) "Business Associate" shall generally have the same meaning as the term "business associate" at 45 C.F.R. § 160.103, and in reference to the party to this BA Agreement, shall have the meaning set forth in the preamble of this BA Agreement.

(c) "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 C.F.R. §160.103, and in reference to the party to this BA Agreement, shall have the meaning set forth in the preamble of this BA Agreement.

(d) "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, Administrative, and Enforcement Rules at 45 C.F.R. Parts 160, 162, and 164, as amended from time to time.

(e) "Service Agreement" shall mean the attached agreement by and among the parties hereto, dated even date herewith, pursuant to which Business Associate performs functions or activities on behalf of Covered Entity.

(f) Other Definitions: The following terms used in this BA Agreement shall have the same meaning as those in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information (to the extent such Protected Health Information is created, transmitted, received, used, disclosed, accessed or maintained by Business Associate), Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use. Other terms shall have the definitions set forth in this BA Agreement.

2. Obligations and Activities of Business Associate

(a) Business Associate agrees to not Use or Disclose Protected Health Information other than as permitted or required by this BA Agreement, as required by Law, or as contemplated by the Service Agreement.

(b) Business Associate agrees to use appropriate safeguards, including compliance with Subpart C of 45 C.F.R. Part 164 with respect to electronic Protected Health Information, to prevent Use or Disclosure of the electronic Protected Health Information other than as permitted by this BA Agreement.

(c) Business Associate agrees to report within seven (7) business days to Covered Entity's Privacy Official any Use or Disclosure of Protected Health Information not provided for by this BA Agreement of which it becomes aware, including Breaches of Unsecured Protected Health Information as required by 45 C.F.R. §164.410, and any Security Incident of which it becomes aware. For reports of incidents constituting a Breach, the report shall include, to the extent available, the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or Disclosed during such Breach. Security Incidents that do not result in any unauthorized access, use, disclosure, modification, destruction of information or interference with system operations will be reported in the aggregate upon written request of Covered Entity in a manner and frequency mutually acceptable to the parties. Business Associate hereby reports to Covered Entity that incidents including, but not limited to, ping sweeps or other common network reconnaissance techniques, attempts to log on to a system with an invalid password or username, and denial of service attacks that do not result in a server being taken off line, may occur from time to time.

(d) In accordance with 45 C.F.R. §§164.502(e)(l)(ii) and 164.308(b)(2), if applicable, Business Associate agrees to ensure that subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate agree to the same restrictions and conditions that apply through this BA Agreement to Business Associate with respect to such information.

(e) To the extent Business Associate has Protected Health Information in a Designated Record Set, and only to the extent required by HIPAA, Business Associate agrees to make available Protected Health Information in a Designated Record Set, to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.524. The parties agree and acknowledge that it is Covered Entity's responsibility to respond to all such requests.

(f) Business Associate agrees to make Protected Health Information available for purposes of any amendments to Protected Health Information in its possession contained in a Designated Record Set as agreed to by Covered Entity pursuant to 45 C.F.R. §164.526 or take other measures as necessary to satisfy Covered Entity's obligations under 45 C.F.R. §164.526. The parties agree and acknowledge that it is Covered Entity's responsibility to respond to all such requests,

(g) Business Associate agrees to maintain and make available to Covered Entity, within seven (7) business days the information required to provide an accounting of disclosures by

Business Associate as necessary to satisfy Covered Entity's obligations under 45 C.F.R. §164,528. The parties agree and acknowledge that it is Covered Entity's responsibility to respond to all such requests.

(h) To the extent, under the terms of the Service Agreement, Business Associate is to carry out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164 of the H1PAA Rules, Business Associate agrees to comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.

(i) Business Associate agrees to make its internal practices, books, and records related to Business Associate's use and disclosure of Protected Health Information received from Covered Entity available to the Secretary for purposes of determining compliance with the HIPAA Rules.

3. Permitted Uses and Disclosures of Protected Health Information by Business Associate

(a) Business Associate may use or disclose Protected Health Information as necessary to perform the services set forth in the Service Agreement, as permitted in this BA Agreement or the Service Agreement, and as otherwise permitted by the HIPAA Rules.

(b) Business Associate may Use or Disclose Protected Health Information as Required By Law or as permitted by 45 C.F.R. §164.512.

(c) Business Associate agrees to make uses and disclosures and requests for Protected Health Information consistent with the requirements in the HIPAA Rules regarding Minimum Necessary uses and disclosures. Covered Entity represents and warrants that its Minimum Necessary policies and procedures and the Notice of Privacy Practices are consistent with, and not more stringent than, the HIPAA Rules or, to the extent that Covered Entity's Notice of Privacy Practices or policies and procedures regarding the Minimum Necessary requirements of the HIPAA Rules impose additional particular restrictions on Business Associate, Covered Entity agrees to provide such policies to Business Associate in writing prior to requesting that Business Associate perform a particular function or activity on behalf of Covered Entity that would be affected by such policies and procedures.

(d) Business Associate may use PHI to create de-identified information that may be used and disclosed by Business Associate as Business Associate deems appropriate, provided that the information is de-identified in accordance with the HIPAA Rules.

(e) Business Associate may use Protected Health Information to provide Data Aggregation services. Business Associate may also use Protected Health Information to create, use and disclose a Limited Data Set consistent with the HIPAA Rules.

(f) Business Associate may use and disclose Protected Health Information to report violations of law to appropriate Federal and State authorities, in a manner consistent with the HIPAA Rules.

(g) Business Associate may not use or disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.

(h) Business Associate may use Protected Health Information for the proper consulting and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

(i) Business Associate may disclose Protected Health Information for the proper consulting and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that the disclosures are Required By Law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as Required By Law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

4. Obligations of Covered Entity

(a) Covered Entity shall notify Business Associate, in writing and in a timely manner, of any limitations in the Notice of Privacy Practices of Covered Entity under 45 C.F.R. §164.520, and its policies regarding the "Minimum Necessary" requirements in 45 C.F.R, § 164.502(b), to the extent that such limitations may affect Business Associate's Use or Disclosure of Protected Health Information, and shall notify Business Associate in writing of any material changes thereof.

(b) Covered Entity shall notify Business Associate, in writing and in a timely manner, of any changes in, or revocation of, permission by Individual to Use or Disclose Protected Health Information, if such changes may affect Business Associate's Use or Disclosure of Protected Health Information.

(c) Covered Entity shall notify Business Associate, in writing and in a timely manner, of any restriction on the Use and/or Disclosure of Protected Health Information to which Covered Entity has agreed or is required to abide by, to the extent that such restriction may affect Business Associate's Use or Disclosure of Protected Health Information.

(d) Covered Entity may not ask Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under applicable laws and rules, including the HIPAA Rules, if done by Covered Entity, except that Business Associate may use or disclose Protected Health Information for its proper consulting and administration, data aggregation, and other activities permitted by this BA Agreement.

5. Term and Termination

(a) <u>Term</u>

Except as otherwise provided herein, the term of this BA Agreement shall coincide with the Service Agreement and shall be terminable in accordance with the termination provisions of the Service Agreement, or the date either party terminates for cause, as authorized in paragraph (b) of this Section, whichever is sooner.

(b) Termination for Cause

Upon a party's reasonable determination of a material breach of this BA Agreement by the other party, the non-breaching party shall provide written notice to the breaching party and may terminate this BA Agreement if the breaching party does not cure the breach or end the violation within 30 days of receipt of such notice.

(c) Effect of Termination

(i) Except as provided below in Subsection 5(c)(ii) of this BA Agreement, upon termination of this BA Agreement, for any reason, Business Associate shall return or destroy, at Covered Entity's expense, all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.

(ii) In the event that Business Associate determines that it, or a subcontractor or agent, needs to retain Protected Health Information in order to maintain, Use or Disclose Protected Health Information for its own consulting and administration or to carry out its legal responsibilities, Business Associate, or the subcontractor or agent, may retain such Protected Health Information. Upon termination of this BA Agreement for any reason, Business Associate, or the subcontractor or agent, with respect to Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate, subcontractor or agent, on behalf of Covered Entity, shall:

1. Retain only that Protected Health Information which is necessary for Business Associate, subcontractor or agent, to continue its proper consulting and administration or to carry out its legal responsibilities;

2. Return or destroy the remaining Protected Health Information that Business Associate, subcontractor or agent, still maintains in any form;

3. Continue to use appropriate safeguards to comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic Protected Health Information to prevent Use or Disclosure of the Protected Health Information, other than as provided for in this Section, for as long as Business Associate, subcontractor or agent, retains the Protected Health Information;

4. Not Use or Disclose the Protected Health Information retained by Business Associate, subcontractor or agent, other than for the purposes for which such Protected Health Information was retained and subject to the same conditions set out at Subsections 3(h)-(i) above which applied prior to termination; and

5. Return to Covered Entity or destroy the Protected Health Information retained by Business Associate, subcontractor or agent, when it is no longer needed

by Business Associate, subcontractor or agent, for its proper consulting and administration or to carry out its legal responsibilities.

(d) Business Associate's rights and obligations under this Section 5 shall survive the termination of this BA Agreement and shall end when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity.

6. Interpretation and Amendment of this BA Agreement

A regulatory reference in this BA Agreement to a section of the HIPAA Rules means such section as in effect or as amended. Any ambiguity or inconsistency in this BA Agreement shall be interpreted to permit compliance with the HIPAA Rules. This BA Agreement supersedes any and all prior representations, understandings, or agreements, written or oral, concerning the subject matter herein, including conflicting provisions of the Service Agreement. In the event of a conflict between this BA Agreement and the Service Agreement, the BA Agreement shall control. The parties hereto agree to negotiate in good faith to amend this BA Agreement from time to time as is necessary for compliance with the requirements of HIPAA or any other applicable law and for Business Associate to provide services to Covered Entity. However, no change, amendment, or modification of this BA Agreement shall be valid unless it is set forth in writing and signed by both parties. When provisions of this BA Agreement are different than those in the HIPAA Rules, but are nonetheless permitted by the HIPAA Rules, the provisions of this BA Agreement shall control.

7. No Third Party Rights/Independent Contractors

The terms and conditions of this BA Agreement are intended for the sole benefit of Business Associate and Covered Entity and do not create any third party rights. The parties declare that they are independent contractors and not agents of each other.

8. Notices

Any notice required or permitted by this BA Agreement to be given or delivered shall be in writing and shall be deemed given or delivered if delivered in person, or delivered by courier or expedited delivery service, or delivered by registered or certified mail, postage prepaid, return receipt requested to the address set forth below. Each party may change its address for purposes of this BA Agreement by written notice to the other party.

9. Governing Law

To the extent not preempted by federal law, the BA Agreement shall be governed and construed in accordance with the state laws governing the Service Agreement, without regard to conflicts of law provisions that would require application of the law of another state.

10. Binding Nature and Benefits

This BA Agreement binds and benefits the parties, and their respective successors, and their permitted assigns.

11. Severability

Whenever possible, each provision of this BA Agreement shall be interpreted so as to be effective and valid under applicable law. If any provision of this BA Agreement should be prohibited or found invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the other of such provision or the remaining provisions of this BA Agreement.

12. Counterparts

This BA Agreement may be executed in multiple counterparts, which shall constitute a single agreement, and by facsimile or pdf signatures, which shall be treated as originals.

[next page is signature page]

IN WITNESS WHEREOF, the Parties have executed this Business Associate Agreement as of the date first stated above.

1417 Brace Road Opco, LLC

By:____________________________
Name: Benjamin Kurland
Title: Manager

Allaire Health Services Inc.

By:____________________________
Name: Benjamin Kurland
Title: CEO

Exhibit D

HEALTH CARE CENTER FACILITY LEASE

between

1417 Brace Road Propco LLC

(Landlord)

and

1417 Brace Road Opco LLC

(Tenant)

dated as of

_____, 2026

HEALTH CARE CENTER FACILITY LEASE

THIS LEASE ("**Lease**") made as of ______, 2026, by and between 1417 Brace Road Propco LLC, a New Jersey limited liability company ("**Landlord**") and 1417 Brace Road Opco LLC, a New Jersey limited liability company (the "**Tenant**").

RECITALS

WHEREAS, Landlord is the fee owner of that certain real property and improvements thereon located at 1417 Brace Road, Cherry Hill, NJ 08034 (the "**Real Property**"); and

WHEREAS, Tenant operates a skilled nursing facility (the "**Facility**") upon the Real Property; and

WHEREAS, Landlord and Tenant are entering into this Lease to set forth the terms and provisions upon which Landlord shall lease to Tenant, and Tenant shall lease from Landlord, the Leased Premises (as hereinafter defined) pursuant to the terms, conditions and covenants set forth herein; and

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

ARTICLE I
INCORPORATION OF RECITALS

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

ARTICLE II
LEASED PREMISES

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

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

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

All of the items listed in Sections 2.1(A) and 2.1(B) herein are hereinafter collectively referred to as the "**Leased Premises**." Landlord and Tenant acknowledge and understand that all of the items which comprise the Leased Premises, as repaired, rebuilt, replaced, restored, altered or added to as permitted or required by provisions of this Lease, shall be transferred back to Landlord upon expiration or earlier termination of this Lease.

