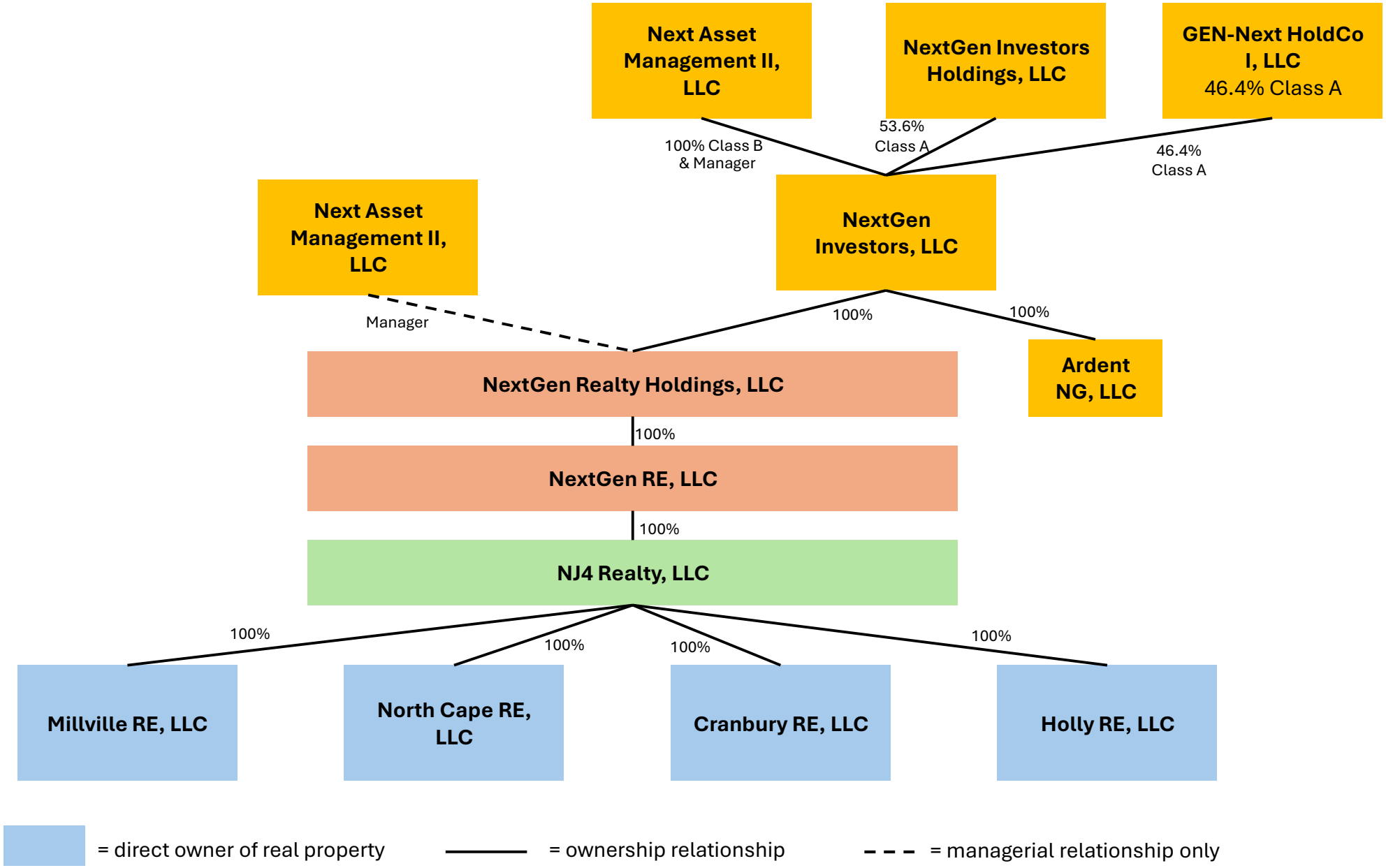
NOTICE OF REAL PROPERTY TRANSFER
SUMMARY

Name of Facility:	Cranbury Center (to be known as Cranbury Post Acute) (the "Facility")
License Number:	061224
Licensed Capacity:	154 LTC Beds
Address:	292 Applegarth Road, Monroe Township, NJ 08831
County:	Middlesex County
Current Real Property Owner:	Cranbury RE, LLC (the "Current Real Property Owner"). See **Attachment 1** for the ownership chart of the Current Real Property Owner.
Proposed Real Property Owner:	292 Applegarth Road Propco, LLC (the "Proposed Real Property Owner"). See **Attachment 2** for the ownership chart of the Proposed Real Property Owner.
Description of Real Estate Transfer:	This transaction involves the transfer of ownership of the real property of the Facility from the Current Real Property Owner to the Proposed Real Property Owner. Following the closing of the transaction, the Proposed Real Property Owner will directly wholly own the real property of the Facility. Please note, there is a concurrent, pending CHOW application by 292 Applegarth Road Opco, LLC (the "**Proposed New Licensee**") for the transfer of license rights for the Facility.
Lease Agreement:	See **Attachment 3** for a copy of the Lease Agreement for the Facility with the Proposed New Licensee.

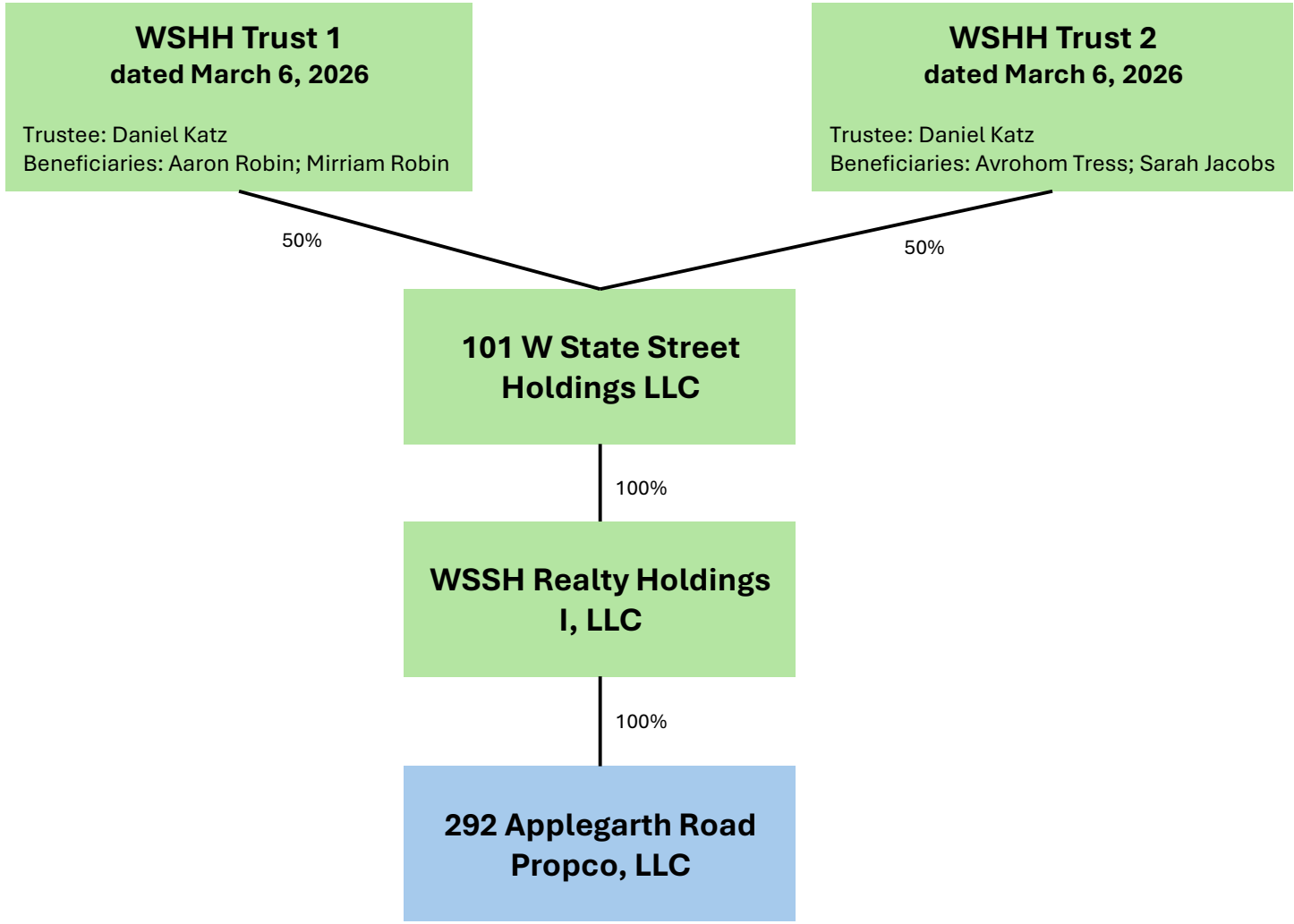
<u>ATTACHMENT 1</u>
Ownership Chart of Current Real Property Owner

Ownership Chart of Current Real Property Owner



<u>ATTACHMENT 2</u>
Ownership Chart of Proposed Real Property Owner

Ownership Chart of Proposed Real Property Owner



= direct owner of real property

= ownership relationship

ATTACHMENT 3
Lease Agreement

LEASE
292 Applegarth Road, Monroe
Twp., NJ
Cranbury Post Acute

This lease agreement (the "**Lease**") is made and entered into as of October __, 2026, by and between 292 Applegarth Road Propco, LLC, a New Jersey limited liability company (the "**Landlord**"), and 292 Applegarth Road Opco, LLC, a New Jersey limited liability company (the "**Tenant**") (Landlord and Tenant are collectively referred to herein as the "**Parties**"), who agree as follows:

RECITALS

A. WHEREAS, the Landlord is the owner of the real property consisting of a 154 licensed bed skilled nursing facility located at 292 Applegarth Road, Monroe Twp., NJ, together with related parking and improvements thereon (collectively, the "**Facility**");

NOW THEREFORE, IN CONSIDERATION of the mutual covenants, agreements, conditions and representations herein, and for other good and valuable consideration the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. LEASED PREMISES.

A. Description. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord during the Term so long as there is no Tenant Default, the Facility, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, and all buildings, structures, parking and other improvements located thereon as of the date of this Lease, and the appurtenant rights set forth in Section B below, and all furniture, fixtures and equipment located therein at the Commencement Date (as hereinafter defined) which is owned by Landlord and used in the current operation of the Facility, all of which shall hereinafter be referred to as the "**Premises**". The parties understand and intend that the lease of the Premises is on an "**As-is, where is**" basis as described in Section 25 of this Lease and on a "**triple-net**" basis, meaning Tenant is solely responsible for costs and obligations related to taxes, insurance, and maintenance, repair, and utilities for the duration of this Lease.