ARTICLE III
TERM AND RENT

3.1 Term of Lease and Rent.

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

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

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

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

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

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

ARTICLE IV
UTILITIES AND TAXES

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

4.2 Taxes. Tenant shall be solely responsible for the payment, prior to delinquency, of all general and special real estate taxes, assessments, fire district taxes, liens, impositions, personal property taxes and any and all other taxes attributable to the Leased Premises (the "**Impositions**") that accrue from the Commencement Date through the expiration of the Term. Adjustment shall be made for Impositions applicable to any period prior to the Commencement Date. Tenant shall pay all of the Impositions directly to the applicable taxing authorities in order to receive the maximum allowable discount, if any, and Tenant shall promptly forward proof of payment to Landlord in such form as shall be reasonably acceptable to Landlord unless Landlord elects to require escrow deposits in accordance with Section 4.3 hereof. Landlord shall promptly forward any tax bills which it may receive to the Tenant. Landlord shall only bill Tenant for any of the Impositions if Tenant does not pay any of the Impositions before delinquency and Landlord is obligated or elects (in Landlord's sole and absolute discretion) to pay any of the Impositions directly to remain current with all taxing authorities. Tenant shall pay the full amount of any increases in any of the Impositions resulting from alterations or improvements made by or for the benefit of Tenant. After the expiration or termination of this Lease, Tenant shall pay all bills for any of the Impositions which become due and payable after the expiration or termination of the Lease covering any period through the expiration or earlier termination of the Lease. If any governmental taxing authority acting under any present or future, ordinance or regulation, shall levy, assess or impose a tax, excise and/or assessment (other than an income or franchise tax) upon Landlord or Tenant for rental payable by Tenant to Landlord, either by way of substitution for or in addition to any existing tax on land, buildings or otherwise, then Tenant shall be responsible for and shall pay such tax, excise and/or assessment or shall reimburse Landlord for the cost and expense thereof, as the case may be. Tenant shall be responsible for any and all late payment fees or penalties, including interest, imposed by applicable taxing authorities for late payment of Impositions.

4.3 Escrow Deposits.

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

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

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

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

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

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

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

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

ARTICLE V
MAINTENANCE AND REPAIR; IMPROVEMENTS

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

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

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

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

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

ARTICLE VI
INSURANCE

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

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

6.3 Certificates of Insurance, Binders of Coverage and Policies. Tenant shall, upon request, furnish Landlord and other third parties which Landlord shall designate with appropriate certificates of insurance on the customary ACORD form, together with an additional insurance endorsement showing that each type of insurance required under this Article VI is in full force and effect and not cancelable or modifiable without thirty (30) days prior written notice to the Landlord. Tenant will provide Landlord with ACORD certificates of insurance pursuant to this Section evidencing the renewal of such Policies prior to the Policies' expiration date. Tenant acknowledges that all such certificates shall name Landlord, its successors and assigns, and mortgagee, its successors and assigns, as an additional insured on the general liability and umbrella policies and as a loss payee/mortgagee as their interests may appear on the property and boiler and machinery policies. Within three (3) business days of a request by Landlord, Tenant shall provide Landlord with any additional documents reasonably requested by Landlord, including but not limited to copies of Tenant's binders of coverage and Policies, related to Tenant's insurance coverage.

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

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

ARTICLE VII
SECURITY, ACCESS AND REPORTING OBLIGATIONS

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

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

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

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

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

7.6 [reserved]

ARTICLE VIII
PERSONAL PROPERTY

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

ARTICLE IX
INDEMNIFICATION

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

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

ARTICLE X
USE OF LEASED PREMISES

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

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

10.3 Hazardous Materials and Hazardous Waste.

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

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

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

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

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

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

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

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

ARTICLE XI
DAMAGE OR DESTRUCTION

11.1 <u>Damage or Destruction.</u>

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

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

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

ARTICLE XII
EMINENT DOMAIN

12.1 Eminent Domain.

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

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

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

ARTICLE XIII
NOTICES

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

ARTICLE XIV
QUIET ENJOYMENT

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

ARTICLE XV
SUBLETTING AND ASSIGNMENT

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

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

ARTICLE XVI
MEMORANDUM OF LEASE

16.1 Memorandum of Lease. This Lease shall not be recorded, but Landlord may record a memorandum of lease in which shall be described the Parties to the Lease, the Leased Premises and the Term. Tenant agrees to execute at any and all times such instruments as may be reasonably required for such recording.

ARTICLE XVII
DEFAULT

17.1 Default by Tenant and Remedies of Landlord.

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

(i) if Tenant fails to pay any installment of Rent or fails to pay any other charges, costs or expenses payable by Tenant within five (5) business days after the same becomes due;

(ii) if Tenant defaults in the prompt and full performance of any other of Tenant's covenants, obligations or agreements hereunder, and fails to correct such failure within fifteen (15) days of receipt of written notice from Landlord of such default (unless such default cannot reasonably be cured within fifteen (15) days, in which event such period shall be extended for an additional fifteen (15) days, provided, however, that Tenant shall have commenced in good faith to cure such default within the first such fifteen (15) day period and shall proceed with all due diligence to correct such default thereafter and there shall be no further extension);

(iii) if the leasehold interest of Tenant be levied upon under execution or be liened or attached and such levy, lien or attachment is not removed within thirty (30) days of the date Tenant receives notice of it;

(iv) in the event of a filing by or against Tenant of a petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or other relief, and the same is not withdrawn within sixty (60) days of the filing thereof;

(v) if Tenant makes an assignment for the benefit of creditors;

(vi) if a receiver be appointed for any property of Tenant; or

(vii) if Tenant abandons the Leased Premises or if, except as a result of damage, destruction or a partial or complete condemnation, Tenant voluntarily ceases operations on the Leased Premises.

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

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

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

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

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

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

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

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

(H) Notwithstanding anything in this Lease to the contrary, in the event of any Lease Default by Tenant, Tenant agrees that Landlord has no duty or obligation to mitigate Tenant's damages pursuant to this Lease and that nothing herein contained shall be construed as imposing upon Landlord any duty or obligation to mitigate Landlord's damages. Without limiting the generality of the foregoing, Tenant agrees that the failure of Landlord to attempt to relet, to relet, or if relet, to collect rent or other charges under such reletting shall not release, reduce or otherwise affect Tenant's liability for Landlord's damages pursuant to this Lease.

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

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

ARTICLE XVIII
ENTRY AND REIMBURSEMENT RIGHTS OF LANDLORD

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

ARTICLE XIX
REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

ARTICLE XX
MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20.14 Tenant's Waiver of Claim for Physical Injury.

(A) Landlord and the Landlord's Indemnitees shall not be liable for, and Tenant waives and indemnifies Landlord and Landlord's Indemnitees against all claims for, damage or injury to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in, about, or upon the Leased Premises and further including any claim by any person or party for personal injury, malpractice, negligence, fraud, property damage or any environmental claim or remedial claim or claim relating to any failure to provide quality care, receipt of overpayments from a governmental authority, nonpayment of fines or penalties imposed by a governmental authority, or negligence in the provision of care or services, all of the foregoing to be the sole and absolute responsibility of Tenant under any and all circumstances, however arising.

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

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

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

20.17 <u>Liens.</u> Tenant shall not do or suffer anything to be done whereby the Leased Premises, or any portion thereof, or any interest therein, may be encumbered by any liens of mechanics, laborers, or materialmen, chattel mortgages or any other liens, other than in favor of Landlord's mortgagee. Tenant shall, whenever and as often as any such liens are filed against the Leased Premises, or any portion thereof, purporting to be for labor or material furnished or to be furnished to Tenant, discharge the same of record within fifteen (15) days after the date of filing by payment, bonding or otherwise, as provided by law. In the event of the default of Tenant in procuring the discharge, as aforesaid, of any such lien, Landlord may, with ten (10) days prior notice, procure such discharge and the expenses incurred by Landlord in obtaining such discharge shall be paid by Tenant as Rent within ten (10) days after notice from Landlord of the amount thereof.

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

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

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

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

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

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

ARTICLE XXI
REMEDIES CUMULATIVE

21.1 Cumulative Remedies. The rights and remedies set forth under this Lease are in addition to all other rights and remedies afforded to Landlord under any of the other documents contemplated under this Lease or at law or in equity, all of which are hereby reserved by Landlord, and this Lease is made and accepted without prejudice to any such rights and remedies. All of the rights and remedies of Landlord shall be separate and cumulative and may be exercised concurrently or successively in Landlord's sole and absolute discretion.

ARTICLE XXII
LIMITATION OF LIABILITY

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

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

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

ARTICLE XXIII
HUD ADDENDUM

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

[next page is signature page]

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

LANDLORD:
1417 Brace Road Propco LLC

By:__________________________________
Benjamin Kurland, Manager

TENANT:
1417 Brace Road Opco LLC

By:__________________________________
Benjamin Kurland, Manager

EXHIBIT A

The initial Annual Rent hereunder shall equal 1.05 times the annual payments payable by Landlord under that certain mortgage loan in the original principal amount of $50,867,600.00 (the "HUD Loan") made by Dwight Capital LLC to Landlord (as successor to SCCH Realty LLC) and secured by a mortgage on the Leased Premises (the "Project"), insured by the U.S. Department of Housing and Urban Development ("HUD") (Project No. 035-22081) (the "Loan"), including annual principal and interest payments, annual MIP, annual replacement reserve deposit, annual property insurance, annual property taxes and other amounts then due and payable, payable in monthly installments (collectively, the "Monthly Mortgage Loan Payments"), pro rated for any partial month, as applicable. The foregoing Rent shall automatically adjust, without any requirement of notice or demand, upon any change in the Monthly Mortgage Loan Payments. In addition, the Annual Rent shall increase by three percent (3%) annually. Tenant's obligation to pay taxes and insurance set forth in this Lease shall be included in the Rent as set forth herein. The parties shall mutually agree from time to time upon the allocation of said Rent to the personal property included in the Leased Premises.

<u>EXHIBIT B</u>

[See attached Operator Lease Addendum]

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

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

This Operator Lease Addendum, dated as of ______, 2026, is attached to and made a part of that certain Health Care Center Facility Lease dated ______, 2026, entered into by Lessor and Lessee, and amends and/or supplements the Operator Lease. The Health Care Center Facility Lease and this Operator Lease Addendum are collectively known as the "**Operator Lease.**" For so long as HUD is the holder or insurer of any indebtedness secured by the Healthcare Facility (as defined below), the provisions of this Operator Lease Addendum shall apply to the Operator Lease. In the event of any conflict between the terms of this Operator Lease Addendum and any other provision in the Operator Lease, the terms of this Operator Lease Addendum shall govern and control.

Covenants. Lessor and Lessee covenant and agree as follows:

I. DEFINITIONS.

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

"**Accounts Receivable**" has the meaning set forth in the Borrower's Security Instrument.

"**Approved Use**" has the meaning set forth in the Operator's Regulatory Agreement.

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

"**Borrower**" means 1417 Brace Road Propco LLC. When there is no Master Lease, Borrower is also the Lessor.

"**Borrower's Regulatory Agreement**" means that certain Healthcare Regulatory Agreement – Borrower relating to the Project and entered into by Borrower for the benefit of HUD.

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

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

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

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

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

"**HUD**" means the U.S. Department of Housing and Urban Development.

"**Intercreditor Agreement**" is defined in Section 12.

"**Lender**" means Dwight Capital LLC, a limited liability company organized and existing under the laws of New York, and any future holder of the Borrower's Security Instrument.

"**Lessee**" means 1417 Brace Road Opco LLC, a limited liability company organized and existing under the laws of New Jersey, together with any successors, heirs and assigns (jointly and severally). Lessee may sometimes be referred to as a "tenant" under the terms of the Operator Lease.

"**Lessor**" means 1417 Brace Road Propco LLC, a limited liability company organized and existing under the laws of New Jersey, together with any successors, heirs and assigns (jointly and severally). "Lessor" may sometimes be referred to as a "landlord" under the terms of the Operator Lease.

"**Loan**" means the HUD-insured loan in the original principal amount of $50,867,600.00, made by Lender to Borrower, secured by the Healthcare Facility, as such Loan may be amended, increased or decreased.

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

"**Master Lease**" and "**Master Tenant**" have the meanings set forth in the Borrower's Security Instrument.

"**Operator's Regulatory Agreement**" means that certain Healthcare Regulatory Agreement – Operator relating to the Project and entered into by Lessee for the benefit of HUD.

"**Operator's Security Agreement**" means that certain Operator Security Agreement relating to the Project, and made by Lessee.

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

"**Project**" has the meaning set forth in the Borrower's Security Instrument.

II. HUD REQUIREMENTS

2. COMPLIANCE WITH PROGRAM OBLIGATIONS.

(a) Lessor and Lessee shall comply with, and agree that the Operator Lease shall conform to, the Loan Documents and all applicable Program Obligations. Lessee further agrees that the Operator Lease shall be part of the collateral pledged to Lender and HUD as security for the Loan. Accordingly, Lessee shall not take any action which would violate the Loan Documents or Program Obligations.

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

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

3. SUBORDINATION TO THE LOAN DOCUMENTS.

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

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

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

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

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

5. **PAYMENTS.**

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

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

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

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

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

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

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

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

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

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

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

(b) Lessee acknowledges that Lessor is assigning the Operator Lease to Lender to further secure Lessor's and Borrower's obligations to Lender under the Loan Documents. All parties acknowledge that Lender is authorized to exercise all of the rights and remedies available to Lessor in connection with the assignment of the Operator Lease as Lender may determine is reasonably necessary to cure a default by Lessor under any of the Loan Documents.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[next page is signature page]

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

LESSOR:

1417 BRACE ROAD PROPCO LLC

By:__________________________________
Name: Benjamin Kurland
Title: Manager

LESSEE:

1417 BRACE ROAD OPCO LLC

By:__________________________________
Name: Benjamin Kurland
Title: Manager

Exhibit E

OPERATIONS TRANSFER AGREEMENT

by and between

THE SILVERCARE LLC

("Current Operator"),

and

1417 BRACE ROAD OPCO LLC

("New Operator")

OPERATIONS TRANSFER AGREEMENT

THIS OPERATIONS TRANSFER AGREEMENT (the "**Agreement**"), is effective as of July 1, 2023 (the "**Effective Date**"), and is by and between The Silvercare LLC, a New Jersey limited liability company (the "**Current Operator**"), and 1417 Brace Road Opco LLC, a New Jersey limited liability company (the "**New Operator**").

WHEREAS, Current Operator operates that certain healthcare facility, commonly known as Silver Healthcare Center, and currently licensed for 196 skilled nursing beds (of which 62 are designated as subacute beds), 20 ventilator beds and 40 behavioral management beds (the "**Facility**"), located at 1417 Brace Road, Cherry Hill, New Jersey 08034 (the "**Property**"), pursuant to that certain Lease Agreement (the "**Lease**") by and between SCCH Realty LLC, a New Jersey limited liability company (the "**Seller**"), as "Lessor," and Current Operator, as "Lessee"; and

WHEREAS, Current Operator is the holder of all federal and State of New Jersey (the "**State**") licenses, permits, approvals and authorizations to operate the Facility; and

WHEREAS, concurrently herewith, Seller and 1417 Brace Road LLC, a New Jersey limited liability company (the "**Buyer**") are entering into that certain Real Estate Purchase and Sale Agreement (the "**PSA**") pursuant to which, subject to the terms and conditions contained therein, the Seller will sell, transfer and assign the Property to Buyer; and

WHEREAS, pending the consummation of the transactions contemplated herein and the PSA, Current Operator and New Operator are entering into that certain Interim Management and Administrative Services Agreement of even date herewith (the "**MSA**") pursuant to which, and subject to the terms set forth therein, commencing on the Effective Date, New Operator is providing the management services described therein to Current Operator; and

WHEREAS, Current Operator and New Operator have agreed to enter into this Agreement in order to provide for the transfer of the Facility's operations and related assets from Current Operator to New Operator and an orderly transition of the operations of the Facility and as an integral part of the transactions contemplated by the PSA and MSA;

NOW, THEREFORE, in consideration of the premises, the mutual obligations of the parties contained in this Agreement, and for $10.00 and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree to incorporate the foregoing recitals as if fully rewritten in this Agreement and further agree as follows:

ARTICLE I
ASSETS, LIABILITIES, AND OTHER MATTERS

1.1 Transferred Assets.

(a) Subject to the terms and conditions of this Agreement, at the Closing (as herein defined) Current Operator will transfer to New Operator all of Current Operator's right, title and interest in and to all tangible and intangible assets used or usable in the operation of the Facility (excluding the assets to be sold and transferred under the PSA), including, without limitation, the following assets (collectively the "**Transferred Assets**"), free and clear of all liens, claims and encumbrances:

(i) all furnishings, furniture, machinery, equipment, beds, chairs, sofas, wheelchairs, tables, kitchen and laundry equipment, appliances, cars, vehicles, vans, tools, care related items, and all other tangible assets;

(ii) all patient and prospect lists, marketing information, telephone and fax numbers, telephone listings and similar property used by, or in the marketing or operation of, the Facility;

(iii) all transferable licenses, permits and other governmental approvals or authorizations which are used in connection with the operation of the Facility, including, without limitation, accreditations, operating, license and certification rights, bed rights and similar rights (including any rights under any State program);

(iv) subject to the terms herein, all transferable third-party payor or reimbursement agreements, including Medicare and Medicaid provider agreements, provider numbers, managed care contracts, agreements with third party insurers, and similar agreements with third party payors and providers (individually a "**Provider Agreement**" and collectively the "**Provider Agreements**");

(v) all transferable third party warranties and claims for warranties relating to the Facility or the Transferred Assets;

(vi) all supplies, inventory, linens, medicine, foodstuffs, PPE equipment and supplies and consumables in an amount as is customarily maintained at the Facility;

(vii) all current records relating to the Facility as of the Closing Date, including resident, patient, customer and client payment records, medical records, employee records (excluding disciplinary records), personnel files, payroll records and all other accounting and billing records, including any such information stored in electronic format, and all other information as required by law to be maintained by New Operator (collectively, the "**Records**");

(viii) (A) all patient agreements, admission agreements, occupancy agreements, residency agreements and similar agreements relating to the admission, residency or occupancy of the Facility or provision of services to the then current residents, patients, customers and clients of the Facility as of the Closing Date (including individuals then temporarily not in occupancy) (the "**Patient Agreements**") and (B) such other contracts and agreement to which the Current Operator is a party and are used in the operation of the Facility in the ordinary course which the New Operator expressly agrees to assume pursuant to the terms of this Agreement (the "**Selected Contracts**" and together with the Patient Agreements, the "**Assumed Contracts**");

(ix) all rights of Current Operator relating to deposits, prepaid expenses and claims for refunds to the extent such deposits, prepaid expenses and claims for refunds relate to or arise during the period from and after the Effective Time or to any Transferred Asset;

(x) all rights in and to use the Facility name, website, social media accounts and assets, domain names, email addresses, and all login and administrator privileges associated therewith or necessary for the use thereof;

(xi) all going concern value and goodwill of the Facility;

(xii) all computer software, computer systems and computer programs, including hard drives and disk drives in any computer terminal (including software licenses, documentation and related object and source codes), technologies, methods, formulations, data bases, trade secrets, know-how, inventions and other intellectual property used in the Facility;

(xiii) all rights of Current Operator relating to Resident Trust Funds and Resident Deposits (as such terms are hereinafter defined) to be transferred to New Operator hereunder; and

(xiv) all rights of recovery, setoff, offset, counterclaim, cross-claim, defense, demands and other causes of action arising from or that relate to the foregoing Transferred Assets, whenever or however arising.

(b) The parties agree that the transfer of the Transferred Assets is not intended to alter, amend or modify any of the terms or provisions of the MSA, including, without limitation, the terms and provisions set forth therein regarding Operating Revenue and Operating Liabilities (as defined therein).

(c) Notwithstanding anything in this Agreement to the contrary, Current Operator shall retain, and New Operator shall not accept, any of Current Operator's right, title and interest in and to any of the following assets of Current Operator (collectively, the "Excluded Assets"):

i. all insurance policies of Current Operator and all rights to proceeds under Current Operator's insurance policies;

ii. all proprietary computer software owned or developed by Current Operator (including but not limited to source code, executable code data, databases and documentation);

iii. corporate organizational documents, minute books, tax records and seals, the articles of incorporation, bylaws, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, company procedure manuals, equity transfer books, equity certificates, and other documents relating to the organization, maintenance and existence of Current Operator as a corporation;

iv. all of the rights of Current Operator under this Agreement, any document executed in connection herewith, and any other agreement between Current Operator on the one hand and New Operator on the other hand entered into on or after the Effective Time;

v. all cash, cash equivalents, accounts payable, notes receivable, capital stock, or short-term investments relating to (i.e., accruing and earned with respect to, as opposed to merely received during) periods prior to the Effective Date;

vi. all rights to refunds from whatever source including, without limitation, for taxes, fees, assessments and charges and those arising out of retrospective premium adjustments under insurance policies covering the Facility or the operations thereof for periods ending prior to the Effective Date;

vii. all casualty, general liability and other insurance policies which cover Current Operator, the Facility or the operations thereof for periods ending prior to the Effective Date;

viii. those rights relating to deposits and prepaid expenses and claims for refunds and rights to offset in respect thereof for periods ending prior to the Effective Date;

ix. all rights arising under any contracts relating to any supplies or services provided to the Facility for periods ending prior to the Effective Date unless such contracts are expressly assigned to New Operator by a separate written assignment; and

x. any and all books and records not related to any of the Transferred Assets.

1.2 Assumed Liabilities. Subject to the terms and conditions set forth herein, but without limitation of the terms and provisions of the MSA, as of the Effective Time (as herein defined), New Operator shall assume and agree to discharge, pay or perform the following specified liabilities and obligations of the Current Operator, to the extent the same arise from or relate to the operation of the Facility in the ordinary course of business and do not arise from any breach or violation of any applicable law, rule or regulation or any agreement, commitment, instrument or understanding to which Current Operator may be a party (collectively, the "**Assumed Liabilities**"):

(a) all obligations of the Current Operator under the Provider Agreements and Assumed Contracts, to the extent arising from and relating to the period after the Effective Time; and

(b) all other obligations and liabilities of the Current Operator which the New Operator expressly agrees to assume, discharge or perform pursuant to any other Section of this Agreement.

1.3 Excluded Liabilities. Except for the Assumed Liabilities, but without limitation of the obligations of the New Operator under the MSA (and except for any liability caused by the negligence or misconduct of New Operator), New Operator shall not, and does not, assume or agree to pay, discharge or perform, any claims, lawsuits, liabilities, obligations, contracts, agreements or debts of Current Operator, whether statutory, regulatory, judicially created or constitutional (the "**Excluded Liabilities**"), including without limitation:

(a) all obligations and liabilities to vendors and suppliers for goods and services prior to the Effective Date;

(b) all governmental taxes, provider taxes, bed taxes, charges, levies, fees and other amounts due to any governmental or taxing authority for any period prior to the Effective Date;

(c) unless accruing as a result of Buyer's or New Operator's actions, all malpractice or other tort claims, statutory or regulatory claims, claims of state or federal agencies whether civil or criminal, fraud-based claims or claims for breach of contract to the extent any such claims are based on the acts or omissions of Current Operator occurring on or before the Effective Time;

(d) all obligations of the Current Operator to any employee of Current Operator including, without limitation, under any employee benefit plan, retirement plan, pension plan, including any liability or obligation arising from any breach or violation by Current Operator of any term or provision thereof or any law, rule or regulation applicable thereto or creation, maintenance or administration thereof, and further including any obligation in respect of accrued vacation, sick, personal or similar benefit as of the Effective Time; and

(e) any agreements or understandings with any independent contractor or consultant;

(f) unless accruing as a result of Buyer's or New Operator's actions, any obligation or liability for any loan, advance, payment or other receipt of funds by Operator under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Medicare Accelerated and Advance Payment Program, Payroll Protection Program or any other stimulus program, including any liability or obligation in respect of employee retention tax credits;

(g) unless accruing as a result of Buyer's or New Operator's actions, any third part payor audits as well as any investigation from a governmental entity, quasi-governmental entity, or an entity acting with authority of the foregoing or by a whistleblower or other private citizen claiming a violation of a healthcare related statute or a violation of the Medicare or Medicaid or other third party provider agreement.

(h) unless accruing as a result of Buyer's or New Operator's actions, all liabilities and obligations under any indebtedness of any kind, except that the foregoing shall not include any liabilities and obligations imposed upon the operator of the Facility under that certain HUD insured mortgage loan (the "**HUD Loan**") encumbering the Property.

(i) any liability arising from the ownership, management or use of the Facility prior to the Effective Date (including, without limitation, (1) any CMP, fine, penalty, charge or any cost or liability incurred in connection with the cure or repair of a deficiency or pursuant to a correction order or plan of correction or IDR item, which arose prior to the Effective Date, even if incurred, implemented or imposed after the Effective Date, and (2) any audit adjustment, overpayment, underpayment, recoupment, fine, penalty, late charge or assessment imposed, credited, debited, charged, alleged or threatened with respect to Facility operations for any period prior to the Effective Date).

1.4 Provider Agreements. Without limitation of any term or provision of the MSA:

(a) To the extent permissible under applicable laws, rules and regulations and the terms thereof, as of the Effective Time, all of Current Operator's rights and interests in and to Current Operator's Medicare provider numbers and all Provider Agreements shall be assigned to, and assumed by, New Operator.

(b) At or before the Closing, Current Operator shall sign and deliver to New Operator, and New Operator shall thereafter submit, Form 855A to the appropriate agent of the Centers for Medicare and Medicaid Services and New Operator shall diligently pursue and seek to obtain approval of the assignment of Medicare provider agreement. Current Operator shall provide such information and cooperate with the New Operator, at no cost as necessary in the preparation of the Form 855A and all other provider agreement applications.

(c) As of the Effective Time, and to the extent permissible under applicable laws, rules and regulations and the terms thereof, New Operator shall have the right to bill for services rendered after the Effective Time under Current Operator's Medicare and Medicaid provider numbers and all other Provider Agreements, third party payor provider numbers and NPI numbers.