B. Appurtenant Rights. The appurtenant rights of this Lease are as follows:

(i) Tenant shall have access to the Premises at all times.

(ii) All easements, licenses and rights of way, whether of record or not, that benefit the use and enjoyment of the Premises; and

(iii) This Lease shall confer no rights to Tenant either with regard to the subsurface of the land more than one hundred (100) feet below the foundation level of any building or structure that is a part of the Premises or with regard to the air space more than one hundred

(100) feet above the top of the roof of any building or structure that is a part of the Premises.

2. TERM.

A. Initial Term. This Lease shall commence on the date hereof (the "**Commencement Date**"). The initial term of the Lease is ten (10) years (the "**Initial Term**") and extended pursuant to Paragraph B below, the ("**Term**").

B. Option to Extend. Landlord agrees that at the end of the Initial Term so long as Tenant is not in Default hereunder, the Tenant has the option to extend the term of the Lease upon the same terms and conditions contained herein for one (1) additional ten (10) year period (the "**Option Period**"). Tenant shall notify Landlord in writing at least one hundred eighty (180) days prior to the expiration of the Initial Term of Tenant's intent to renew and exercise its option to extend the Lease. If Tenant does not timely notify Landlord of its intent to extend the Lease, then the Lease will expire at the end of the Initial Term any remaining options shall immediately lapse.

3. RENTAL.

A. Rent – Term. As base rent during the Initial Term, Tenant shall pay Landlord a monthly base rent in the amount of Two Hundred Seventy-Seven Thousand Two Hundred Dollars and 00/100 ($277,200.00) (the "**Rent**"). The Rent shall be payable in advance on the first day of each calendar month during the Term, starting on the Commencement Date.

B. Rent Increases. Beginning on the second anniversary of the Commencement Date (the first day of the third (3rd) lease year of the Initial Term) and on each twelve (12) month anniversary of the Commencement Date thereafter for the duration of the Term of this Lease (including the Option Periods, if such options to extend are exercised by Tenant), the Rent shall be increased by three percent (3%) from the previous year's Rent. Tenant agrees that the Rent shall be paid without excuse, delay, setoff, offset or deduction, it being the Parties' intention that Tenant shall pay the full Rent in a timely fashion notwithstanding any other dispute that may exist between the Parties.

C. Penalty. Tenant hereby acknowledges that late payment of Rent will cause Landlord to incur costs not contemplated hereunder, the exact amount of which would be extremely difficult to ascertain. Accordingly, any installment of Rent which is not paid within ten (10) days after the same is due shall incur a late charge equal to five percent (5%) of the amount of such overdue installment ("**Late Charge**"). The parties agree that this Late Charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. The parties further agree that the Late Charge is additional Rent and not interest and such assessment does not constitute a lender or borrower/creditor relationship between Landlord and Tenant. In addition, the amount unpaid, including any Late Charge, shall bear interest at the rate of ten percent (10%) per annum, compounded monthly, from the due date of such installment to the date of payment thereof ("**Interest**"). The payment of the Late Charge and/or Interest shall not constitute a waiver of, and shall not excuse or cure, any default under this lease nor prevent Landlord from exercising any other rights and/or remedies available to Landlord.

D. No Rent Abatement. There shall be no abatement of Rent payments for any reason whatsoever nor shall Tenant be entitled to any offsets or deductions from Rent payments

due hereunder.

E. Security Deposit. On the date hereof, Tenant shall deposit with Landlord the sum of Two Hundred Seventy-Seven Thousand Two Hundred Dollars and 00/100 ($277,200.00) which represents one (1) month of Rent, as a security deposit (the "**Security Deposit**"). The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all of the provisions of this Lease to be performed or observed by Tenant. If Tenant fails to timely pay Rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord may use, apply or retain all or any portion of the Security Deposit for the payment of any Rent or other charge in default, or for the payment of any other sum for which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby.

F. Fair Market Value Adjustment. Notwithstanding any other provision of this Lease, Landlord and Tenant shall, from time to time, by mutual written agreement, adjust the Rent at any time during the term of this Lease to reflect the then-current fair market value of the Premises. Any such adjustment shall be documented in a written amendment to this Lease executed by both parties.

4. USE OF PREMISES.

A. Skilled Nursing Facility. Tenant agrees to use the Premises for the purpose of operating a duly licensed skilled nursing facility, and related uses thereto, occupational therapy, physical therapy, speech therapy, outpatient rehab clinic, skilled nursing and or any other use related to the foregoing uses and for no other purpose unless it obtains Landlord's prior written consent, which consent shall not be unreasonably withheld. Tenant shall not voluntarily reduce the number of licensed skilled nursing beds below the number referenced in Recital A hereof without the prior written consent of the Landlord. Any mandatory reduction in the number of licensed skilled nursing beds required by the applicable governmental licensing or certification agencies shall be considered an involuntarily reduction to the number of licensed skilled nursing beds and not subject to the foregoing restriction, unless such reduction was in any way caused by or arose from any act or omission of Tenant or its agents.

B. Compliance with Laws, Rules and Regulations. Tenant shall not use or permit any use of the Premises, or any part thereof, for any purpose in violation of any applicable Laws. Tenant shall, at all times, materially comply with any and all health and police regulations in its use of the Premises. For the purposes of this Lease, the term "**Laws**" means, all federal, state, county, municipal and other governmental or quasi-governmental statutes, laws, rules, orders, decisions, regulations, ordinances, judgments, decrees and injunctions.

C. Waste or Nuisance. Tenant shall not commit, or suffer to be committed, any waste or nuisance upon the Premises.

D. Materials and Hazardous Waste. Tenant shall not place or hold any Hazardous Materials on or at the Premises, except as is necessary and customary for the ordinary course of its business as a skilled nursing facility in compliance with this Section 4. If Tenant's business requires the use of any Hazardous Materials, other than such cleaning, maintenance and bio waste materials as are typically found in skilled nursing facilities in compliance with this

Section 4, Tenant shall first obtain Landlord's prior written consent before bringing any such materials into the Premises and shall comply with hazard communication and notification requirements of the Occupational Safety and Health Act ("**OSHA**") and all Laws, including laws which require 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 OSHA, Comprehensive Environmental Response, Compensation, and Liability Act ("**CERCLA**"), the Toxic Substances Control Act ("**TSCA**"), 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. Without limiting the scope of or Tenant's obligations under Section 12 of this Lease, Tenant and its agents and affiliates shall indemnify, defend (with counsel approved by Landlord), and hold Landlord and Landlord's Indemnitees (defined below) harmless from and against any and all claims, losses, costs, penalties, damages (including consequential damages) and/or expenses of any kind (including reasonable attorneys' and consultants' fees) arising on or after the effective date of this Lease, in connection with the presence or release of Hazardous Materials or any other contamination occurring on or about the Premises at any time on or after the Commencement Date of this Lease from any cause whatsoever. The provisions of this Section 4.D. shall survive the expiration or earlier termination of this Lease and shall bind and inure to the benefit of the parties' successors and assigns.

5. ALTERATIONS, ADDITIONS AND CHANGES.

A. Landlord's Prior Consent for Structural Changes. Except as provided in this Section 5.A, Tenant shall not, without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, make any structural alterations, additions or changes of and to the Premises.

B. Non-Structural Changes. Tenant may make any non-structural alterations, additions or changes without the Landlord's consent provided (i) such alterations, additions or changes are, in the aggregate, less than Twenty Five Thousand Dollars ($25,000) per project, including permits and contractor/ labor charges; and (ii) such non-structural alterations can be removed at the end of the Term, at Landlord's request and at Tenant's cost, without material damage to the Premises. In the event any or all of such non-structural alterations, additions or changes are to be implemented through third-party contractors, laborers or professional service providers, Tenant shall obtain Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, and Section 5.C below shall apply. Notwithstanding the foregoing, Tenant may, without the Landlord's prior consent make changes to the paint, wallpaper, flooring, furniture, decorations and generally re-decorate the Facility in a commercially reasonable manner, whether by the Tenant personally or others ("**Renovations**").

C. Landlord's Participation in Certain Structural and Non-Structural Alterations, Additions or Changes. Landlord's consent to any and all structural or non-structural alterations, additions or changes, as required by Sections 5.A and 5.B above may be conditional upon: (i) such structural alterations, additions or changes being supervised by an architect or licensed structural engineer in accordance with plans and specifications, approved in writing by Landlord and Tenant prior to the commencement of work; (ii) any other conditions imposed by

Landlord in its commercially reasonable discretion. Landlord and Tenant shall jointly oversee the project, but Tenant shall have authority over the following aspects of the project: the project scope and design, selections of materials and finishes, selection of contractors and the terms of those contracts, which contracts shall be in the name of the Tenant as the contracting party. Landlord agrees not to unreasonably withhold or delay its consent to any such project and to reasonably cooperate in all phases of the project. Landlord recognizes (i) that it is leasing a health care facility to the Tenant and that health care facilities have unique regulatory requirements that are applicable to the Facility and any alterations, additions and certain changes thereto, (ii) that Tenant has experience in operating and renovating such a health care facility and (iii) the Tenant's supervision of the any projects is essential to the successful and timely completion of any such projects. Without qualifying the foregoing and for avoidance of doubt, Tenant shall be solely responsible for completing, at its expense, any alterations or upgrades required by Law, including the Americans with Disabilities Act and other accessibility laws.

D. Compliance and Quality of Work. Any and all work or alterations undertaken by Tenant shall comply in every respect with applicable Laws, including without limitation licensed contractor requirements, zoning restrictions, and permit requirements. Tenant shall insure that all work, structural or non-structural, is completed in a good, workmanlike manner and diligently prosecuted to completion to the end that the building shall at all times be a complete unit except during the period of work.

E. Notice of Non-Responsibility. Prior to the commencement of any work under this Section 6, Tenant shall post on Landlord's behalf a duly executed owner's notice of non-responsibility.

F. Removal; Inurement. Unless Landlord notifies Tenant that it requires Tenant to remove any or all alterations at the termination of this Lease (which notice may be given at the time Landlord approves such alteration(s) or any time prior to expiration of the Term), upon the termination of the Lease, any and all such alterations, additions or changes shall be considered as improvements and shall not be removed by the Tenant but shall become part of the Premises and shall become the property of Landlord.

G. Mechanic's Liens.

1) Tenant Shall Discharge. Tenant covenants and agrees that it shall promptly (in any event within thirty (30) days) remove or release by the posting of a bond or otherwise, as required or permitted by law, any lien attached to or upon said Premises or any portion thereof by reason of any act or omission on the part of Tenant or any other party, and hereby expressly agrees to indemnify and hold Landlord harmless from or against any such lien or claim of lien.