1.5 Transfer of Resident Trust Funds and Deposits. Without limitation of any term or provision of the MSA:

(a) At the Closing, Current Operator shall transfer all trust funds held by Current Operator for any patient or resident of the Facility (collectively the "**Resident Trust Funds**") and deposits or prepayments (including entrance fees) paid by or for any patient or resident of the Facility (collectively, the "**Resident Deposits**") to New Operator and New Operator shall accept the Resident Trust Funds and Resident Deposits in trust for the applicable patients and residents of the Facility, in accordance with applicable statutory and regulatory requirements. New Operator will indemnify, defend and hold Current Operator harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event a claim is made against Current Operator with respect to the Resident Trust Funds and Resident Deposits where said funds were transferred to New Operator pursuant to the terms hereof, or for claims which arise from actions or omissions of New Operator after the Closing Date with respect to Resident Trust Funds and Resident Deposits actually received by New Operator.

1.6 Employees.

(a) As of the Closing Date, Current Operator shall terminate the employment of all employees employed at the Facility and New Operator shall, to the extent required below, offer employment, upon terms and conditions to be set by the New Operator as described herein, to all employees of the Current Operator who, as of the Closing Date, are actively working at the Facility (which shall include employees of Current Operator who, as of the Closing Date, are on a leave of absence pursuant to Current Operator's Family and Medical Leave of Absence Policy or due to work-related injury or illness, upon any return from such leave). All employees of Current Operator who, pursuant to the foregoing, become employees of the New Operator as of the Closing, are herein referred to as the "**Hired Employees**". It is understood that New Operator shall not be responsible for any disability or workers' compensation benefits for any employees on leave of absence pursuant to Current Operator's Family and Medical Leave of Absence Policy or due to a work-related injury or illness that are receiving such benefits as of the Closing Date; provided, that New Operator will be responsible after the Effective Time for such disability or workers' compensation benefits arising on and after the Effective Time (to the extent relating to periods on and after the Effective Time and excluding any pre-existing condition) for any Hired Employees.

(b) New Operator shall, to the extent required below and in compliance with the New Jersey Changes in Control of Health Care Entities Act, N.J.S.A. 34:11-4.1, et seq., offer employment, upon terms and conditions to be set by the New Operator as described herein, to all employees of the Current Operator who, as of the Closing Date, are actively working at the Facility (which shall include employees of the Current Operator who, as of the Closing Date, are on a leave of absence pursuant to the Current Operator's Family and Medical Leave of Absence Policy or due to work-related injury or illness, upon any return from such leave). New Operator shall offer to employ a sufficient number of Current Operator's employees employed at the Facility upon such terms and conditions and otherwise take any and all necessary steps so that Current Operator is not required to give notice to the employees of the Facility (including employees who are on medical disability or leaves of absence and who worked at the Facility immediately prior to such disability or leave who are able to perform the essential functions of the position with or without a reasonable accommodation and who are qualified for the position) of the "closure" thereof under the Worker Adjustment and Retraining Notification Act of 1988, as amended (the "**WARN Act**") or under any comparable state law. If New Operator fails to comply with its obligations in the preceding sentence, New Operator shall indemnify, defend and hold harmless Current Operator for any and all losses, costs, claims, fines, penalties, damages and expenses (including court costs and reasonable attorneys' fees) arising under or relating to the WARN Act and any similar local or State plant closing laws as applied to the transactions contemplated hereby. Nothing in this Section shall create any rights in favor of any person not a party hereto, including the employees of the Facility, or constitute an employment agreement or condition of employment for any employee of Current Operator or any Affiliate thereof who is a Hired Employee.

(c) Between the Effective Date and the two year anniversary date of the Closing, neither Current Operator nor any of its Affiliates (each, an "**Current Operator Affiliate**") shall, directly or indirectly, alone or in conjunction with any other party, solicit, induce or attempt to solicit or induce for employment or consulting or similar services or otherwise engage or employ any Hired Employee (except for employment at the Facility). Nothing set forth in this paragraph shall restrict a party from conducting general solicitations (including through advertisements and/or search firms) not directly targeted to prohibited individuals or to employ any prohibited individual who has not been employed by the other party for a period of at least 90 days.

(d) As of the Effective Time, the New Operator shall assume the liability and obligation of the Current Operator to pay all vacation, sick and personal days accrued as of the Effective Time (including all employer, withholding, impositions and other charges or other taxes associated therewith or payable by New Operator in connection therewith or for which New Operator may be liable) (collectively, the "**PTO Benefits**"), and the Buyer shall receive a credit to the Purchase Price under the PSA equal to the aggregate amount of all PTO Benefits (calculated as of the Effective Date, and not the Effective Time).

(e) From and after the Effective Time, to the extent required by applicable law, New Operator shall assume the obligation for providing notices and offering continuation coverage under Section 601, et seq. of ERISA and Section 4980B of the Code ("**COBRA**") with respect to any Facility employee (other than the Hired Employees) and any eligible spouse or dependent thereof, in each case, to the extent such individuals qualify as "M&A Qualified Beneficiaries" (as defined in 26 CFR § 54.4980B-9, Q-4). COBRA continuation coverage offered to M&A Qualified Beneficiaries shall be available starting on the first day of the month following the Closing Date. New Operator shall be entitled to require that each M&A Qualified Beneficiary electing COBRA continuation coverage under new Operator's plans pay the full amount of the applicable premium for such COBRA coverage and any other applicable amounts permitted by law.

(f) As of the Effective Time, all active employees of Current Operator employed at the Facility who are eligible to participate in group health insurance coverage sponsored by Current Operator and who become Hired Employees shall be eligible for participation in a New Operator group health plan (as defined for purposes of Internal Revenue Code Section 4980B) for the general benefit of employees and their dependents, and, to the extent permitted by such plan, all such employees shall be covered without a waiting period and without regard to any pre-existing condition unless (1) they are under a waiting period with Current Operator at the Effective Time, in which case they shall be required to complete their waiting period while under the group plan of New Operator or (2) they were subject to a pre-existing condition exclusion while under Current Operator's group-health plan, in which case they shall remain subject to the same exclusion, which exclusion shall, if applicable, be subject to the same time limitation while employed by the New Operator as was applicable thereto while said employees were employed by Current Operator, with the time limit calculated from the date the same commenced while employed by such New Operator. The New Operator and Current Operator acknowledge and agree that it is the intent of this provision that neither Current Operator nor its Affiliates shall be required to provide continued health coverage under ERISA or Section 4980B of the Internal Revenue Code to any Hired Employees or to any M&A Qualified Beneficiary (as defined for purposes of Section 4980B of the Internal Revenue Code) with respect to any such employees. Without limitation of the foregoing, Current Operator shall be responsible for providing welfare benefits (including, without limitation, medical, hospital, dental, accidental death and dismemberment, life, disability and other similar benefits) to all of Current Operator's employees, including, without limitation, Hired Employees, for all claims incurred and benefits earned prior to the Effective Time under and subject to the generally applicable terms and conditions of the employee benefit plans, programs and policies in which such employees were entitled to participate prior to the Effective Time, as amended from time to time. To the extent required by applicable law, New Operator shall be responsible for providing such benefits for claims incurred and benefits earned on or after the Effective Time under and subject to the generally applicable terms and conditions of New Operator's employee benefit plans, programs and arrangements as amended from time to time. For purposes of this paragraph, a claim is "incurred" on the date the applicable medical or dental services are rendered, drugs or other medical equipment are purchased or used, as the case may be, or, in the case of a confinement, the related expenses are deemed incurred per diem.

(g) As of the Effective Time, all Hired Employees shall cease to accrue benefits under the employee benefit plans, programs and policies of Current Operator, and Current Operator shall take all such action as may be necessary to affect such cessation. There shall be no assumption by New Operator of or transfer of assets or liabilities of such plans, programs and policies from Current Operator to New Operator or to any employee benefit plans of the New Operator with regard to any employees of Current Operator, including, without limitation, Hired Employees.

(h) As of immediately prior to the Effective Time, each Hired Employee shall cease to participate in Current Operator's 401(k) Plan. Following the Effective Time, each Hired Employee shall be permitted to elect a distribution (in accordance with the terms of Current Operator's 401(k) Plan) of his or her account balance in the 401(k) Plan and also shall be permitted (in accordance with the terms of such 401(k) Plan) to roll over his or her account balances in such plan to a New Operator 401(k) Plan, including the ability to roll over any existing loans under Current Operator's 401(k) Plan, for at least ninety (90) days after the Closing Date. The Current Operator and New Operator shall take all actions necessary or appropriate, and shall cooperate with each other to accomplish and facilitate the foregoing, and, following the Closing Date, New Operator shall be solely responsible for obtaining any employees' elections with respect to New Operator's 401(k) Plan regarding the roll-over of account balances and loans, if applicable, and to the extent required by applicable law.

(i) Nothing contained herein shall constitute the assumption by New Operator of any union contract, collective bargaining agreement or other employment agreement of any kind or nature, nor shall New Operator be bound by any of the terms or provisions thereof.

1.7 [reserved]

1.8 Prorations.

(a) At the Closing, all expenses and income arising from the operation of the Facility prior to the Effective Date (and not the Effective Time) (all such income and expenses to be referred to herein as the "**Prorated Items**"), shall be apportioned between Current Operator and New Operator such that Current Operator shall be entitled to and responsible for all revenue, expenses and obligations arising from the operation of the Facility prior to the Effective Date, including the Excluded Liabilities, and New Operator shall be entitled to all revenue and income, and responsible for all expenses and obligations arising from the operation of the Facility from and after the Effective Date, except, in each case, as otherwise expressly set forth herein or the MSA, and, in each case, subject to the terms set forth herein and therein. The foregoing is intended to be applied in accordance with the terms and provisions of the MSA with respect to profit and loss during the period between the Effective Date and Effective Time and not to contradict same or to duplicate either party's liabilities or rights with respect to profit and loss set forth in the MSA. To the extent not implemented by the MSA prior to the Effective Time, this provision shall be implemented by appropriate adjustment to the Purchase Price under the PSA.

(b) The parties agree that amounts due or payable under the State provider tax or assessment program ("**Assessment**") (i) for any period ending on or before the Effective Date (and not the Effective Time) shall be the liability of the Current Operator, (ii) for any period beginning on or after the Effective Date (and not the Effective Time) shall be the liability of the New Operator, and (iii) for any period beginning before the Effective Date (and not the Effective Time) and ending after the Effective Date (and not the Effective Time) (a "**Straddle Period**") shall be allocated such that Current Operator shall be liable for the portion of the Assessment relating to the period prior to and ending on the Effective Date (and not the Effective Time) and New Operator shall be liable for the portion of the Assessment relating to the period beginning on the Effective Date (and not the Effective Time), such apportionment to be calculated by multiplying the amount of the Assessment for the entire Straddle Period by a fraction the numerator of which is the number of calendar days in the Straddle Period ending on the Effective Date (in the case of the Current Operator) or beginning on the Effective Date (in the case of the New Operator) and the denominator of which is the number of calendar days in the entire Straddle Period.

1.9 Access to Records.

(a) To the extent allowed by law all (i) patient records, resident records, MDS, care plans, therapy records, pharmacy records, clinical patient records, trust account records and admission agreements (the "**Patient Care Records**"), and (ii) business records relating to the operation of the Facility, including employment records for Hired Employees, employment applications, W-9 Forms and payroll records, time and attendance records, and current governmental authority compliance records (including surveys and plans of correction) (the "**Operations Records**") shall be maintained at the Facility and become the property of the New Operator upon Closing. Notwithstanding anything to the contrary in this Section, except to the extent required by applicable law, New Operator shall not be required to maintain and shall have no responsibility with respect to any Patient Care Records and Operations Records that relate to any patients or employees of the Facility that were not admitted at the Facility, or employed at the Facility, as applicable, as of the Effective Date ("**Pre-Closing Records**"), and all such Pre-Closing Records shall not be included in the definition of the terms Patient Care Records and Operations Records.

(b) To the extent required by law, New Operator shall file all notices required to be filed by it under applicable law with respect to the location of all Patient Care Records.

(c) Subsequent to the Effective Time and for a period of three years thereafter, each of New Operator and Current Operator shall allow the other and its agents and representatives to have reasonable access to (upon reasonable prior notice, during normal business hours), and to make copies of, at the requesting party's expense, the clinical, operational and financial records and supporting material of the Facility relating to any period prior to or after the Effective Time, to the extent reasonably necessary to enable the requesting party to investigate and defend any claim (including employee and patient claims), to file or defend tax returns, cost reports or other governmental filings and to verify payments, adjustments or allocations provided by this Agreement and involving the requesting party, which access shall not unreasonably disrupt the requested party's operations.

(d) Each of New Operator and Current Operator shall, upon reasonable notice to the other, be entitled to take possession of the originals of any clinical, operational and financial records and supporting material of the Facility relating to any period prior to or after the Effective Time then in the possession of the other, for purposes of litigation involving a resident or employee to whom such record relates, if an officer of a court of competent jurisdiction or agency official certifies that such original must be produced in order to comply with applicable law or the order of a court of competent jurisdiction in connection with such litigation, and the requesting party shall provide the requested party with a complete copy of such records prior to its so taking possession at the requesting party's cost and expense and as a condition precedent to receiving such original record. Any record so taken shall promptly be returned to the requested party following its use.