2) Landlord May Discharge. In the event that any claim of lien is made against the Premises which claim is occasioned by Tenant's acts or omissions and which claim is not discharged within thirty (30) days after Landlord's written notice to Tenant thereof, Landlord, in Landlord's sole discretion may, but shall not be required to, pay and discharge said claim and release the Premises from any such claim. Tenant shall reimburse Landlord upon demand for or on account of any expense Landlord incurs in discharging such lien claim, which reimbursement shall include Interest.

3) Contest. Nothing contained herein shall be construed to prevent Tenant, if it desires, from contesting the validity or correctness of any such lien claim provided it first furnishes Landlord with good and sufficient bond indemnifying Landlord against any loss, liability, damage, cost or expense whatsoever on account of such a contest. In the event of such a contest, and upon the posting of the bond described herein, no breach of this Lease shall result. Nothing in this Section 5 shall be construed as giving Tenant the right to make any alterations, additions, changes, improvements or repairs, other than hereinabove provided.

H. Signage. Tenant may during the Term of the Lease, in its commercially reasonable discretion, add, delete, or alter signage to and change the name of the Facility without the consent of the Landlord provided that Tenant shall be solely responsible for the cost of such signage changes and shall comply with zoning requirements and all applicable Laws with respect to such signage. Tenant may remove its name from any Tenant installed signage at the termination or expiration of the Term but shall not remove or delete any signage fixtures.

6. EQUIPMENT.

A. Equipment Purchase Obligation. Tenant may purchase and install any new or replacement furnishings, fixtures and equipment Tenant deems necessary for furnishing the Premises as a skilled nursing facility. Tenant will be responsible for setting up any new equipment purchased in compliance with all Laws.

B. Title to New and Replacement Equipment. Title to all new or replacement furnishings, fixtures and equipment purchased by Tenant shall vest in Tenant subject to any and all security interests created thereon for the purpose of financing the purchase of said furnishings, fixtures and equipment.

C. Encumbrances. Tenant has the right to encumber all or any part of the Tenant's furniture, fixtures, equipment or personal property without prior written consent of Landlord, provided that any such encumbrances do not affect Landlord's or any Lender's interest in the Premises. To the extent permitted under Landlord's debt or financing arrangements, Landlord will cooperate to execute commercially reasonable landlord waivers requested by Tenant's lenders to the extent commercially reasonable and at no cost to Landlord.

7. TAXES.

A. Payment. Tenant shall be responsible for and shall, at its own expense, timely pay any and all taxes, levies and assessments which are levied (including any penalties or interest thereon), imposed or assessed on the Premises, including both the real property and the personal property located thereon, by any and all public authorities, governmental agencies and quasi-governmental agencies. All such taxes shall be prorated between Landlord and the Tenant and any successor operator and tenant upon the termination date of the Lease. Tenant shall deliver to Landlord copies of all such tax payments within ten (10) days of payment.

B. Contest. Tenant may, upon prior written notice to Landlord, protest, appeal, or otherwise contest, by appropriate administrative or legal proceedings conducted with due

diligence, in its own name, but in all events at Tenant's sole expense, the amount, validity or application in whole or in part, of any tax, levy or assessment or of any law, ordinance, rule or regulation relating to the use, occupancy or condition of the Premises which affects any such tax, levy or assessment. Tenant may contest such tax, levy or assessment in Landlord's name only with Landlord's prior written consent, not to be unreasonably withheld.

C. Payment of Taxes and Impound Funds. Tenant shall pay any and all taxes, levies and assessments which are levied, imposed or assessed on the Premises, including both real property and personal property included on the real property tax bill, directly to the taxing authorities prior to the delinquency date of each installment, said delinquency dates being December 10 and April 10 of each year. Upon written request of Landlord, Tenant shall provide copies of all such property tax payments within ten
(10) days of such request. To the extent any tax impound accounts are required by any lender of Landlord, Tenant shall timely submit any required impound funds to such lender (or at Landlord's request, to Landlord) on a monthly basis, with each monthly installment representing one-twelfth (1/12) of the annual tax impound fund requirement. Upon the expiration or termination of this Lease a pro-rated portion of any and all impounds of any nature applicable to the period after expiration or termination of this Lease shall be refunded to the Tenant within thirty (30) days of such expiration or termination.

D. Property Taxes upon Reassessment. Notwithstanding anything herein to the contrary, Tenant shall have no obligation to pay any increase in the real or personal property taxes as a result of any reassessment due to a change in ownership of the Premises occurring after the Commencement Date.

8. UTILITIES. Tenant shall directly contract for and timely pay for all gas, water, sewer, heat, light, power, telephone service and all other utility or service supplied to the Premises during the term of the Lease.

9. REPAIRS; DAMAGE OR DESTRUCTION.

A. Maintenance. Tenant shall, at Tenant's sole expense, keep all improvements upon the Premises, the appurtenances thereto and the furniture, fixtures and equipment in good condition and repair, reasonable wear and tear excepted, and shall promptly make all repairs, which at any time and from time to time, are necessary and proper. Tenant's responsibility hereunder shall be subject to Section 5 of this Lease and shall include but not be limited to maintaining landscaping, parking facilities, driveways, sidewalks, streets and alleys adjoining the property in good, clean, safe and secure condition, materially complying with all Laws affecting the Premises, maintaining the utility meters, pipes and conduit on or attached to the Premises in good tenantable condition, maintaining and repairing all of the furniture, fixtures and equipment, air conditioning, and heating equipment, the exterior and interior walls, floors, roof, ceilings, windows, including the prompt replacement of any and all damaged or broken glass, maintaining and repairing all doors, signs, locks and closing devices and replacing when necessary any of the foregoing, and completing any and all such items of repair, maintenance and improvement or reconstruction as may at any time or from time to time be required by any governmental or quasi-governmental agency having jurisdiction thereof.

Except as required under the express terms of this Lease, Landlord shall not be required to make any repairs whatsoever, whether necessitated by reason of the neglect or failure of Tenant or anyone claiming under Tenant, or by reason of the failure of Tenant to perform or observe any of the conditions or agreements in this Lease, or caused by alterations, additions, or improvements made by Tenant or anyone claiming under Tenant.

B. Damage to or Destruction of Premises. If the Facility shall be destroyed or so injured by any cause as to be unfit, in whole or in part, Tenant shall immediately notify Landlord after the happening of such destruction or injury. If such destruction or injury renders the Facility unsuitable for the purpose of this Lease, as determined by Landlord in its discretion, then upon notice to Tenant, Landlord may terminate this Lease and unless such damage or destruction was caused by Tenant's negligence or willful malfeasance (in which event Tenant shall be obligated to repair or reconstruct the Premises), Tenant shall be released from any further liability under this Lease thereafter accruing with respect to the Facility, except as otherwise expressly provided in this Lease. If Landlord does not so terminate this Lease in accordance with this Section 9.B., then Tenant shall repair or reconstruct the Premises in substantially the same condition as just prior to the incident, and consistent with all applicable Laws in effect at the time of the repair or reconstruction, and with the proceeds of the insurance carried by Tenant as required hereunder. All such repairs and reconstruction shall be undertaken and completed in accordance with applicable Law. Regardless of any casualty, this Lease shall continue in full force and effect without any abatement of rent and Tenant shall not be entitled to surrender possession of the Premises as a result of such casualty. Tenant shall proceed with reasonable diligence to so repair or reconstruct the Premises and Tenant shall be liable for any costs of repair or replacement to the Premises, regardless of whether such damage or the costs of repairing such damage are fully covered by the proceeds of Tenant's insurance required to be carried hereunder. If Tenant fails to commence such repair or reconstruction within sixty (60) days of the destruction or injury, Landlord shall have the option to either terminate this Lease upon written notice to Tenant or repair and reconstruct the Premises in substantially the same condition just prior to the incident, and the costs and expenses incurred by Landlord as a result thereof shall be deemed additional Rent hereunder and shall be payable by Tenant upon demand. Upon payment of all such sums demanded by Landlord, Tenant may re-enter and resume possession of the Premises. Notwithstanding anything to the contrary set forth in this Lease, all insurance proceeds collected under the insurance policies described in Section 10 shall be paid to Landlord.

Landlord shall have the right to review and reasonably approve all plans, permits and contracts relating to the repair or restoration of the Premises, and to obligate Tenant to comply with such building control disbursement procedures as Landlord or its lender may require.

C. Quality of Work. Tenant shall make all repairs and replacements, whether interior or exterior, ordinary or extraordinary, structural or non-structural, promptly as and when necessary and shall insure that such repairs and replacements are of a quality and class equal to or better than the original work.

D. Landlord May Repair. Should Tenant Default in making repairs or replacements under the terms of this Section 9, Landlord may, but shall not be required to, make such repairs and replacements for Tenant's account, and the expense thereof shall constitute and be collectible as additional Rent, subject to Late Charges and Interest if applicable.

E. Maintenance, Repair, and Replacement Impounds. To the extent any maintenance, repair, replacement or similar impound accounts are required by any lender of Landlord, Tenant shall timely submit any required impound funds to such lender (or at Landlord's request, to Landlord) on a monthly basis, with each monthly installment representing one-twelfth (1/12) of the applicable annual impound fund requirement. Tenant shall have the right to access, from time to time, such maintenance, repair, or replacement reserves in accordance with such lender's requirements to perform any repairs, maintenance or replacements to the Facility. Upon the expiration or termination of the Lease all unused maintenance, repair, replacement or similar impounds shall be refunded to the Tenant within thirty (30) days of such expiration or termination.

10. INSURANCE.

A. Required Coverage. Tenant shall keep the Premises and each and every part thereof and the operation of the Facility on the Premises insured throughout the term of this Lease by obtaining and maintaining the following insurance coverage (collectively, the "Policies"):

1) Comprehensive "**all risk**" property insurance for the Premises, including loss or damage by fire, vandalism, malicious mischief, special extended perils (all risk), earthquake, and such other risks as may be included in the broadest form of extended coverage property insurance, from time to time available in amounts sufficient to prevent Landlord from becoming a co-insurer within the terms of the applicable policies, and in an amount not less than one hundred percent (100%) of the then full insurable value. If any portion of the Premises is currently or at any time in the future located in a federally designated "**special flood hazard area**," flood hazard insurance is required in an amount equal to the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended or such greater amount as Landlord shall require. Should Landlord's interest in the Premises secure a loan from Landlord's lender, the insurance policy or policies required by this Section 10.A.1) shall name Landlord's lender as the "**Loss Payee**" thereunder.

2) Coverage for loss or damage from leakage of sprinkler systems now or hereafter installed in the buildings on the Premises in any amount not less than one hundred percent (100%) of the then full insurable value.

3) Coverage for loss or damage by explosion of steam boilers, pressure vessels, or similar apparatus, now or hereafter installed in the buildings on the Premises, in such limits with respect to any one accident as may be reasonably requested by Landlord from time to time.

4) Coverage for loss of rental, under a rental value insurance policy covering risk of loss due to the occurrence of any on the hazards described in the preceding subsections of this Section 10.A., in an amount sufficient to prevent the Landlord from becoming a co-insurer, but in any event, in an amount not less than one hundred percent (100%) of the then full basic rental income of eighteen (18) months, including all other charges to be paid hereunder, such policy or policies to be obtained and paid for by Tenant as frequently as required, and the amount of coverage shall be adjusted annually to reflect the projected rental income, property taxes, insurance premium costs and other expenses, if any, otherwise payable by Tenant for the next twelve (12) month period.

5) Comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably required by Landlord.

6) If the Facility is or becomes a legal "**nonconforming**" use, ordinance or law coverage and insurance coverage to compensate for the cost of (upon a casualty) demolition or rebuilding of the undamaged portion of the Facility along with any reduced value and the increased cost of construction in amounts as may be reasonably required by Landlord.

7) A commercial general liability policy covering claims for bodily injury, personal injury, death, and property damage based upon, involving or arising out of the ownership, use, occupancy or maintenance of the Premises by Tenant. The commercial general liability insurance may be on a "**claims made**" basis and shall provide single limit coverage in an amount not less than One Million Dollars ($1,000,000.00) per claim and Three Million Dollars ($3,000,000.00) in the aggregate with an "**Additional Insured-Endorsement**."

8) Coverage against claims, losses and damages under a policy of full coverage plate glass insurance.

9) At all times during which structural construction, repairs or alterations are being made with respect to the Premises owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above-mentioned policies in an amount sufficient to prevent the Landlord from becoming a co-insurer.

10) A professional liability and malpractice insurance policy with limits of at least One Million Dollars ($1,000,000.00) per claim and Three Million Dollars ($3,000,000.00) in the aggregate, and a deductible in an amount not in excess of One Hundred Thousand Dollars ($100,000.00) in the aggregate. Tenant shall also either (i) require each medical director for the Facility and the associated nurse practitioner at the Facility to carry professional liability and malpractice insurance with limits of not less than One Million Dollars ($1,000,000.00) per claim and Three Million Dollars ($3,000,000.00) in the aggregate covering their administrations duties in such capacities for the Tenant, or (ii) cover such persons under the Tenant's policy for the same coverage.

11) Motor vehicle liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence, including umbrella coverage, of One Million Dollars ($1,000,000.00) or such other insurance as required by any federal or state agency in connection with the transport of Facility residents.

12) A full coverage policy of worker's compensation insurance in accordance with the laws of the State of New Jersey.

13) Coverage for such other hazards and in such amounts as the holder of any security interest, mortgage or deed of trust to which this Lease is subordinate may reasonably require from time to time pursuant to the provisions of said security interest, mortgages and deeds of trust, provided such coverages are reasonably and commercially available for the Facility.

14) For any "**claims made**" policies, upon expiration or termination of this Lease, Tenant shall purchase appropriate tail coverage in such amounts reasonably requested by Landlord.

B. Full Insurable Value. For the purposes of this Lease, the term "**full insurable value**" shall mean the actual replacement cost. The full insurable value shall be determined whenever reasonably requested by Landlord, by a qualified appraiser selected and paid by Tenant and acceptable to Landlord. The finding of such appraiser shall not be binding without the written approval of Landlord, which approval shall not be unreasonably withheld.

C. Landlord Named as Additional Insured on Tenant's General liability insurance policy. Tenant shall add Landlord as an additional insured to Tenant's general liability insurance policy.

D. Miscellaneous Requirements of Policies.

1) Tenant's automobile insurance policy shall be primary to and not contributing with any similar insurance carried by Landlord, whose insurance, if any, shall be considered excess insurance only.

2) All insurance provided for in this Lease shall be affected under enforceable policies issued by insurers of recognized responsibility licensed to do business in this State and rated A: Class VII status (or such other status as may be acceptable to Landlord) as rated in the most recent edition of "**Best's Key-Rating Guide**".

3) Tenant's property insurance policy shall provide that any loss shall be payable to Landlord or the holders of any security interest, mortgage or deeds of trust to which this Lease is subordinate, as the interest of such holders may appear, notwithstanding any act or negligence of Tenant which might otherwise result in the forfeiture of such insurance.

4) If Tenant provides any insurance required by this Lease in the form of a blanket policy, Tenant shall furnish satisfactory proof that such blanket policy complies in all respects with the provisions of this Lease, and that the coverage thereunder is at least equal to the coverage which would be provided under a separate policy covering only the Leased Property.

E. Tenant's Obligations; Rights and Remedies of Landlord.

1) The limits of said insurance required by this Lease or as carried by Tenant shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder.

2) Tenant agrees that it will pay all premiums and charges on all of the insurance required to be carried by it, promptly when same become due and to furnish Landlord with satisfactory evidence of the payment of the premium of any policy within ten (10) days after such premium shall become due and payable, and if Tenant shall fail to pay such premiums and charges when due, or fail to furnish satisfactory evidence of payment of premiums on any policy, or fail to place or maintain such insurance, then, in addition to giving rise to a Default hereunder, Landlord may, without having the obligation to do so, place such insurance or pay the premiums and charges therefor, and in the event of such payment by Landlord, the amount paid shall be added as additional Rent to the installment of Rent next accruing along with any applicable Late Charge or Interest.

3) All policies of insurance herein provided, or certificates thereof, at

the option of Landlord, shall be delivered to Landlord within ten (10) days after the Commencement Date, accompanied by evidence satisfactory to Landlord that the premiums thereon have been paid for at least one (1) year, and thereafter, upon the renewal period or periods, further satisfactory evidence is to be submitted to Landlord that the premiums for the next ensuing period (never less than for one (1) year) on such insurance policies have been paid.

4) Within five (5) days of receiving notice from the insurer or otherwise, Tenant shall provide Landlord with written notice if any policies of insurance required hereunder are canceled or subject to reduction of coverage or other modification.

5) Within ten (10) days after the expiration of any policy, Tenant shall deliver the original renewal policy for such insurance to Landlord, or Landlord may, but shall not be required to order such insurance and charge the cost thereof to Tenant to be added as additional Rent to the installment of Rent next accruing or to any subsequent installment and shall be payable and collectible as additional Rent in the same manner and with the same rights and remedies as if it had been originally reserved and designated as Rent.

6) Notwithstanding the time provided for delivery of policies or certificates of insurance, such insurance coverage shall be provided at all times and there shall be no time when any such policy is not in effect recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party of its property or the property of others under its control, where such loss or damage is insured against under Tenant's property, worker's compensation and automobile insurance policies in force at the time of such loss or damage. Tenant and Landlord shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease. Tenant shall be required to request waiver of subrogation under its general and professional liability insurance policies.

7) The policy limits referred to in Section 10.A. may be increased every ten
(10) years, as reasonably requested by Landlord in writing.

F. Waiver of Subrogation. Landlord and Tenant hereby waive all rights of recovery for causes of action which either has or may have or which may arise hereafter against the other for any damage to the 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 Premises are located, has been consented to by the applicable insurance carrier, and only to the extent of such insurance coverage.

G. Insurance Impound Account. To the extent any insurance impound accounts are required by any lender of Landlord, Tenant shall timely submit any required impound funds to such lender (or at Landlord's request, to Landlord) on a monthly basis, with each monthly installment representing one- twelfth (1/12) of the annual insurance impound fund requirement. Upon the expiration or termination of this Lease a pro-rated portion of any and all insurance impounds applicable to the period after expiration or termination of this Lease shall be refunded to

the Tenant within thirty (30) days of such expiration or termination.

H. Breach. Tenant's failure to timely secure and maintain any and all of the insurance required under this Lease shall be a Default of this Lease.

11. EMINENT DOMAIN.

A. Proration of Rent; Option to Terminate; Termination.

1) Remainder Usable. Should any part of the Premises be taken or condemned by any authority lawfully authorized to take such action, if the part thereof remaining remains usable on a commercially reasonable basis for the permitted use described in Section 4 hereof, the Lease shall, as to the part so taken, terminate as of the date title vests in the condemnor and the rent payable hereunder shall be as of said date prorated so that Tenant shall be required to pay on the same terms and conditions as set forth herein for the remaining available and usable portion in the same proportion to the ratio that such portion bears to the total available and usable square footage of the Premises prior to such taking.

2) Remainder Not Usable. If all of the Premises are taken or condemned, or so much thereof that a substantial portion (i.e., more than fifty percent (50%) of the square footage) does not remain usable on a commercially reasonable basis for the permitted use described in Section 4 hereof, this Lease shall thereupon terminate as of the date title vests in the condemnor.

B. Compensation. Any and all compensation awarded upon any such condemnation or taking shall be paid first to any beneficiary under a mortgage or deed of trust secured by the Premises and which is senior to this Lease, second to Landlord and third to Tenant as the Law provides. Tenant shall receive from any award any sum specifically set aside: (i) for Tenant's relocation; (ii) in connection with discharging and closing down the operations of the Premises; (iii) to compensate Tenant for the value of Tenant's personal property or goodwill taken by the condemning authority; (iv) any bonus value Tenant has in the Lease; and (iv) any other amounts Tenant may be able to separately obtain from such condemning authority.

12. HOLD HARMLESS, INDEMNIFICATION.

A. By Tenant.

1) Landlord shall not be liable for any damage or liability of any kind or for any damage or injury to persons or property during the term of this Lease from any cause whatsoever by reason of Tenant's use, occupation and enjoyment of the Premises.

2) Tenant agrees to indemnify, defend and hold harmless Landlord, Landlord's shareholders, members, managers, officers, owners, directors, employees, agents, representatives, and their respective agents, executors, heirs, representatives and assigns, and any entity providing financing which is secured by the Premises (collectively the "**Landlord's Indemnitees**"), from and against any and all claims, losses, costs, penalties, damages, charges, liabilities and/or expenses (including reasonable attorneys' and consultants' fees) arising during the Term, as the same may be extended, including without limitation claims, losses, costs, penalties,

damages, liabilities, and/or expenses imposed or resulting from, arising out of or attributable in whole or in part to any of the following: (i) use of Premises, and its facilities, or any repairs or alterations which Tenant may make or cause to be made upon said Premises during the Term hereof; (ii) any violation of any Law, order of Governmental Authority, whether occasioned by the intentional act, omission, or negligence of Tenant or those holding under Tenant, (iii) any accident or other occurrence on or about the Premises on or after the Commencement Date, but during the Term of this Lease, causing injury to any person or property whomsoever or whatsoever, including, but not limited to, patient care claims or elder abuse, (iv) any failure of Tenant in any respect to comply with or perform any term, condition, covenant, requirement and/or provision or a breach of or Default under this Lease attributable to the Premises or to Tenant, including, but not limited to, a breach of any of Tenant's representations and warranties under Section 24 of this Lease, or (v) in any way relating to Tenant's use, operation and/or maintenance of the Facility (including, without limitation, third-party claims, whether by the State where the Facility is located, the United States, private insurers or private parties, for recoupment, false claims, or any other claims, assumption of and use by Tenant of Landlord's permits, variances, waivers, and certificate of need approval or its possession of the Premises). Tenant shall have no obligation to indemnify or hold harmless Landlord for any event that occurred on the Premises prior to the Commencement Date of this Lease.