(e) Each of New Operator and Current Operator agrees to maintain such books, records and other material comprising records of its operations of the Facility, including, but not limited to, resident records and records of resident funds, to the extent required by law, but in no event less than three (3) years.

(f) This paragraph (f) is included herein because of the possible application of Section 1861(v)(1)(I) of the Social Security Act to this Agreement. If such Section 1861(v)(1)(I) should not be found applicable to this Agreement under the terms of such Section and the regulations promulgated thereunder, then this Section will be deemed not to be a part of this Agreement and shall be conclusively deemed by the parties to be null and void. Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, the New Operator will, as provided in Section 1861(v)(1)(I) of the Social Security Act and regulations promulgated thereunder, make available, upon written request, to the Secretary of Health and Human Services or to the Comptroller General of the United States or any of their duly authorized representatives, this Agreement and all books, documents and records of the New Operator that are necessary to verify the nature and extent of the costs of any services furnished pursuant to this Agreement for which payment may be made under the Medicare program. Any party receiving a request for documents or information under this provision will promptly notify the other party.

1.10 Operating Contracts and Patient Agreements.

(a) To the extent approved by New Operator under the MSA, New Operator shall assume all equipment leases, software licenses, vendor, service, maintenance, laundry, hospital transfer, hospice, pharmacy and other agreements relating to the operation of the Facility (said agreements being referred to as the "**Selected Contracts**").

(b) Any and all equipment leases, software licenses, vendor, service, maintenance, laundry, hospital transfer, hospice, pharmacy and other agreements relating to the operation of the Facility not approved by the New Operator under the MSA (the "**Operating Contracts**") shall not be included in the Assumed Contracts hereunder.

(c) Without limitation of any term or provision set forth in the MSA, as of the Effective Time, New Operator shall assume and undertake to perform any and all obligations under the Patient Agreements accruing from and after the Effective Time for all current patients and residents of the Facility as of the Effective Time (including individuals temporarily not in occupancy).

(d) From and after the Effective Date, and for a period of two years following the Closing Date, neither Current Operator nor any Current Operator Affiliate shall, directly or indirectly, alone or in conjunction with any other party, solicit, induce or attempt to solicit or induce any patient at the Facility to be admitted to any other healthcare facility or to purchase any services sold by the Facility from anyone other than New Operator.

1.11 Cost Reports and Payment Adjustments.

(a) Current Operator has prepared and filed with the appropriate Medicare and Medicaid agencies a cost report for its operation of the Facility for the reporting period ending December 31, 2022. In accordance with the MSA, and subject to its receipt from Current Operator or its agents, of correct and sufficient information therefor, New Operator shall prepare and file with the appropriate Medicare and Medicaid agencies a cost report for its operation of the Facility for the reporting periods occurring during the term of this Agreement and the MSA. Current Operator agrees to pay half (50%) of the cost of preparing and filing the costs report for calendar year 2023. Each party agrees to reasonably cooperate with the other and promptly provide all requested information in connection with New Operator's preparation of the aforesaid cost reports.

(b) Current Operator and New Operator shall each notify the other within five (5) business days of its receipt of any notice from any third party payor of any audit adjustment, overpayment, underpayment, recoupment, fine, penalty, late charge or assessment imposed, credited, debited, charged, alleged or threatened with respect to Facility operations for any period prior to the Effective Time (herein, a "**Payment Adjustment**"). Current Operator may, at its expense, appeal and diligently prosecute any Payment Adjustment, or, at Current Operator's request and expense, direct New Operator to appeal any Payment Adjustment. Current Operator and New Operator shall each reasonably cooperate with the other party in connection with any such appeal and promptly provide any requested information or supporting documentation within its possession or control. No party, in undertaking to appeal and prosecute (or cause the appeal and prosecution of) any Payment Adjustment, shall be deemed to have made any representation to the other with respect to the success or outcome of any appeal.

(c) Within ten (10) days of Current Operator's receipt of notice from New Operator of a Payment Adjustment effected through an offset against or recoupment from monies otherwise payable for services rendered at the Facility after the Effective Date (a "**Recoupment**"), Current Operator shall pay to New Operator the amount of such Recoupment. Current Operator may, at its expense, appeal and diligently prosecute any Recoupment, or, at Current Operator's request and expense, direct New Operator to appeal any Recoupment. Current Operator and New Operator shall each reasonably cooperate with the other party in connection with any such appeal and promptly provide any requested information or supporting documentation within its possession or control. If, and to the extent, New Operator shall thereafter receive payment of (or credit for) all or any portion of any Recoupment so paid by Current Operator, whether by reason of any appeal thereof or any other reason, New Operator shall, within ten (10) days thereof, pay the amount so received (or credit given) to Current Operator.

(d) To the extent any Payment Adjustment relates to periods prior to and after the Effective Date, or any appeal of any Payment Adjustment results in any payment being made or credit given for periods that include periods prior to and after the Effective Date, Current Operator shall be responsible for, and entitled to the payments or credits for, the period prior to the Effective Date, and New Operator shall be responsible for, and entitled to the payments and credits for, the period on and after the Effective Date.

(e) Current Operator shall be and remains obligated for and shall pay on or before the date due thereof all amounts of any license fees/taxes, including provider taxes and bed taxes, or other amounts payable to any governmental authority accrued for any period prior to the Effective Date, and New Operator shall pay, on or before the date due, all amounts of any license fees/taxes, including provider taxes and bed taxes, or other amounts payable to any governmental authority with jurisdiction over the Facility arising and accrued for any period after the Effective Date.

(f) If the Facility receives a Conditional Level Statement of Deficiency and imposing or assessing a monetary fine, deficiency or penalty and stating that the reason for such Conditional Level Statement Deficiency and monetary fine, deficiency or penalty arises from any services furnished by Current Operator before the Effective Date, then Current Operator shall pay to New Operator the survey deficiency payment set forth therein including, without limitation, any fines or penalties, including any CMS, OIG, DHSS, fines and/or penalties assessed against New Operator due to such deficiency ("**Survey Deficiency Payment**"), except that Current Operator shall have no obligation to make such payment for so long as Current Operator is objecting, disputing or appealing the Conditional Level Statement of Deficiency or the Survey Deficiency Payment and such objection, dispute or appeal effects a stay against any further action being taken by the applicable governmental authority against the Facility in respect thereof.

1.12 <u>HIPAA</u>. Current Operator and New Operator shall comply with all patient identity and information protection laws, including The Health Insurance Portability and Accountability Act of 1996 (HIPAA), in performing, effecting and fulfilling its obligations set forth in this Agreement and shall enter into such additional and supplemental agreements as may be required thereunder.

1.13 <u>COVID-19</u>

(a) <u>COVID-19 Funds</u>. To the extent related to the period prior to the Effective Date, Current Operator or Current Operator Affiliates shall be entitled to, and responsible for all audits, costs and expenses related to: (1) funds made available pursuant to the Coronavirus Aid, Relief and Economic Security Act ("**CARES Act Payments**"), (2) advanced payments from CMS pursuant to the CMS Accelerated and Advance Payment Program related to COVID-19 ("**Medicare Advance Payments**"), and/or (3) all other stimulus funds related to COVID-19 which are not CARES Act Payments or Medicare Advance Payments ("**Other COVID-19 Funds**"). To the extent related to the period from and after the Effective Date, New Operator or New Operator Affiliates shall be entitled to, and responsible for all audits, costs and expenses related to CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds.

(b) <u>PPP Loan Funds</u>. Current Operator represents that it has no obligations under any loans made under the Paycheck Protection Program ("**PPP Loans**"), and any PPP Loans received by Current

Operator have been fully and properly forgiven in accordance with the requirements of the United States Small Business Administration ("**SBA**").

ARTICLE II
THE CLOSING

2.1 Time and Place of Closing. The closing of the transactions contemplated herein (the "**Closing**") shall occur within thirty (30) days after receipt by New Operator of the New Operator License Approval (as hereinafter defined) and the New Operator HUD Approval (as hereinafter defined) (such day that the Closing occurs, the "**Closing Date**") through the mutual exchange of documents and funds in escrow through counsel for the parties. Notwithstanding the actual time at which the Closing occurs, the time (the "**Effective Time**") at which the Closing shall be deemed to be effective shall be 12:01 a.m. on the Closing Date. The Closing shall occur concurrently with the closing under the PSA.

ARTICLE III
OLD OPERATOR'S REPRESENTATIONS AND WARRANTIES

3.1 Current Operator's Representations and Warranties. Current Operator represents and warrants, as of the Effective Date and the Closing Date, to New Operator as follows:

(a) Organization and Standing of Current Operator. Current Operator is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of New Jersey and is authorized to do business in the State of New Jersey. Current Operator has the power and authority to own the Transferred Assets and to conduct the business presently being conducted by Current Operator at the Facility.

(b) Authority. Current Operator has the full power and authority to make, execute, deliver and perform this Agreement and the other instruments to be executed and delivered by it pursuant hereto (the "**Current Operator's Transaction Documents**"). Such execution, delivery and performance have been duly authorized by all necessary action on the part of Current Operator and its members and managers, as applicable.

(c) Binding Effect. Current Operator's Transaction Documents constitute the valid and binding obligations of Current Operator, enforceable against Current Operator in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization and other laws now or hereafter in effect affecting creditors' rights and remedies or by equitable principles.

(d) Validity of Contemplated Transactions. The authorization, execution and delivery of this Agreement and the Current Operator's Transaction Documents and the consummation of the transactions contemplated hereby and thereby by the Current Operator, do not and will not, with or without the giving of notice or passage of time or both, violate, conflict with or result in the breach of any term or provision of or require any notice, filing or consent under (i) the certificate of formation or operating agreement of the Current Operator or (ii) any statutes, laws, rules, regulations, ordinances, licenses or permits of any governmental body, authority or agency applicable to the Current Operator (except for such notices to, and consents and approvals of, State and federal governmental and regulatory authorities applicable to the change of ownership of a healthcare facility or as required under the HUD Loan) or (iii) any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental body, authority or agency binding upon the Current Operator.

(e) Bankruptcy. Current Operator is not involved in any proceeding by or against it as a debtor before any governmental authority under Title 11 of the United States Bankruptcy Code or any other insolvency or debtors' relief act, whether state, federal or foreign, or for the appointment of a trustee, receiver, liquidator, assignee, sequestrator or other similar official for any part of the Current Operator's property; is not insolvent and, immediately after giving effect to the transactions contemplated hereby and the PSA, will not be insolvent; has assets, and immediately after giving effect to the transactions contemplated hereby and the PSA, will have assets, (both tangible and intangible) with a fair saleable value in excess of the amount required to pay its debts, obligations and liabilities as they come due, including all Excluded Liabilities; and has adequate capital for the conduct of its business and discharge of its debts.

(f) Regulatory and Legal Compliance.

(i) Current Operator (A) is not a party to a Corporate Integrity Agreement with the OIG, (B) has no reporting obligations pursuant to any settlement agreement entered into with any governmental authority, (C) to its knowledge, is not a defendant in any qui tam/False Claims Act or similar litigation, (D) has not been served with or received any search warrant, subpoena or civil investigative demand, from any federal or state enforcement agency relating to Current Operator's operation of the Facility.

(ii) Subject to any action taken by New Operator under the MSA (as to which Current Operator makes no representation), neither Current Operator nor its officers, members, managers and directors, nor to the knowledge of the Current Operator, any persons who provide professional services under agreements with Current Operator have, in connection with their activities directly or indirectly related to Current Operator, engaged in any activities which are prohibited under federal Medicare or Medicaid statutes, including 42 U.S.C. Sections 1320a-7, 1320a-7(a) and 1320a-7b, or the regulations promulgated pursuant to such statutes or related state or local statutes or regulations or which are prohibited by rules of professional conduct, including but not limited to the following:

(A) making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment;

(B) making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment;

(C) presenting or causing to be presented a claim for reimbursement for services under any Federal health care program, including but not limited to Medicare, Medicaid or any state health care program that is for an item or service that is known or should be known to be not provided as claimed, or false or fraudulent;

(D) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment;

(E) offering, paying, soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by any Federal health care program, including but not limited to Medicare, Medicaid or any state health care program, or (2) in return for purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part by Medicare, Medicaid or other state health care program; or

(F) making or causing to be made or inducing or seeking to induce the making of any false statement or representation (or omitting to state a fact required to be stated therein or necessary to make the statements contained therein not misleading) of a material fact with respect to (1) the conditions or operations of the Facility in order that the Facility may qualify for any Federal health care program, including but not limited to Medicare, Medicaid or any state health care program certification, or (2) information required to be provided under Section 1124A of the Social Security Act (42 U.S.C. Section 1320a-3).

(iii) Subject to any action taken by New Operator under the MSA (as to which Current Operator makes no representation), none of the Current Operator, nor, to the knowledge of the Current Operator, any of the officers, employees or agents of the Current Operator, and none of the persons who provide professional services under agreements with the Current Operator:

(1) has been excluded from participation under the Medicare, Medicaid program or a state health care program as defined in Section 1320a-7 of Title 42 or any regulations promulgated thereunder ("**State Health Care Program**"); or

(2) has been convicted (as that term is defined in 42 C.F.R. § 1001.2) of any of the following categories of offenses as described in Section 1320a-7(a) and (b)(1), (2), (3) or any regulations promulgated thereunder: (A) criminal offenses relating to the delivery of an item or service under Medicare, Medicaid or any State Health Care Program; (B) criminal offenses under any law, rule or regulation, order or directive, relating to neglect or abuse in connection with the delivery of a health care item or service; (C) criminal offenses under any law, rule or regulation, order or directive relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with the delivery of a health care item or service or with respect to any act or omission in a program operated by or financed in whole or in part by any federal, state or local government agency; (D) any law, rule or regulation, order or directive relating to the interference with or obstruction of any investigation into any criminal offense described in (A) through (C) above; or (E) criminal offenses under any law, rule or regulation, order or directive relating to the unlawful manufacture, distribution, prescription or dispensing of a controlled substance.

(g) Medicare and Medicaid Cost Reports.

(i) Current Operator and the Facility participates in the Medicare and Medicaid program and is in compliance in all material respects with the conditions of participation for Medicare and Medicaid, and has a current and valid provider contract and provider number with the Medicare and Medicaid program. The Facility is eligible to receive payment under Title XVIII of the Social Security Act, and is a "provider" under provider agreements with the Medicare and Medicaid program. There is no pending or, to the knowledge of Current Operator, threatened proceeding or investigation, including any qui tam or False Claims Act proceeding or investigation, involving the Current Operator or the Facility. No governmental authority has provided written notice to Current Operator of its intent to conduct any audit or review of the Facility with respect to compliance with any Medicare or Medicaid regulations. Neither the Current Operator nor the Facility, nor, to the knowledge of Current Operator, any of their respective shareholders, directors, officers, managers or employees, are excluded from participation in the Medicare or Medicaid program or any other federal health care programs and, to the Knowledge of the Current Operator, no such exclusion is pending or threatened.

(ii) The Facility participates in the State's Medicare and Medicaid program is in compliance in all material respects with the conditions of participation for Medicare and Medicaid and has a current and valid provider contract and provider number with the Medicare and Medicaid program. The Facility is eligible to receive payment under Title XIX of the Social Security Act and is a "provider" under provider agreements with the Medicaid or Medicare program in the State. Neither the Current Operator nor the Facility, nor, to the knowledge of Current Operator, any of their respective shareholders, directors, officers, managers or employees, are excluded from participation in the State's Medicaid or Medicare program or any other state healthcare programs and, to the Knowledge of the Current Operator, no such exclusion is pending or threatened

(iii) Current Operator meets all of the requirements of participation and payment of, and where applicable is a party to valid supplier or other participation agreements for payment by, Medicare, Medicaid and any other state or federal government health care programs, any private insurance company, health maintenance organization, preferred provider organization, managed care organization, government contracting agency, or any other public or private third party payor program ("**Programs**") to the extent it bills or receives reimbursement from a particular Program. There are no legal proceedings pending or, to the knowledge of the Current Operator, threatened which would be reasonably likely to result in a revocation, suspension, termination, probation, restriction, limitation, or non-renewal of any Program supplier or other participation agreement or result in the exclusion of the Current Operator or any of its directors, officers, employees or agents from any Program. The Current Operator, has not engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Program.

(iv) Current Operator has filed all cost reports required to be filed as of the Effective Date. As of the Effective Date, Current Operator has furnished New Operator with copies of all cost reports filed by the Current Operator with the appropriate State agency, the appropriate Medicare agencies and/or fiscal intermediaries in respect of the operation of the Facility for the past two completed fiscal years and such cost reports did not contain any disallowable costs or expenses of a material nature or, to the knowledge of Current Operator, any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and such cost reports have been prepared in all material respects in accordance with and in compliance with all applicable government rules and regulations. For all periods prior to the Effective Date, there are no claims, actions or appeals pending before any commission, board or agency, including any Medicare Administrative Contractor or other fiscal intermediary or carrier, or the Provider Reimbursement Review Board of the Administrator of CMS, with respect to any Medicare or Medicaid cost reports filed on behalf of the Facility or any material disallowances by any governmental authority in connection with any audit of such cost reports. For all periods prior to the Effective Date, all claims submitted by the Facility to Medicare, Medicaid or other governmental payment programs have been in compliance in all material respects with Medicare and Medicaid regulations, and the Facility has paid or caused to be paid all material known and undisputed refunds or overpayments which have become due to any Medicare, Medicaid or other governmental payment programs.

(v) Neither the Current Operator nor the Facility, nor, to the knowledge of Current Operator, any owner, officer, director, partner, agent, managing employee or person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. §1001.1001) in the Facility, is a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, corporate compliance agreement, deferred prosecution agreement, or other formal or informal agreement with any governmental authority concerning compliance with Medicare, Medicaid, HIPAA, the HITECH Act or any other federal or state healthcare laws and regulations. Neither the Current Operator nor the Facility has made any voluntary disclosure to the OIG, CMS, any Medicare Administrative Contractor, Medicaid program or other governmental authority relating to any potential, alleged or actual violation of Medicare or Medicaid regulations. To Current Operator's Knowledge. except as in compliance in all material respects with Medicare and Medicaid regulations, neither the Current Operator nor the Facility is a party to any agreement (including any joint venture or consulting agreement) with any physician, immediate family member of a physician, or other person who or which is in a position to make or influence referrals to, or otherwise generate business for, the Facility.

(h) Finder's Fee. Current Operator has not dealt with any real estate broker, investment banker, person, firm or entity who would, by reason of such dealings be able to claim a brokerage, business opportunity, brokerage or finder's fee as the procuring cause of this transaction.

ARTICLE IV
NEW OPERATOR'S REPRESENTATIONS AND WARRANTIES

4.1 New Operator's Representations and Warranties. New Operator represents and warrants, as of the Effective Date and the Closing Date, to Current Operator as follows:

(a) Organization and Standing of New Operator. New Operator is a limited liability company duly formed, validly existing and in good standing under the laws of New Jersey and is authorized to do business in the State of New Jersey. Upon receipt of all federal, State and municipal governmental and regulatory licenses, permits and approvals necessary for the lawful operation of the Facility by New Operator, New Operator shall have the power and authority to purchase and acquire the Transferred Assets and to operate the Facility.

(b) Authority. New Operator has the full power and authority to make, execute, deliver and perform this Agreement and the other instruments to be executed and delivered by it pursuant hereto (the "**New Operator's Transaction Documents**", and, collectively with the Current Operator's Transaction Documents, the "**Transaction Documents"**). Such execution, delivery, performance and consummation have been duly authorized by all necessary action on the part of New Operator.

(c) Binding Effect. New Operator's Transaction Documents, when executed by New Operator, constitute the valid and binding obligations of New Operator, enforceable against New Operator in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization and other laws now or hereafter in effect affecting creditors' rights and remedies or by equitable principles.

(d) Validity of Contemplated Transactions. The authorization, execution and delivery of this Agreement and the New Operator's Transaction Documents and the consummation of the transactions contemplated hereby and thereby by the New Operator, do not and will not, with or without the giving of notice or passage of time or both, violate, conflict with or result in the breach of any term or provision of or require any notice, filing or consent under (i) the organizational documents of the New Operator or (ii) any statutes, laws, rules, regulations, ordinances, licenses or permits of any governmental body, authority or agency applicable to the New Operator (except for such notices to, and consents and approvals of, State and federal governmental and regulatory authorities applicable to the change of ownership of a healthcare facility or as required under the HUD Loan) or (iii) any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental body, authority or agency binding upon the New Operator.

(e) Bankruptcy. New Operator is not involved in any proceeding by or against it as a debtor before any governmental authority under Title 11 of the United States Bankruptcy Code or any other insolvency or debtors' relief act, whether state, federal or foreign, or for the appointment of a trustee, receiver, liquidator, assignee, sequestrator or other similar official for any part of the Current Operator's property; is not insolvent and, immediately after giving effect to the transactions contemplated hereby and the PSA, will not be insolvent; has assets, and immediately after giving effect to the transactions contemplated hereby and the PSA, will have assets, (both tangible and intangible) with a fair saleable value in excess of the amount required to pay its debts, obligations and liabilities as they come due, including all Excluded Liabilities; and has adequate capital for the conduct of its business and discharge of its debts.

(f) Regulatory and Legal Compliance.

(i) New Operator (A) is not a party to a Corporate Integrity Agreement with the OIG, (B) has no reporting obligations pursuant to any settlement agreement entered into with any governmental authority, (C) to its knowledge, is not a defendant in any qui tam/False Claims Act or similar litigation, (D) has not been served with or received any search warrant, subpoena or civil investigative demand, from any federal or state enforcement agency relating to New Operator's management of the Facility.

(ii) Neither New Operator nor its officers, members, managers and directors, nor to the knowledge of the New Operator, any persons who provide professional services under agreements with New Operator have, in connection with their activities directly or indirectly related to New Operator, engaged in any activities which are prohibited under federal Medicare or Medicaid statutes, including 42 U.S.C. Sections 1320a-7, 1320a-7(a) and 1320a-7b, or the regulations promulgated pursuant to such statutes or related state or local statutes or regulations or which are prohibited by rules of professional conduct, including but not limited to the following:

(A) making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment;

(B) making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment;

(C) presenting or causing to be presented a claim for reimbursement for services under any Federal health care program, including but not limited to Medicare, Medicaid or any state health care program that is for an item or service that is known or should be known to be not provided as claimed, or false or fraudulent;

(D) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment;

(E) offering, paying, soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by any Federal health care program, including but not limited to Medicare, Medicaid or any state health care program, or (2) in return for purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part by Medicare, Medicaid or other state health care program; or

(F) making or causing to be made or inducing or seeking to induce the making of any false statement or representation (or omitting to state a fact required to be stated therein or necessary to make the statements contained therein not misleading) of a material fact with respect to (1) the conditions or operations of the Facility in order that the Facility may qualify for any Federal health care program, including but not limited to Medicare, Medicaid or any state health care program certification, or (2) information required to be provided under Section 1124A of the Social Security Act (42 U.S.C. Section 1320a-3).

(iii) None of the New Operator, nor, to the knowledge of the New Operator, any of the officers, employees or agents of the New Operator, and none of the persons who provide professional services under agreements with the New Operator:

(1) has been excluded from participation under the Medicare, Medicaid program or a state health care program as defined in Section 1320a-7 of Title 42 or any regulations promulgated thereunder ("**State Health Care Program**"); or

(2) has been convicted (as that term is defined in 42 C.F.R. § 1001.2) of any of the following categories of offenses as described in Section 1320a-7(a) and (b)(1), (2), (3) or any regulations promulgated thereunder: (A) criminal offenses relating to the delivery of an item or service under Medicare, Medicaid or any State Health Care Program; (B) criminal offenses under any law, rule or regulation, order or directive, relating to neglect or abuse in connection with the delivery of a health care item or service; (C) criminal offenses under any law, rule or regulation, order or directive relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with the delivery of a health care item or service or with respect to any act or omission in a program operated by or financed in whole or in part by any federal, state or local government agency; (D) any law, rule or regulation, order or directive relating to the interference with or obstruction of any investigation into any criminal offense described in (A) through (C) above; or (E) criminal offenses under any law, rule or regulation, order or directive relating to the unlawful manufacture, distribution, prescription or dispensing of a controlled substance.

(g) Finder's Fee. New Operator has not dealt with any broker, investment banker, person, firm or entity who would, by reason of such dealings be able to claim a real estate brokerage, business opportunity, brokerage or finder's fee as the procuring cause of this transaction.

ARTICLE V
OBLIGATIONS OF THE PARTIES PRIOR TO CLOSING

5.1 Licensure. Subject to the graduation of the Facility as a Special Focus Facility (a) New Operator shall, within thirty (30) days thereafter, file with the New Jersey Department of Health ("**DOH**") an application for approval to become the licensee of the Facility (said approval being herein referred to as the "**New Operator License Approval**"), and (b) New Operator shall, within sixty (60) days thereafter, submit to the Lender (as defined in the PSA) the certifications and information of New Operator required for the submission by the Lender of an Application for Transfer of Physical Assets (HUD-92266) (the "**TPA**") in connection with the HUD approval (the "**HUD Approval**") of the purchase and sale of the Property and the transfer of operations hereunder. Current Operator shall cooperate with New Operator to take all actions necessary for New Operator to obtain the New Operator License Approval and HUD Approval, and, in that regard, Current Operator agrees, promptly upon request by New Operator, to execute any reasonably necessary documents or notifications required in connection with such efforts. New Operator shall be solely responsible for any and all costs associated with securing the New Operator License Approval and HUD Approval.

5.2 Between the Effective Date and the Closing Date, except as otherwise permitted under this Agreement or the MSA, Current Operator shall: (a) not sell, transfer, assign, lease or dispose of any interest in any license issued to the Facility or any operating rights therein or any licensed beds; (b) other than the MSA, PSA and this Agreement, not agree to or enter into any contract or agreement relating to the management, sale, lease, transfer or other disposition of the Facility or any of the Transferred Assets; and (c) take any and actions and steps so that all representations and warranties of Current Operator hereunder are true and correct on and as of the Closing Date as if made on and as of such date and otherwise comply with all of its liabilities and obligations hereunder.