B. Any amounts which become payable by Tenant under this Section 12 shall be paid within ten (10) days after liability therefor is finally determined by litigation or otherwise, and if not timely paid shall be subject to Late Charges and Interest. Tenant, at its sole cost and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Landlord or may compromise or otherwise dispose of the same as Tenant sees fit; provided, however, that any action taken in Landlord's name shall be subject to Landlord's prior consent and any legal counsel selected by Tenant to defend Landlord shall be reasonably satisfactory to Landlord. All indemnification covenants are intended to apply to losses, damages, injuries, claims, costs, penalties, charges and/or expenses (including reasonable attorneys' and consultants' fees) incurred directly or indirectly by the indemnified parties and their property, as well as by the indemnifying party or third party, and their property. For purposes of this Section 12, any acts or omissions of Tenant, or by employees, agents, assignees, contractors, subcontractors or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Tenant. It is understood and agreed that payment shall not be a condition precedent to enforcement of the foregoing indemnification obligations.

C. By Landlord. Except for Landlord's gross negligence or intentional misconduct, Landlord shall have no obligation to indemnify or hold harmless Tenant for the condition of the Premises or any event that occurred on the Premises on or after the Commencement Date.

D. The provisions of this Section 12 shall survive the expiration or termination of this

Lease.

13. ASSIGNMENT AND SUBLETTING.

A. Assignment and Subletting.

1) Tenant shall not transfer or assign this Lease, or Tenant's interest in the Premises, or any part thereof, or sublease all or any part of the Premises without Landlord's prior written consent. In determining whether or not to consent to Tenant's proposed transfer or assignment, Landlord may request information and documentation that it deems pertinent regarding the proposed transfer or assignment, including, but by no means limited to (i) proposed transfer or assignment document(s), (ii) proposed transferee's or assignee's financial statements, balance sheets and other evidence of credit- worthiness, (iii) proposed transferee's or assignee's organizational documents, (iv) resumes for each of the transferee's or assignee's principals, and (v) operating experience of the proposed transferee or assignee and its affiliates. Tenant hereby agrees that the provision of such information and documentation, and Landlord's satisfaction with the sufficiency of same, are reasonable prerequisites to Landlord providing its consent to the proposed transfer or assignment. Notwithstanding Landlord's consent to a transfer or assignment, Tenant shall remain fully liable under this Lease.

2) Tenant shall not, at any time, pledge, mortgage, hypothecate or otherwise encumber the leasehold estate hereby created or any interest of Tenant therein without Landlord's prior written consent, which consent shall not be unreasonably withheld. The issuance of or a transfer or series of transfers (including transfers caused by mergers, acquisitions or consolidations of any direct or indirect interests in the equity ownership interests in Tenant or any permitted subtenant) aggregating to forty-nine percent (49%) or more of the stock, membership or ownership interest in Tenant without Landlord's consent shall constitute a prohibited transfer for purposes of this Lease.

3) Landlord shall be permitted to assign this Lease and all agreements, duties, obligations and rights incidental thereto to any entity without consent from Tenant.

4) Provided Tenant is not in breach or default under this Lease and subject to the other provisions of this Section 13.A, Tenant shall have the right to assign this Lease, or to sublet all or any part of the Premises or transfer its interest in the Lease or the Premises to a parent entity, a subsidiary entity or an affiliate entity, or to merge or consolidate with a parent, subsidiary entity or affiliate entity without Landlord's consent. In addition, the entity or entities, or individuals or persons that own, control or are under common control with Tenant (either directly, or through one or more parent, affiliate or subsidiary entities) shall have the right to engage in a merger, stock sale, membership interest sale, bulk asset sale or reorganization without the same constituting an assignment, sublease or any type of transfer that would require the Landlord's consent. Tenant shall not be released of its obligations under this Lease on account of any transfer or reorganization described in this Section 13.A.4), and as a material condition precedent to the effectiveness of any such transfer, the transferee must agree in writing to be bound by this Lease. Tenant shall provide Landlord with written notice of any such transfer or reorganization along with copies of the transfer documents.

5) Notwithstanding any terms to the contrary herein, the entity or entities, or individuals or persons that own the equity interest in Tenant may pledge its interest in Tenant to the Tenant's accounts receivable lender without Landlord's consent, but with prior notice to Landlord.

6) The term "**transfer**" shall mean any direct or indirect sale,

conveyance, transfer, lease (including any amendment, extension, modification, waiver or renewal thereof), sublease, sub-sublease, assignment, management agreement or similar arrangement, mortgage, pledge, grant of a security interest or hypothecation or other encumbrance, whether by operation of law or otherwise, of or in
(x) all or part of the Premises (including any legal or beneficial direct or indirect interest therein) or (y) any direct or indirect interest in Tenant.

7) Notwithstanding any other provision of this Lease to the contrary, Tenant shall not consummate any transfer, assignment, sublease, pledge, mortgage, hypothecation, or other encumbrance of this Lease, the leasehold estate, or any direct or indirect interest in Tenant or the Premises (each, a "**Proposed Transfer**") if such Proposed Transfer would result in a violation of or default under any loan agreement, mortgage, deed of trust, security instrument, or other financing document then encumbering or affecting the Premises or any portion thereof. Any Proposed Transfer consummated in violation of this Section shall be null and void and of no force or effect, and shall constitute a Default under this Lease.

B. Management Agreements. Tenant shall not enter into any management agreement with any manager (a "**Manager**") for the management of the Facility (a "**Management Agreement**") unless the terms thereof, including, but not limited to, the maximum management fee permitted thereunder, have been previously approved in writing by Landlord, and such approval shall not be unreasonably withheld or delayed by Landlord. If required by applicable law, Tenant shall provide notice of any Management Agreement to the applicable state agency and shall obtain such agency's prior written consent thereto. Tenant shall not alter, amend, modify, surrender, cancel or terminate any Management Agreement or assign its rights or delegate its duties thereunder, without Landlord's prior written consent, which consent shall not be unreasonably withheld. All management fees or other payments for services provided in connection with the operation of the Facility, payable by Tenant, or any permitted subtenant, shall be subordinated to all of the obligations of Tenant due under this Lease and to all of Landlord's claims under this Lease. Upon the occurrence of a Lease Default, Landlord shall have the right to terminate all Management Agreements then in effect for the Facility and upon exercise of such termination right, at Landlord's request, Tenant shall replace the Manager with a new Manager acceptable to Landlord in its sole discretion pursuant to a Management Agreement acceptable to Landlord. Any Management Agreement shall include the foregoing provisions. Tenant shall not agree to any change in the Manager of the Premises or the Facility, to any change in any approved Management Agreement, to terminate any Management Agreement or to permit the Manager to assign the Management Agreement without the prior written approval of Landlord in each instance, which approval shall not be unreasonably withheld or delayed. Any Management Agreement shall provide that Landlord shall be provided notice of any defaults thereunder and, at Landlord's option, an opportunity to cure such default; all in form and substance satisfactory to Landlord in its sole and absolute discretion. If Landlord shall cure any of Tenant's defaults under any Management Agreement, the cost of such cure shall be payable upon demand by Tenant to Landlord with interest accruing from the demand date at the rate of ten percent (10%) per annum, and the Landlord shall have the same rights and remedies for failure to pay such costs on demand as for Tenant's failure to pay Rent. Tenant shall deliver to Landlord any instrument requested by Landlord to implement the intent of this provision. Notwithstanding the foregoing, the above provisions shall not be applicable to, and shall not restrict Tenant from entering into, any administrative services agreement or other similar types of agreement by and between Tenant and its parent entities, affiliates and/or

subsidiaries, which provides for the provisions of various services to support the operation of the Facility.

14. LOANS AND LENDERS.

A. Subordination. Subject to Section 14.B, Tenant agrees (i) that Landlord may at Landlord's option, request this Lease to be subject and subordinate to any mortgage or Deed of Trust now or hereafter placed by Landlord upon the Premises or any portion thereof, and (ii) to execute, upon Landlord's written request, and without payment of any additional consideration therefore, any and all appropriate instruments of subordination in form reasonably satisfactory to the beneficiary under such mortgage or Deed of Trust. Should the Premises, or any portion thereof, become subject to the lien of any mortgage or Deed of Trust as to which this Lease is subordinate and should Tenant's rights under this Lease be impaired because of Landlord's non-payment under the terms of said mortgage or Deed of Trust, Tenant may, but shall not be required to make such payments as are necessary to protect Tenant's interest and Landlord shall reimburse Tenant as to any sum so expended within ten (10) days after Tenant's written demand to Landlord for such reimbursement.

B. Subordination of Lease. This Lease is and shall be subordinate to any mortgage lien or deed of trust now or hereafter recorded affecting all or any part of the Premises.

C. Landlord's Estoppel Certificate(s). Landlord shall reasonably cooperate with Tenant's occasional requests to execute such landlord estoppel certificates as Landlord deems reasonable, provided that Landlord shall not be obligated to execute more than two (2) estoppels or other documents in any one (1) year period.

D. Tenant's Estoppel Certificate. Tenant shall, within ten (10) days after request from Landlord, make, execute and deliver to Landlord an Estoppel Certificate in form and substance as Landlord may reasonably require from time to time with regard to all matters pertaining to this Lease and the status thereof.

E. Future HUD Loan. In the event Landlord elects to obtain financing secured by the Premises that is insured by HUD (a "**HUD Loan**"), Tenant agrees to execute such reasonable documentation as may be normally required of skilled nursing facility operators under the rules and regulations of HUD then in effect, including but not limited to a Regulatory Agreement for Nursing Homes, any required Riders thereto, security agreements, intercreditor agreements and riders to the extent Tenant has accounts receivable financing, and Deposit Account Control Agreements. Tenant further agrees to execute amendments to this Lease as may be required by HUD or by Landlord's lender consistent with HUD's requirements for insuring loans secured by skilled nursing facilities, but which do not materially alter the obligations of Tenant hereunder. Tenant further agrees to amend any Management Agreement then in effect to conform to HUD's requirements. After final approval or denial of a HUD Loan, Landlord agrees to reimburse Tenant for all reasonable documented costs and expenses incurred by Tenant in cooperating with Landlord to obtain such HUD Loan. Landlord further agrees to use its best efforts to assist and cooperate with Tenant in obtaining an inter-creditor agreement with HUD for Tenant's accounts receivable financing for the Facility with Tenant's accounts receivable lender. Furthermore, Landlord represents, warrants and covenants to Tenant that promptly after obtaining any such HUD Loan, Landlord shall pay-off the balance of the QA Repayment Agreement and shall provide evidence

of the same to Tenant.