5.3 Bulk Sales. Not less than ten (10) Business Days prior to the Closing Date, and concurrent with the filing of the same by Buyer under the PSA, the New Operator may file with the New Jersey Division of Taxation a Notification of Sale, Transfer, or Assignment in Bulk (Form C-9600) (the "**Bulk Sale Notification**"), together with an executed copy of this Agreement, as required by the New Jersey Division of Taxation, based on the Allocation of the Purchase Price set forth in the PSA. The Current Operator shall cooperate with the New Operator in connection with the preparation and filing of the Bulk Sale Notification, including without limitation timely providing information about the Current Operator and/or the Facility necessary to complete same. Provided that the New Operator has filed the Bulk Sale Notification, the New Operator shall have no obligation to consummate the transactions contemplated herein unless and until the New Jersey Division of Taxation issues a notice instructing the New Operator as to what portion of the Purchase Price, if any, must be withheld at Closing. Upon receipt of such notice, the amount set forth in such notice shall be withheld from the Purchase Price at Closing and will be delivered to the Escrow Agent to be held in escrow as set forth in the PSA. Thereafter, as and when the New Jersey Division of Taxation or another governmental authority issues a letter requiring the payment of some or all of the escrowed amounts, the Escrow Agent shall, within a reasonable period of time after receiving a copy of such letter, pay and disburse the amount(s) identified in such letter to the applicable governmental authority from the escrowed funds. Within a reasonable period of time after receipt by the Escrow Agent of a tax clearance letter issued by the New Jersey Division of Taxation confirming that all of the Current Operator's taxes are paid in full and instructing the New Operator (or the Escrow Agent) to release the remaining balance of the escrowed funds to the Current Operator, the Escrow Agent shall release the remaining balance of the escrowed amounts to the Current Operator. The Current Operator shall be solely responsible for all taxes, interest and penalties due and owing or to become due and owing to the State of New Jersey by the Current Operator, and the Current Operator hereby indemnifies and holds the New Operator harmless from and against any and all losses, costs, damages, claims, liabilities and expenses (including reasonable attorney fees) incurred by or asserted against the New Operator resulting from, arising out of or in connection with any unpaid taxes by the Current Operator. The provisions of this Section shall survive the Closing.

5.4 Cooperation. Subject to the terms and conditions herein provided, the parties hereto shall use their best efforts to take, or cause to be taken, such action to execute and deliver, or cause to be executed and delivered, such additional documents and instruments and to do, or cause to be done, all things necessary, proper or advisable under the provisions of this Agreement and under applicable law to consummate and make effective the transactions contemplated by this Agreement.

ARTICLE VI
CONDITIONS PRECEDENT TO NEW OPERATOR'S OBLIGATIONS

Unless waived by New Operator, its obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction, prior to or at the Closing, of each of the following conditions (other than such conditions not satisfied as a result of the action (or inaction) of the New Operator under the Management Agreement).

6.1 Representations and Warranties. The representations and warranties of Current Operator contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time.

6.2 Performance of Covenants. Current Operator shall have performed or complied in all material respects with each of its agreements and covenants required by this Agreement to be performed or complied with by it prior to or as of the Closing Date.

6.3 Delivery of Closing Certificate. Current Operator shall have executed and delivered to New Operator a closing certificate in the form and substance of **Exhibit 6.3**, attached hereto and made a part hereof.

6.4 Bill of Sale. Current Operator shall have executed and delivered a Bill of Sale substantially in the form and substance of **Exhibit 6.4** ("**Bill of Sale**") attached hereto and made a part hereof.

6.5 Assignment and Assumption of Resident Trust Funds. Current Operator shall have executed and delivered an assignment and assumption of Resident Trust Funds and Resident Deposits substantially in the form and substance of **Exhibit 6.5** ("**Assignment and Assumption of Resident Trust Funds**"), attached hereto and made a part hereof.

6.6 Special Focus Facility. The Facility shall have graduated from the CMS Special Focus Facility Program.

6.7 New Operator License Approval. New Operator shall have received the New Operator License Approval and all other federal, State and municipal governmental and regulatory licenses, permits and approvals necessary for the lawful operation of the Facility by New Operator, or otherwise shall have received such assurances or approvals for its issuance as New Operator shall reasonably deem sufficient.

6.8 HUD Approval. New Operator shall have received the HUD Approval.

6.9 No Legal Action. No action, suit, investigation, other proceeding or claim shall have been instituted before any court or before or by any government or governmental agency or instrumentality instituting, declaring, ordering or imposing or seeking to institute, declare, order or impose (1) any restriction, limitations or conditions with respect to the transactions contemplated by this Agreement which will prevent or enjoin the consummation of the transactions contemplated herein, (2) damages or other relief against New Operator in connection with such transactions, or (3) any revocation, suspension, termination, limitation, restriction or impairment of any governmental license, permit, approval, authorization, certification or waiver in respect of the Facility or its operations.

6.10 Other Documents. Current Operator shall have furnished New Operator with original signed copies of CMS Form 855 and all other documents, certificates and other instruments required to be furnished to New Operator by Current Operator pursuant to the terms hereof.

6.11 PSA. The Closing under the PSA shall occur concurrently with the Closing hereunder.

In the event that either of the parties hereto (a "Waiving Party") waives a condition precedent to its performance hereunder, or otherwise elects to proceed with the Closing despite the fact that it has actual knowledge that one or more conditions precedent to its performance have not been satisfied, such action by the Waiving Party shall be deemed a waiver in full of any payment, indemnification or other rights of the Waiving Party with respect to such condition, and the Waiving Party shall not be entitled, following the Closing, to pursue any available remedies at law or equity with respect thereto.

ARTICLE VII
CONDITIONS PRECEDENT TO OLD OPERATOR'S OBLIGATIONS

Unless waived by Current Operator, its obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction, prior to or at the Closing, of each of the following conditions.

7.1 Representations and Warranties. The representations and warranties of New Operator contained in this Agreement shall be true and correct in all material respects at and as of the Effective Time as though such representations and warranties were made at and as of such time.

7.2 Performance of Covenants. New Operator shall have performed or complied in all material respects with each of its agreements and conditions required by this Agreement to be performed or complied with by it prior to or as of the Closing Date.

7.3 Delivery of Closing Certificate. New Operator shall have delivered to Current Operator a closing certificate in the form and substance of **Exhibit 7.3**, attached hereto and made a part hereof.

7.4 Resident Trust Funds. New Operator shall have executed and delivered the Assignment and Assumption of Resident Trust Funds.

7.5 No Legal Action. No action, suit, investigation, other proceeding or claim shall have been instituted before any court or before or by any government or governmental agency or instrumentality seeking either (1) to impose any restriction, limitations or conditions with respect to the transactions contemplated by this Agreement which will prevent or enjoin the consummation of the transactions contemplated herein, or (2) to obtain damages or other relief against Current Operator in connection with such transactions.

7.6 Other Documents. New Operator shall have furnished Current Operator with all other documents, certificates and other instruments required to be furnished to Current Operator by New Operator pursuant to the terms hereof.

7.7 PSA. The Closing under the PSA shall occur concurrently with the Closing hereunder.

ARTICLE VIII
TERMINATION

8.1 Termination. In addition to the express provisions contained herein regarding termination of this Agreement, this Agreement:

(a) shall terminate, without further notice or action by either party, upon any termination of the PSA or MSA in accordance with its terms;

(b) may be terminated at any time upon the mutual written consent of both the Current Operator and New Operator; and

(c) may be terminated by the non-breaching party in the event of any material breach, default or failure to fulfill any representation, warranty or covenant of this Agreement by the other party prior to Closing, and such breach, default or failure shall not be capable of being remedied or, if capable of being remedied, such breach, default or failure remains unremedied for more than thirty (30) days following the receipt of written notice from the non-breaching party specifying the breach, default or failure.

8.2 Effect of Termination. Upon any termination of this Agreement, this Agreement shall become null and void without any liability of any party to the other except for the provisions of this Agreement that survive in accordance with their terms, and except that termination of this Agreement shall not relieve or discharge any party from any liability or obligation arising from any breach of this Agreement prior to such termination.

8.3 Breach under PSA and MSA. A breach, default or failure by Seller under the PSA or Current Operator under the MSA shall be deemed a breach, default or failure by Current Operator hereunder, and a breach, default or failure by Buyer under the PSA or New Operator under the MSA shall be deemed a breach, default or failure by New Operator hereunder.

ARTICLE IX
INDEMNIFICATION

9.1 Indemnification by Current Operator. Subject to the limitations set forth in this Article IX, Current Operator shall indemnify and hold harmless New Operator, its members, officers, directors, employees agents and representatives (collectively, the "**New Operator Indemnified Parties**") from and against any and all claims, liabilities, losses, damages, demands and causes of action of any nature whatsoever (including demands and causes of action relating to injury or death to persons or loss of or damage to property), and all costs and expenses (including penalties and reasonable attorneys' and other professional fees and disbursements incurred in the investigation or defense of any such claims, or in asserting, pursuing or enforcing any such claims), whether or not resulting from third-party claims (collectively, "**Losses**") that any such New Operator Indemnified Party incurs as a result of:

(a) any breach of any of the representations or warranties made by Current Operator in this Agreement (unless such breach is caused by New Operator under the MSA);

(b) any breach or nonfulfillment of any of the covenants or other agreements made by Current Operator in this Agreement (unless such breach or nonfulfillment is caused by New Operator under the MSA); and

(c) any of the Excluded Liabilities, Payment Adjustments or Recoupments.

9.2 Indemnification by New Operator. Subject to the limitations set forth in this Article IX, New Operator shall indemnify and hold harmless Current Operator, its members, officers, directors, employees agents and representatives (collectively, the "**Current Operator Indemnified Parties**") from and against any and all Losses that any such Current Operator Indemnified Party incurs as a result of:

(a) any breach of any of the representations or warranties made by New Operator in this Agreement;

(b) any breach or nonfulfillment of any of the covenants or other agreements made by New Operator in this Agreement; and

(c) any of the Assumed Liabilities.

9.3 Procedure for Indemnification. The respective obligations and liabilities of the Current Operator and New Operator, as an indemnifying party (the "**Indemnifying Party**"), to the New Operator Indemnified Parties and Current Operator Indemnified Parties, as the indemnified party (the "**Indemnified Party**") with respect to claims resulting from the assertion of liability by a third party (a "**Third Party**") or otherwise shall be asserted and resolved as follows:

(a) If any claim or demand for which an Indemnifying Party would be liable for Losses to an Indemnified Party is asserted against or sought to be collected from the Indemnified Party by a Third Party (a "**Third Party Claim**"), the Indemnified Party shall promptly deliver a written notification of the Third Party Claim to the Indemnifying Party, enclosing a copy of all papers served, if any, and specifying the nature of any alleged basis for the Third Party Claim and, to the extent then feasible, the estimated amount of the Third Party Claim (a "**Third Party Claim Notice**"). If the Indemnified Party fails to deliver the Third Party Claim Notice to the Indemnifying Party, the Indemnifying Party will not be obligated to indemnify the Indemnified Party with respect to such Third Party Claim to the extent that the Indemnifying Party's ability to defend the Third Party Claim has been materially prejudiced by such failure. The Indemnifying Party will notify the Indemnified Party within fifteen (15) days after receipt of the Third Party Claim Notice (the "**Notice Period**") whether the Indemnifying Party intends to defend the Indemnified Party against the Third Party Claim.

(b) If the Indemnifying Party notifies the Indemnified Party within the Notice Period that the Indemnifying Party will defend the Indemnified Party against the Third Party Claim, then the Indemnifying Party will have the right to defend, at its sole cost and expense, the Third Party Claim by all appropriate proceedings, which proceedings will be prosecuted by the Indemnifying Party to a final conclusion or settled at the sole discretion of the Indemnifying Party; provided, however, that the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a Third Party Claim if such settlement (i) imposes injunctive or other equitable relief against the Indemnified Party, (ii) requires any admission or acknowledgment of liability or fault of the Indemnified Party, or (iii) does not expressly and unconditionally release the Indemnified Party from all liabilities and obligations with respect to such Third Party Claim without prejudice. The Indemnifying Party will have full control of such defense and proceedings; provided, however, that, if requested by the Indemnifying Party, the Indemnified Party shall cooperate, at the sole cost and expense of the Indemnifying Party, with the Indemnifying Party and its counsel in developing the strategy and providing assistance in dealing with the Third Party Claim. The Indemnified Party may participate in, but not control, any defense or settlement of any Third Party Claim assumed by the Indemnifying Party pursuant to this Section and, except as provided in the preceding sentence, the Indemnified Party will bear its own costs and expenses, including attorneys' fees, with respect to such participation.

(c) If (i) the Indemnifying Party fails to notify the Indemnified Party within the Notice Period that the Indemnifying Party intends to defend the Indemnified Party against the Third Party Claim, or (ii) the Indemnifying Party elects not to defend the Indemnified Party against the Third Party Claim, then the Indemnified Party will have the right (but not the obligation) to defend, at the sole cost and expense of the Indemnifying Party, the Third Party Claim by all appropriate proceedings, including, in the Indemnified Party's sole discretion, any settlement of the Third Party Claim.

9.4 Indemnity Notice. In the event any Indemnified Party should have an indemnity claim against any Indemnifying Party that is not a Third Party Claim, the Indemnified Party shall promptly deliver to the Indemnifying Party a written notice of such claim for indemnity, specifying the nature of and specific basis for the claim and, to the extent then feasible, the estimated amount of the claim (an "**Indemnity Notice**"). Any estimated amount of a claim submitted in an Indemnity Notice or Third Party Claim Notice shall not be conclusive of the final amount of such claim.

9.5 Survival. All warranties and representations of the parties and the indemnification rights associated therewith in this Agreement shall survive the execution of this Agreement and Closing hereunder for a period of three (3) months following the Closing (except for the representations set forth in Section 3.1(a),(b) and (c), which shall survive for twelve (12) months following the Closing), and all covenants of the parties shall survive the execution of this Agreement and Closing hereunder until such covenant shall be satisfied in accordance with the terms hereof.

9.6 Notwithstanding anything to the contrary herein, the indemnity obligations of each Indemnifying Party hereunder shall be limited to actual damages suffered by the Indemnified Party, and no Indemnifying Party shall be responsible for any consequential, special or punitive damages, unless the same are included in any Third Party Claim.

9.7 No limitation or restriction upon indemnification herein shall apply to any claim for fraud or willful misrepresentation.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 Drafting. The parties hereto have carefully reviewed and negotiated the terms of this Agreement and Current Operator and New Operator hereby acknowledge and agree that they have had a full and fair opportunity to review and negotiate this Agreement with the advice of its counsel. Therefore, there shall be no presumption in favor of the non-drafting party.

10.2 Costs and Expenses. Except as expressly otherwise provided in this Agreement, each party hereto shall bear its own costs and expenses in connection with this Agreement and the transactions contemplated hereby. The prevailing party in any suit brought to enforce any of the terms or provisions of this Agreement shall be entitled to recover reasonable attorney's fees and expenses in any such action or proceeding.

10.3 Performance. In the event of a breach by either party of its obligations hereunder, the other party shall have the right, in addition to any other remedies which may be available, to obtain specific performance of the terms of this Agreement, and the breaching party hereby waives the defense that there may be an adequate remedy at law.

10.4 Benefit and Assignment. This Agreement binds and inures to the benefit of each party hereto and its successors and proper assigns. Neither party shall be permitted to assign its rights or obligations under this Agreement without the prior consent of the other party hereto; provided, however, that New Operator shall have the right to assign this Agreement to any Affiliate, but such assignment shall not relieve New Operator of its obligations hereunder. New Operator may further collaterally assign this Agreement to any lender and Current Operator agrees to execute such consents and estoppels as may be required thereunder.

10.5 Effect and Construction of this Agreement. The captions used herein are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement. All gender employed in this Agreement shall include all genders, and the singular shall include the plural and the plural shall include the singular whenever and as often as may be appropriate. When used in this Agreement, the term "including" shall mean "including but not limited to." Any reference to a "Person" herein shall include an individual, firm, corporation, partnership, trust, governmental authority or body, association, unincorporated organization or other entity. As used herein, the term "Affiliate" mean, as to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, and "Control" means the possession of the power, directly or indirectly, to direct or cause the direction of the management and policies of a Person, whether through the ability to exercise voting power, by control or otherwise.

10.6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party entitled to receive the notice, or the next business day after being sent, overnight service, by nationally recognized overnight courier, or upon receipt after being mailed by certified or registered mail (return receipt requested), in each case, postage prepaid, registered or certified mail, properly addressed to the party entitled to receive such notice at the address stated below:

If to New Operator:	115 Dutch Lane Road Freehold, New Jersey 07728 Att: Ben Kurland bkurland@allairehc.com>
with a copy to:	CSG Law 105 Eisenhower Parkway Roseland, NJ 07068 Att: Morris Bienenfeld, Esq. mbienenfeld@csglaw.com
If to Current Operator:	The Silvercare LLC 4121 Avenue T, Suite 304 Brooklyn, NY 11234 Att: Michael Treff
With a copy to:	Mark Schlanger, Esq.

Law Offices of Mark Schlanger PLLC
4121 Avenue T, Suite 304
Brooklyn, NY 11234

10.7 Waiver, Discharge, etc. This Agreement shall not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing executed by or on behalf of each of the parties hereto by their duly authorized officer or representative. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

10.8 Rights of Persons Not Parties. Nothing contained in this Agreement shall be deemed to create rights in persons not parties hereto, other than the successors and proper assigns of the parties hereto.

10.9 Governing Law, Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard any contrary rules relating to the choice or conflict of laws. Each of the parties (a) consents to submit itself to the personal jurisdiction of the state and federal courts located on the State of New Jersey in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal or state court sitting in the State of New Jersey. Each of the parties further irrevocably unconditionally waives and agrees not to plead or claim any such action or proceeding brought in any such court has been brought in an inconvenient forum. In the event any dispute between the parties hereto that results in arbitration or litigation (including any enforcement action of an arbitration award or any action to compel arbitration or change venue), the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorneys' fees. The provisions of this Section are subject to the arbitration provisions set forth below.

10.10 Severability. Any provision, or distinguishable portion of any provision, of the Agreement which is determined in any judicial or administrative proceeding to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties waive any provision of law which renders a provision hereof prohibited or unenforceable in any respect.

10.11 Entire Agreement. This Agreement including the schedules, exhibits and the other Transaction Documents, including the PSA and MSA, constitute the entire agreement between the parties hereto with respect to the subject matter hereof and thereof, and there are no agreements, understandings, restrictions, warranties, or representations between the parties with respect to the subject matter hereof other than as set forth herein or therein.

10.12 Post-Closing Assistance. All terms and obligations as contained in this Agreement shall survive Closing. After the Closing, each party (a "**Requesting Party**") shall, from time to time, upon written request therefore, execute and deliver to any other party, any confirmatory instruments which such

Requesting Party may reasonably request in order to consummate the transactions contemplated under this Agreement and/or under the Transaction Documents.

10.13 Counterparts. This Agreement may be executed in any number of original, facsimile or pdf counterparts and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by the parties. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

10.14 Schedules and Exhibits. All Schedules and Exhibits referred to herein are intended to be and hereby are specifically made a part of this Agreement.

10.15 THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE FACILITY OR ANY DOCUMENT EXECUTED IN CONNECTION HEREWITH OR RELATED HERETO, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS TRANSACTION. THE AGREEMENT CONTAINED IN THIS SECTION SHALL SURVIVE THE CLOSING OR A TERMINATION OF THIS AGREEMENT.

10.16 Nondisparagement. From and after the Effective Date and for a period of five (5) years thereafter, each party and its Affiliates shall not make, publish or communicate to any person or entity directly or indirectly, orally, in writing or otherwise, any disparaging remarks, comments or statements about the party or its Affiliates.

10.17 Non-competition and Non-solicitation Covenants. From and after the Effective Date and for a period of three (3) years following the Effective Time, neither Current Operator nor its Affiliates, whether directly or indirectly, shall:

(a) Engage in any activities or businesses, or establish any new businesses, within a radius of twenty-five (25) miles of the Facility that is in competition with the Facility ("**Competitive Activities**"), including (i) owning, operating, managing, consulting for, being an agent for, being employed by, investing in, loaning money to, or otherwise participating directly or indirectly in any skilled nursing facility, assisted living facility, independent living facility, personal care facility, convalescent facility or any other similar business, (ii) soliciting any resident, patient or customer (or prospective resident, patient or customer) of the Facility to purchase any services sold by the Facility from anyone other than any of the New Operator and (iii) assisting any person or entity in any way to do, or attempt to do, anything prohibited by clause (i) or (ii) above; or

(b) Solicit, recruit or hire any employees of the New Operator or the Facility without the New Operator's prior consent, or solicit or encourage any employee of New Operator or the Facility to leave the employment of New Operator or of the Facility, or cause or facilitate the removal of any resident or patient of the Facility from the Facility.

(c) Remedies. If Current Operator or its Affiliates violates any of the provisions of this Section, New Operator may take any one or more of the following actions:

(i) Seek a temporary restraining order, a temporary and permanent injunction and other equitable or injunctive relief enjoining Current Operator or such Affiliate from continued violation of those provisions in addition to any other remedies that may be available to New Operator, and, for that purpose, Current Operator on behalf of itself and its Affiliates acknowledges and agrees that any breach or threatened breach of the covenants of this Section will irreparably injure New Operator and that any remedy at law for any breach or threatened breach of such provisions shall be inadequate, and the grant of such injunctive relief and the enforcement of the terms of this Section shall not deprive the Current Operator or its Affiliates of the ability to earn a living; or

(ii) Seek damages for the violation of the provisions of this Section or pursue any and all other rights and remedies that may be available at law, in equity or otherwise, all of which shall be cumulative and not mutually exclusive.

10.18 Arbitration. Each party hereby agrees to submit all controversies, claims, and matters of difference arising under or relating to this Agreement to arbitration in accordance with the provisions and procedures set forth herein. Without limiting the generality of the foregoing, the following will be considered controversies for this purpose: (i) all questions relating to the interpretation or breach of this Agreement; (ii) all questions relating to any representations, negotiations, and other proceedings leading to the execution of this Agreement and the terms and provisions hereof; and (iii) all questions as to whether the right to arbitrate any such question exists. Notwithstanding the foregoing, each party has the right to seek and obtain such temporary or preliminary injunctive relief from a court of competent jurisdiction to which it may be entitled pending a final determination by arbitration of the dispute to which such relief relates.

10.19 Each party hereby agrees that any disputes or disagreements concerning this Agreement which cannot be resolved between the parties shall be submitted for binding arbitration before such Rabbinical panel as shall be mutually agreed (or, in the absence of agreement, before Beth Din of America) (the "Beth Din"). The determination of such Beth Din shall be binding upon the parties and may be entered as a judgment in any court of competent jurisdiction. The Beth Din may award monetary damages or direct specific performance or allow such other remedy, including the issuance of an עיכול (preliminary injunction/ restraining order) as it may deem appropriate. All issues pertaining to enforcing the Beth Din's ruling will be handled and enforced in a State court of competent jurisdiction in accordance with applicable State law, and the parties acknowledge and agree that this constitutes a "heter" (permission under religious Jewish law) to pursue collection and to enforce the decision of the Beth Din in a legal proceeding in such State court under applicable State law. Each party shall pay for and bear the cost of its/his own expenses in such arbitration (including, without limitation, the cost of its/his own experts, evidence and attorneys' fees), except that in the discretion of the arbitrator any award may include the attorneys' fees of a party if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic or in bad faith. This Section is an agreement to arbitrate under the New Jersey Arbitration Act and the Federal Arbitration Act.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

CURRENT OPERATOR:
THE SILVERCARE LLC

By: ______________________________
Name: Mordechai Tauff
Title: Auth Signer

NEW OPERATOR:
1417 BRACE ROAD OPCO LLC

By: ______________________________
Name: Ben Kurland
Title: Manager

Exhibit F

Facilities owned by Benjamin Kurland

License No.	Facility	Address	Tax ID
061411	Morris View Healthcare Center	540 W Hanover Avenue Morristown, NJ 07960	
591602	Grandview Nursing and Rehabilitation center	78 Woodbine Lane Danville PA 17821	
61314	Allaire Rehab and Nursing	115 Dutch Lane Rd Freehold NJ 07728	
61417	Morristown Post Acute Rehabilitation and Nursing	77 Madison Ave Morristown NJ 07960	
475029	Center for Living and Rehabilitation	160 Hospital Dr Bennington VT 05201	
61201	Spring Creek Rehab and Nursing Center	1 Lindbergh Ave Perth Amboy NJ 08861	
60704	Grove Park Rehabilitation and Nursing Center	101 N Grove St East Orange NJ 07017	
037602	Claremont Nursing and Rehabilitation	1000 Claremont Rd Carlisle PA	
710802	Lock Haven Rehabilitation and Senior Living Center	22 Cree Drive Lock Haven, PA	
030301	Riverview Estates Rehabilitation and Senior Living Center	303 Bank Ave Riverton NJ 08077	
061415	Fallsview at Boonton	199 Powerville Rd Boonton NJ 07005	
023002	Diamond Healthcare at Brookmont LLC	510 Brookmont Dr, Effort PA 18330,9534	
	Allarian Rehabilitation and Senior Living LLC	5300 W 16th Avenue haileah FL 33012	
	Las Palmas Senior Living LLC	5300 W 16th Avenue haileah FL 33012	
Didn't receive license yet	The Center for Rehabilitation and Nursing at Washington Township	535 Egg Harbor Road Sewell NJ 08080	
022302	Bradford Hills Nursing & Rehabilitation Center	15900 US 6 Troy PA 16947	

Facilities owners by Joseph Schlanger

License #	Name	Address
	Cedar Manor Nursing & Rehabilitation Center	32 Cedar Lane, Ossining, NY 10562
62102	Warren Haven Rehab & Nursing Center	350 Oxford Road Oxford NJ 07863