F. New Financing. In the event Landlord applies for financing secured by the Premises, Tenant agrees to reasonably cooperate with the Landlord in connection with such financing. Tenant agrees to timely provide such information and documentation concerning the operations of the Premises and information concerning Tenant as such lender may reasonably require, and Tenant shall make such reasonable warranties and representations to Landlord and/or its lender as are typically required in connection with the financing of skilled nursing facilities, but which do not materially increase the burdens on the Tenant under this Lease.

G. Tenant's Financing Cooperation. Tenant shall cooperate fully with any financing or refinancing by Landlord that is secured in whole or in part by the Facility, including without limitation (i) providing such financial, operational, and other information and documentation concerning Tenant and the Facility as Landlord or its lender may reasonably require, (ii) executing and delivering any subordination, non-disturbance and attornment agreements, estoppel certificates, or other documents reasonably requested by Landlord or its lender in connection with such financing, and (iii) making any amendments to this Lease as may be reasonably required by Landlord's lender, provided that such amendments do not materially increase the obligations of Tenant hereunder or materially diminish Tenant's rights under this Lease. Tenant shall respond to any such requests within fifteen (15) days after receipt thereof.

H. Tenant's Performance of Loan Document Obligations. Tenant shall fully, timely, and faithfully perform all terms, covenants, and conditions required to be performed by Landlord under any loan documents encumbering the Facility or the Premises to the extent such performance is within Tenant's control or relates to Tenant's obligations under this Lease, including without limitation any notice provisions, reporting requirements, and operational covenants contained therein. Landlord shall provide Tenant with copies of all such loan document provisions that require Tenant's performance or compliance.

15. DEFAULTS.

A. Incidents of Default. The following incidents shall constitute "**Defaults**" under the terms of this Lease:

1) Monetary Default. Tenant's failure or refusal to timely pay any and all Rent, Late Charges, Interest, penalties and charges, or other amounts to be paid by Tenant hereunder shall constitute a Default if Tenant fails to pay in full all overdue amounts within five (5) days of the date thereof (herein referred to as a "**Monetary Default**").

2) Non-Monetary Default. Tenant's breach or default of any other covenant, condition, warranty or agreement which breach continues for a period of thirty (30) days after Landlord's notice to Tenant thereof (herein referred to as a "**Non-Monetary Default**").

3) Cure of Default. If a Non-Monetary Default is of such a nature that it cannot be cured within the period specified above, then such Default shall be curable if Tenant within such period commences in good faith the curing thereof and diligently continues thereafter

to cause such Default to be cured within a commercially reasonable timeframe not to exceed ninety (90) days, unless such Non- Monetary Default is due to any action taken by a regulatory agency, which provides for the appeal of the action taken by such regulatory agency, and provided that Tenant is pursuing such appeal procedures such Non-Monetary Default shall be stayed until conclusion thereof. Monetary Defaults shall not be eligible for the cure period set forth in this subparagraph.

4) Automatic Default. Notwithstanding anything to the contrary in this Section 15, the following shall each constitute an immediate Default under this Lease without the requirement of notice or any opportunity to cure: (i) Tenant's breach of any representation, warranty, or covenant set forth in Section 24(H) of this Lease (Health Care Representations and Warranties); and (ii) Tenant's failure to timely secure or maintain any insurance required under Section 10 of this Lease.

B. Remedies. Upon the occurrence of any incidents of Default and after expiration of any applicable cure period, Landlord at its option, shall have the following rights and remedies:

1) Terminate and Repossess. Landlord may declare this Lease terminated, and reenter the Premises, take possession thereof from and remove Tenant and Tenant shall have no further claim under this Lease; and

2) Recovery upon Abandonment or Termination. Should Tenant breach this Lease or be in Default thereof and abandon the Premises before the end of the Term, or if this Lease is terminated by Landlord because of Tenant's breach or Default, this Lease shall terminate. Upon such termination, Landlord may recover:

a) The value at the time of award, of the unpaid Rent which Landlord has earned at the time of termination; and

b) The total amount of Rent that would have been payable from the time of the Tenant Default until the expiration of the Term, less any amounts that Tenant proves could have been reasonably avoided; and

c) Any other amount necessary to compensate Landlord for all detriment caused by or arising from Tenant's Default, including but not limited to attorneys' fees and costs.

3) Mitigation. Landlord's efforts to mitigate the damages caused by Tenant's breach shall not waive Landlord's right to recover damages under this Section or under any other Section of this Lease.

4) Indemnification. Nothing in this article affects Landlord's right to indemnification for liability arising prior to the termination of this Lease for personal injuries or property damage as provided herein.

5) Continuance of Lease. Even though Tenant has breached this Lease and abandoned the Premises, this Lease continues in effect for so long as Landlord does not terminate Tenant's right to possession and Landlord may enforce all its rights and remedies under

this Lease, including the right to recover the Rent as it becomes due under this Lease. For the purpose of this Section, the following acts alone do not constitute a termination of Tenant's right to possession:

a) Acts of maintenance or preservation or efforts to relet the Premises.

b) The appointment of a receiver on initiative of Landlord to protect Landlord's interest under this Lease.

6) Statutory Remedies. Nothing contained herein shall affect the rights of the Parties hereto under statutory provisions relating to actions for unlawful detainer, forcible entry, and forcible detainer. The bringing of any such action shall not affect Landlord's right to bring a separate action for relief on termination, for liquidated damages, or in equity. In the event of Landlord's entry or taking possession of the Premises, Landlord shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located thereon and dispose of the same at the expense and risk of the owner or owners thereof.

7) Reversion to Landlord. In the event of Default of any of Tenant's obligations hereunder, the Premises shall at Landlord's option revert to Landlord.

8) Cumulative Remedies. The rights of Landlord hereunder shall be cumulative to all other rights and remedies now or hereafter given to Landlord by law or by other terms of this Lease.

16. BANKRUPTCY. If, at any time during the term hereof, bankruptcy proceedings are instituted by or against Tenant, or if Tenant's creditors or other parties file any petitions relating to Tenant under the Bankruptcy Act of the United States of America, now in force or as may hereafter be amended, or if a receiver of the business or assets of Tenant be appointed or if Tenant makes an assignment for the benefit of creditors, or if any sheriff, marshal or constable takes possession of Tenant's business or assets by virtue of execution or attachment proceedings or offers the same for public sale, and if Tenant does not have any such actions dismissed within sixty (60) days of its filing, or if Tenant defaults under any loan or is unable to pay its debts when due, Landlord may, at its option, in the event of any and all such events, immediately (subject to any mandatory statutory notice periods) take possession of the Premises and terminate this Lease. Upon such termination, all installments of Rent earned to date and unpaid shall be at once due and payable and in addition, Landlord shall have all remedies for Default set forth herein and all rights provided by the bankruptcy laws, as to the proof of claims on an anticipatory breach of an executory contract.

17. LANDLORD'S ENTRY. Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times during normal business hours and in emergencies at all times, in a manner which will not unreasonably interfere with Tenant's use of the Premises for the following purposes:

A. Inspection. Inspecting the Premises and Tenant's operations.

B. Repairs. Making (at Landlord's election) repairs, additions or alterations to the Premises, the building which constitutes part of the Premises or any property owned or controlled by Landlord.

C. Showing the Premises. Showing the Premises to prospective purchasers, lenders or, during the last two (2) years of the Lease Term, to prospective tenants.

D. Compliance with Patient Privacy Laws. Landlord and its agents shall use reasonable efforts to comply with all applicable patient rights to privacy laws and to minimize any interference with Tenant's business.

18. NOTICES. All notices, demands, requests and other instruments under this Lease shall be in writing, and shall be considered properly given if sent by United States Mail, registered or certified, postage prepaid, addressed as follows:

If to Tenant: 292 Applegarth Road Opco, LLC
292 Applegarth Road
Monroe Twp., NJ
Attn: Facility Administrator

If to Landlord: 292 Applegarth Road Propco, LLC
9526 W Pico Boulevard
Los Angeles, CA 90035
Attn: Legal Dept.

or such other address as Landlord or Tenant may from time to time designate by written notice as set forth herein.

19. BINDING. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the Parties hereto.

20. ENTIRE AGREEMENT. This Lease constitutes Landlord's and Tenant's entire agreement pertaining to the subject matter contained herein and supersedes all prior, agreements, and understandings:

A. Modification. No supplement, modification or amendment of this Lease shall be binding unless expressed as such and executed in writing by both Parties.

B. Waiver. No waiver of any of the provisions of this Lease shall constitute a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing waiver. No waiver shall be binding unless expressed as such in a document executed by the Party making the waiver.

21. ARBITRATION. Any controversy or claim arising out of or relating to this Lease, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American

Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. However, if neither Party commences arbitration within sixty (60) days from the date of notification to the other Party of a dispute, either Party may initiate legal action in any court having jurisdiction. If any arbitration or other proceeding is brought for the enforcement of this Lease, or because of an alleged or actual dispute, breach, default or misrepresentation in connection with any of the provisions of this Lease, the successful or prevailing Party shall be entitled to recover reasonable expenses including attorney's fees incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

22. MISCELLANEOUS.

A. Captions. The captions of the sections and subsections of this Lease are solely for the convenience of the Parties and are not a part of this Lease.

B. Waiver of Breach. Landlord's waiver of any breach of this Lease shall not be considered a waiver of any other subsequent breach.

C. Time of Essence. Time is of the essence of this Lease.

D. Holding Over. Any holding over after the expiration of the Term with Landlord's consent shall be construed as a month-to-month tenancy on the same terms and conditions as herein specified, except that Rent shall be increased by fifty percent (50%) over the Rent payable at the end of the Term and shall remain subject to annual increases as provided herein.

E. Counterparts. This Lease may be executed in separate counter parts and any such executed counter parts shall constitute one agreement binding on all Parties hereto.

F. Incorporation of Recitals. The recitals set forth herein above are incorporated herein by this reference and made a part of this Lease.

G. Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by Law.

H. Tenant's Personal Property. To the extent Tenant purchases furniture, fixtures, equipment or personal property for use on the Premises, which is not replacement property for the furniture, fixtures and equipment, such furniture, fixtures and equipment shall be the Tenant's personal property, and the Tenant shall have the right to remove the Tenant's personal property upon the expiration or early termination of this Lease.

I. Surrender and Cooperation Upon Termination. Upon the expiration or earlier termination of this Lease for any reason, Tenant shall (i) peaceably surrender and deliver possession of the Premises to Landlord in good condition and repair, reasonable wear and tear excepted, free and clear of all liens, encumbrances, and occupants other than those approved by Landlord, (ii) cooperate fully with Landlord or Landlord's designated replacement operator to ensure an orderly transition of operations at the Facility, including without limitation providing access to all books, records, patient files (to the extent permitted by applicable Law), and

operational information relating to the Facility, and (iii) cooperate fully with Landlord to transfer or cause to be transferred to Landlord or Landlord's designated replacement all Licenses, permits, certifications, Medicare and Medicaid provider agreements, and other governmental approvals necessary for the continued operation of the Facility as a skilled nursing facility. Tenant shall execute and deliver all documents, applications, and instruments, and take all other actions, as may be reasonably required to effectuate such transfers. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

23. LANDLORD'S REPRESENTATIONS AND WARRANTIES.

A. Corporate Authority and Power. The Landlord has the full legal right, power and authority and has taken all corporate and other action necessary to enter into this Lease, and to Lease the Premises, and to perform its respective obligations hereunder. This Lease and all related documents hereto to which Landlord is a party have been duly executed, authorized and delivered by the Landlord and are the legal, valid and binding obligations of the Landlord enforceable against the Landlord in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Law now or hereafter in effect relating to creditors' rights generally.

B. Existence and Good Standing. The Landlord is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of New Jersey. The Landlord has the power to own the Premises. The Landlord has taken all necessary corporate/trust action to authorize and perform all of their respective corporate/trust and individual actions as are necessary and appropriate to authorize, execution, delivery and performance of their respective obligations under this Lease.

24. TENANT'S REPRESENTATIONS AND WARRANTIES.

A. Tenant Satisfaction with Due Diligence. SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES AND COVENANTS SET FORTH HEREIN, (I) TENANT HAS HAD THE OPPORTUNITY, INDEPENDENTLY OR THROUGH AGENTS OF TENANT'S CHOOSING, TO INSPECT AND FAMILIARIZE ITSELF WITH ALL PHYSICAL, LEGAL AND OTHER ASPECTS OF THE PREMISES, TO ANALYZE THE VALUE THEREOF, AND TO BECOME AWARE OF ALL PHYSICAL CONDITIONS, OCCUPANCIES AND ENCROACHMENTS THEREON AS WELL AS ANY PHYSICAL, LEGAL OR OTHER IMPEDIMENTS TO THE DEVELOPMENT OF THE PREMISES, AND , TENANT HAS ACCEPTED THE PREMISES REGARDLESS OF ANY OF THE SAME; (II) TENANT HAS CONCLUDED WHATEVER STUDIES, TESTS, AND INVESTIGATIONS TENANT DESIRES RELATING TO THE PREMISES, INCLUDING, WITHOUT LIMITATION, ENGINEERING ANALYSES, ENVIRONMENTAL OR HAZARDOUS MATERIALS ANALYSES, ANALYSES OF ANY ZONING, USE OR OTHER LEGAL RESTRICTIONS AFFECTING THE PREMISES, AND ANALYSES OF ANY APPLICABLE RECORDS OF ANY GOVERNMENTAL AUTHORITY HAVING OR ASSERTING JURISDICTION OVER THE PREMISES; AND (c) TENANT HAS REVIEWED AND READ (OR HAS ELECTED NOT TO DO SO) AND HAS UNDERSTOOD ALL INSTRUMENTS OF PUBLIC RECORD OR OTHERWISE AVAILABLE FROM ANY GOVERNMENTAL AUTHORITY OR PROVIDED BY LANDLORD, THAT AFFECT THE PREMISES THAT TENANT DEEMS RELEVANT,

INCLUDING, WITHOUT LIMITATION, ALL DOCUMENTS REFERRED TO IN ANY THIRD-PARTY TITLE REPORT OR TITLE POLICY DELIVERED TO THE TENANT (INCLUDING ALL UPDATES THEREOF OR SUPPLEMENTS THERETO).

B. Corporate Authority and Power. The Tenant has the full legal right, power and authority and has taken all corporate and other action necessary to enter into this Lease, and to Lease the Premises, and to perform its respective obligations hereunder. This Lease and all related documents hereto to which Tenant is a party have been duly executed, authorized and delivered by the Tenant and are the legal, valid and binding obligations of the Tenant enforceable against the Tenant in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar law now or hereafter in effect relating to creditors' rights generally. Tenant is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of New Jersey. Tenant has the power to lease the Premises and operate the Facility. Tenant has taken all necessary corporate/trust action to authorize and perform all of their respective corporate/trust and individual actions as are necessary and appropriate to authorize, execution, delivery and performance of its obligations under this Lease.

C. Continued Existence. At all times during the Term, Tenant shall cause to be done all things needed to preserve its rights and franchises and substantially comply with all Laws applicable to it, and to continue to conduct its business in the ordinary course.

D. Payment of Obligations. At all times during the Term, Tenant shall timely pay all of its obligations, indebtedness, taxes, payroll taxes, charges and impositions, whether or not relating to the Premises or this Lease, as they become due. To the extent Landlord or Landlord's lender requires tax, insurance, maintenance, replacement, or other impounds and/or deposits to repair reserves, Tenant agrees to comply with such requirements.

E. Notice of Default. At all times during the Term, Tenant shall immediately notify Landlord of (i) any default by Tenant relating to any indebtedness or obligation of Tenant, whether or not relating to the Premises or this Lease, and (ii) any violations by the Facility of any applicable Law. The events described in the foregoing sentence may themselves constitute Defaults hereunder; nonetheless for avoidance of doubt, Tenant's failure to notify Landlord in writing of any such event within five (5) business days thereafter shall constitute a Default hereunder.

F. Compliance with Law. At all times during the Term, Tenant shall substantially comply in all material respects, and cause any permitted subtenants to substantially comply in all respects, with all applicable Laws, including without limitation the Medicare and Medicaid conditions of participation, to which it is subject or which are applicable to the Premises and to Tenant's operation of the Premises as a licensed Medicare and Medicaid certified skilled nursing facility. Subject to the requirements set forth in this Lease, Tenant shall make such improvements or replacements to the Premises as may be required by applicable Laws or by any changes to applicable Laws.

G. Census. Tenant shall use its best reasonable efforts to maintain the census

of patients at the Facility and shall use its best reasonable efforts to enhance the census of patients at the Facility.

H. Health Care Representations and Warranties. Tenant hereby makes to Landlord all of the following representations and warranties and agrees to all of the following covenants:

1) As of and from the Commencement Date, all Medicare and Medicaid provider agreements, certificates of need, if applicable, certifications, governmental licenses, permits, regulatory agreements or other agreements and approvals, including certificates of operation, completion and occupancy, and state nursing facility licenses or other licenses required by the New Jersey Department of Health and any other governmental authority which regulates the operation of the Facility as a skilled nursing facility (the "**Health Care Authorities**") for the legal use, occupancy and operation of the Facility (collectively, the "**Licenses**") have been obtained by Tenant and are in full force and effect, including approved provider status in any approved third-party payor program. Tenant owns and/or possesses and holds free from restrictions or conflicts with the rights of others, all such Licenses and has operated or caused the Facility to be operated in such a manner that the Licenses shall remain in full force and effect. During the Term, Tenant shall hold and maintain the Licenses and operate the Facility or cause the Facility to be operated in such a manner that the Licenses shall remain in full force and effect.

2) Tenant has not applied and from and after the Commencement Date shall not apply to reduce the number of licensed or certified beds of the Facility or to move or transfer the right to any and all of the licensed or certified beds of the Facility to any other location or to amend or otherwise change the Facility and/or the number of beds approved by the state health department or equivalent (or any subdivision) or other applicable state licensing agency, and there are no proceedings or actions pending or contemplated to reduce the number of licensed or certified beds of the Facility, without the prior written consent of Landlord, which consent may be withheld in its sole and absolute discretion.

3) Each License with respect to the Facility (i) has not been and from and after the Commencement Date shall not be (A) transferred to any location other than the Facility or (B) pledged as collateral security, and (ii) is and will continue from and after the Commencement Date to be held free from restrictions or known conflicts that would materially impair the use or operation of the Facility as intended.

4) Tenant has not taken and from and after the Commencement Date will not take any action to rescind, withdraw, revoke, amend, modify, supplement or otherwise alter the nature, tenor or scope of any License or applicable provider payment program participation other than non-material alterations effected in the ordinary course of business consistent with past practice, without the consent of Landlord.

5) From and after the Commencement Date, Tenant and Facility shall remain in substantial compliance with the applicable material provisions of the Laws, standards, policies, restrictions or rules of any Health Care Authority having jurisdiction over the ownership, use, occupancy or operation of the Facility, including (i) staffing requirements, (ii) health and fire

safety codes including quality and safety standards, (iii) accepted professional standards and principles that apply to the provision of services at the Facility, (iv) federal, state or local laws, rules, regulations or published interpretations or policies relating to the prevention of fraud and abuse, (v) insurance, reimbursement and cost reporting requirements, government payment program requirements and disclosure of ownership and related information requirements, (vi) requirements of applicable Health Care Authorities, including those relating to the Facility's physical structure and environment, licensing, quality and adequacy of nursing facility care, distributions of pharmaceuticals, rate setting, equipment, personnel, and operating policies, and (vii) any other Laws or agreements for reimbursement for the type of care or services provided with respect to the Facility.

6) From and after the Commencement Date, the Facility shall be operated by Tenant in compliance in all material respects with, a compliance plan which follows all applicable guidelines established by the Health Care Authorities.

7) There is no threatened or pending revocation, suspension, termination, probation, restriction, limitation, or non-renewal affecting Tenant with any third-party payor, including, without limitation, Medicare or Medicaid.

8) Neither Tenant nor any of its principals, agents, or controlled affiliates, if any, have provided any incentives to contracted provider networks or providers that have violated any Laws with respect to inducing, directly or indirectly, such contracted provider networks or providers to refer patients to the Facility. Tenant and the Facility are, and at all relevant times have been, and from and after the Commencement Date shall remain in compliance with all federal anti-kickback statutes, the Stark law, the federal False Claims Act and any state law prohibiting kickbacks or certain referrals relating or applicable to Medicare or any other state or federal health care programs. In addition, Tenant and the Facility are, and at all relevant times have been, and from and after the Commencement Date shall remain in material compliance with all Laws pertaining to (i) billings to insurance companies, health maintenance organizations and other managed care plans or otherwise related to insurance fraud and (ii) collection agencies and the performance of collection services.

9) Each employee of Tenant who is required by Laws to hold a permit or other qualification to deliver health care services to patients (including the performance of diagnostic services such as x-ray or lab services) holds and from and after the Commencement Date shall continue to hold such permit or other qualification and is performing and from and after the Commencement Date shall continue to perform only those services which are permitted by such permit or other qualification.

10) All repairs, replacements, remodeling, alterations, improvements and construction by Tenant at, to or on the Facility from and after the Commencement Date shall be made in accordance with this Lease and pursuant to approved permits and approvals required by applicable Health Care Authorities.

25. CONDITION OF PREMISES.

A. Tenant acknowledges that it is taking the Premises in its "**AS IS**," "**WHERE IS**" condition with "ALL FAULTS". By executing this Lease, Tenant confirms that it

has been afforded a full and fair opportunity to thoroughly inspect the Premises and has satisfied itself as to the condition and suitability of the Premises. Acceptance of possession of the Premises on the Commencement Date shall be deemed an acknowledgment by Tenant of Tenant's acceptance of the condition of the Premises. Tenant acknowledges and agrees that, except as otherwise provided herein, Landlord is not making any representation, warranty or covenant whatsoever with respect to the condition of the Premises, or any portion thereof, or their suitability for any particular purpose, and as a material provision of this Lease, waives any and all claims against Landlord related to the condition of the Premises

B. LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF THE PREMISES OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, OR AS TO THE NATURE OR QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, ENVIRONMENTAL REMEDIATION, OR COMPLIANCE WITH ALL ENVIRONMENTAL LAWS. TENANT HEREBY RELEASES LANDLORD FROM ALL CLAIMS WHICH TENANT OR ANY AGENT, REPRESENTATIVE, AFFILIATE, EMPLOYEE, DIRECTOR, OFFICER, PARTNER, MANAGER, MEMBER, SERVANT, SHAREHOLDER, TRUSTEE OR OTHER PERSON OR ENTITY ACTING ON TENANT'S BEHALF OR OTHERWISE RELATED TO OR AFFILIATED WITH TENANT, ARISING FROM OR RELATED TO THE PREMISES, INCLUDING ANY PHYSICAL OR ENVIRONMENTAL CONDITIONS, AS WELL AS ANY MAINTENANCE, REPAIR, OR UPGRADE OBLIGATIONS IMPOSED BY OSHPD OR OTHER GOVERNMENTAL AUTHORITY REGARDLESS OF WHETHER SUCH OBLIGATIONS PREDATE THE COMMENCEMENT DATE, AND TENANT SHALL NOT LOOK TO LANDLORD IN CONNECTION WITH THE FOREGOING FOR ANY REDRESS OR RELIEF FOR ANY MATTERS ARISING PRIOR TO OR AFTER THE COMMENCEMENT DATE. THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION EXCEPT AS TO MATTERS SPECIFICALLY SET FORTH IN THIS LEASE: (I) TENANT WILL ACQUIRE PREMISES SOLELY ON THE BASIS OF ITS OWN PHYSICAL AND FINANCIAL EXAMINATIONS, REVIEWS AND INSPECTIONS, AND (II) WITHOUT LIMITING THE FOREGOING, WAIVES ANY RIGHT IT OTHERWISE MAY HAVE AT LAW OR IN EQUITY AGAINST LANDLORD WITH RESPECT TO ANY ASPECT OF THE PREMISES.

_____	_____
Landlord Initials	Tenant Initials

26. <u>QUIET ENJOYMENT</u>. Landlord covenants that the so long as Tenant is not in Default and is timely paying the Rent and performing all the terms, covenants and conditions hereof on the part of Tenant to be performed, Landlord will not disturb Tenant's quiet enjoyment of the Premises.

27. REPORTING OBLIGATIONS.

A. Notice of Litigation. Immediately, but in any event no later than five (5) business days after receipt by Tenant of notice of the commencement thereof, Tenant shall provide Landlord with notice of all actions, suits, and proceedings before any Governmental Authority affecting Tenant, or any permitted subtenants or assigns, which, if determined adversely to Tenant, or its permitted subtenants or assigns, could result in a judgment equal to or greater than One Hundred Thousand Dollars ($100,000.00).

B. Notice of Regulatory Actions. Promptly after receipt by Tenant of the notice of commencement thereof, Tenant shall provide Landlord with notice of (i) any audit, investigation, claim (excluding adjustments, complaints, and corrective activity in the ordinary course of business), proceeding, settlement, judgment, consent order, or corporate integrity agreement by or imposed by any Governmental Authority, (ii) any suspension, disbarment or disqualification of Tenant from being a health care provider, government contractor, holder of any health care license or recipient of reimbursement from any third party payor, (iii) any suspension, termination, or revocation of any health care license of Tenant or (iv) any self or voluntary disclosure of any overpayment to a third party payor by Tenant.

C. No receipt of any such notice under subsections A and B shall impose any obligation on Landlord to take any action or to enforce its rights hereunder or otherwise remedy the circumstances leading to such notice.

D. During the Term, subject to applicable privacy laws, Tenant shall and shall cause any Manager (if applicable) of the Facility to provide Landlord with any and all documentation reasonably requested by Landlord regarding the Facility and its operations.

28. 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. Each party hereby agrees to indemnify, defend and hold the other party harmless from and against any and all claims, liabilities, costs and expenses of any kind (including reasonable attorneys' fees and expenses) in any way relating to or arising from a claim by any Person that such Person acted on behalf of the other party in connection with the transactions contemplated herein. The provisions of this Section 28 shall survive the expiration and termination of this Lease.

29. INTENTIONALLY OMITTED.

30. FACSIMILE OR ELECTRONIC SIGNATURES. The exchange of copies of this Lease and of signature pages by facsimile or electronic transmission shall constitute effective execution and delivery of this Lease as to the Parties and may be used in lieu of the original Lease for all purposes. Signatures of the Parties transmitted electronically shall be deemed to be their original signatures for all purposes.

[Remainder of page left intentionally blank. Signatures follow.]

Landlord Signature Page – Lease

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be executed as of the day and year first above written.

LANDLORD:

292 Applegarth Road Propco, LLC, a
New Jersey limited liability company

By: _____
Avrohom Tress, Authorized Signatory

[Tenant Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be executed as of the day and year first above written.

TENANT:

292 Applegarth Road Opco, LLC, a
New Jersey limited liability company

By: _____
Avrohom Tress, Authorized Signatory

List of Exhibits

EXHIBIT A LEGAL DESCRIPTION

Exhibit A
Legal Description

Parcel 7, as shown on a map entitled "Applegarth Road Improvement, Monroe Township, New Jersey, General Property Map, Applegarth Road and Clearbrook Plaza, Scale: 1" = 30', Sheet 2 of 4 Date: October 16, 1987, revised November 15, 1988 prepared by Schoor and DePalma.

BEGINNING at a point formed by the intersection of the existing westerly right of way line of Applegarth Road and the northerly line of Lot 3, Block 25 said right of way line being parallel to and distant 16.5 feet from the existing centerline of Applegarth Road as described in Deed Book 3114 Page 130; thence

1. In a southerly direction along the existing westerly right of way line of Applegarth Road, South 11 degrees 45 minutes West a distance of 236.94 feet, to a point in the northerly line of Lot 4, Block 41; thence

2. Westerly along the northerly line of Lot 4, Block 41, North 86 degrees 45 minutes West a distance of 5.40 feet to a point in the proposed westerly right of way line of Applegarth Road; thence

3. In a northerly direction along the proposed westerly right of way line of Applegarth Road, North 08 degrees 37 minutes 10 seconds East, also known as Project Survey Bearing North 02 degrees 22 minutes 29 seconds East a distance of 235.37 feet, to a point in the Northerly line of Lot 3, Block 25; thence

4. Easterly along the northerly line of Lot 3, Block 25, South 86 degrees 45 minutes East a distance of 18.39 feet to the point and place of Beginning.

As contained in declaration of takings in Deed Book 3857 Page 494 and Deed Book 3857 Page 521.

And further excepting all that property described in the Deed to the County of Middlesex dated December 6, 1991 and recorded on August 19, 1994 in Deed Book 4176 Page 231.

And more particularly described as follows:

BEGINNING at an iron pin set in the westerly sideline of Applegarth Road said point being South 05 degrees 37 minutes 09 seconds West a distance of 1470.02 feet along the westerly sideline of Applegarth Road from the intersection of said westerly sideline of Applegarth Road, as projected with the southerly sideline of Cranbury - Half Acre Road, and from said point running:

Thence (1) along Applegarth Road, South 05 degrees 37 minutes 09 seconds West a distance of 387.75 feet to an iron pin set;

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE TOWNSHIP OF MONROE, COUNTY OF MIDDLESEX, STATE OF NEW JERSEY AND IS DESCRIBED AS FOLLOWS:

Tract One (Lot 4 Block 25)

BEGINNING in the center line of the road leading from Applegarth to Prospect Plains at the Southeasterly corner of lands formerly of Thomas Johnson, now of the Estate of Peter F. Day, thence

1. Southerly along the center line of said Road, 150.00 feet; thence

2. Westerly parallel with the southerly line of said lands formerly of Thomas Johnson, now of the Estate of Peter F. Dey, 1092.00 feet, more or less, to the line of lands formerly of Peter W. Appleget, now of Charles L. Dey; thence

3. Northerly along said last mentioned lands, 150.00 feet, more or less, to a point distant 148.18 feet northerly as measured at right angles from the second courses hereinabove described; thence

4. Easterly parallel with the said second course and along the southerly line of lands formerly of Thomas Johnson, now of the Estate of Peter F. Dey, aforesaid, 1106.82 feet, more or less, to the place of BEGINNING.

Tract Two (Lot 3 Block 25)

BEGINNING in the middle of the road leading from Prospect Plains to the Red Tavern and in the line of land set of to Abigal Johnson as her dower in Thomas Johnson's Estate; thence

1. North 86 degrees 45 minutes West 12 chains and 32 links to a corner; thence

2. North 04 degrees 15 minutes East 03 chains and 15 links;

3. South 86 degrees 45 minutes East 12 chains and 79 links;

4. South 11 degrees 45 minutes West 03 chains and 59 links to the place of Beginning.

Excepting from the aforesaid so much as described as follows:

Thence (2) South 87 degrees 05 minutes 06 seconds West a distance of 1031.40 feet to an iron pipe found;

Thence (3) North 01 degrees 33 minutes 24 seconds West a distance of 148.30 feet to a concrete monument found;

Thence (4) North 87 degrees 01 minutes 19 seconds East a distance of 284.36 feet;

Thence (5) North 01 degrees 54 minutes 51 seconds West a distance of 238.92 feet to an iron pin set;

Thence (6) North 87 degrees 18 minutes 07 seconds East a distance of 797.05 feet to the Point of BEGINNING.

BEING ALSO KNOWN AS (REPORTED FOR INFORMATIONAL PURPOSES ONLY):
Lot 3.01 Block 25 on the Official Tax Map of the Township of Monroe, County of Middlesex, State of New Jersey.